

REPORT FROM THE CHAIRPERSON OF THE SUPERVISORY BOARD

The Supervisory Board of BAWAG Group AG properly fulfilled all duties incumbent upon it by law, its Articles of Association and its Rules of Procedure. The Management Board informed the Supervisory Board of all material issues in a timely and comprehensive manner either in writing or verbally. In addition to periodic meetings, the Chairpersons of the Supervisory Board and the committees of the Supervisory Board discussed current business matters with the Management Board members. Further details regarding the composition of the Supervisory Board and its committees as well as their working procedures are disclosed further below.

SUPERVISORY BOARD

As of 31 December 2022, the Supervisory Board consisted of four female and five male members, resulting in a 44.4% quota in terms of female representation at the Supervisory Board. The Supervisory Board focused on the annual financial statements and the consolidated financial statements for 2021 and discussed the appointment of the external auditor for 2023.

Other material topics which the Supervisory Board dealt with were BAWAG Group's strategy and budget, the risk strategy and the mid-term plan and topics related to the board's self-evaluation and succession planning, both at the level of the Management Board as well as at the level of BAWAG's Senior Leadership Team. The Supervisory Board also dealt with the acquisitions of Idaho First Bank and the portfolio purchase from Sberbank as well as the integration of DEPFA and Hello bank! Austria. Furthermore, the Supervisory Board was regularly updated about all relevant developments and measures in connection with the Russia-Ukraine-crisis. It also received updates on the City of Linz litigation and the Recovery Plan and resolved on BAWAG's € 325 million share buyback program which was launched in July 2022. The Supervisory Board was also involved in connection with the stock participation programs which BAWAG rolled out in 2022 on a groupwide basis, i.e. the BAWAG Employee Participation Program 2022 as well as the BAWAG Matching Program 2022.

SUPERVISORY BOARD COMMITTEE MEETINGS

Audit and Compliance Committee

The Audit and Compliance Committee discussed the quarterly reports by Internal Audit and the Compliance Office as well as the 2023 audit plans of Internal Audit and of Compliance. The annual audit process for 2022 was also presented. Furthermore, regular updates on compliance/conduct including ethics and AML topics were given, including updates on cybersecurity, data security and data privacy. The external auditor as well as the Head of Internal Audit attended all meetings.

Risk and Credit Committee

The Risk and Credit Committee discussed the Group Risk Report, which includes the calculation of the risk-bearing capacity and reports on credit, market and operational risk. In addition, regulatory updates including reports on credit, market, liquidity and operational risk and complaint management and credit risk updates in light of the Russia-Ukraine-crisis as well as the risk planning guidelines were presented to the committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee approved amendments of the remuneration policy pursuant to the Austrian Banking Act and also prepared the remuneration report for the Supervisory Board and the Management Board which was presented to the General Meeting. In addition, the annual Fit & Proper assessment of the Supervisory Board and the Management Board members was performed. The Committee also dealt with BAWAG's organizational structure, gender diversity and succession planning topics, including the implementation of a succession planning policy which covers

succession planning at the level of the Management Board as well as at the level of BAWAG's Senior Leadership Team. It has set the 2022 targets for the Management Board

ESG Committee

The ESG Committee which was established in 2021 discussed broad ESG updates which also included details on BAWAG's ESG organization, its ESG framework and the ECB questionnaires on climate-related and environmental risks.

All committees also reported their discussions and decisions to the entire Supervisory Board.

ANNUAL FINANCIAL STATEMENTS

The annual financial statements and the consolidated annual financial statements for 2022 were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungs-gesellschaft headquartered in Vienna. The audit revealed no reason for objections. The legal regulations were complied with in full, and an unqualified auditor's opinion was issued. After an in-depth discussion, the Supervisory Board approved and adopted the annual financial statements in accordance with Section 96 Para 4 Stock Corporation Act. In addition, the Supervisory Board reviewed the separate consolidated non-financial report. The consolidated financial statements were noted by the Supervisory Board.

In conclusion, I would like to express my sincere thanks to the Management Board as well as all employees within BAWAG Group on behalf of the entire Supervisory Board for their performance and sustained commitment in 2022.

February 2023

Egbert Fleischer
Chairperson of the Supervisory Board of BAWAG Group AG