

# 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.

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## SUPERVISORY BOARD

As of 31 December 2023, 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 2022 and discussed the appointment of the external auditor for 2024.

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 M&A- related topics, received updates on the Recovery Plan, the results of the ECB Stress Test and resolved on BAWAG's € 175 million share buyback program.

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## 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 2024 audit plans of Internal Audit and of Compliance. The annual audit process for 2023 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. In addition, the committee discussed the process as well as the criteria for the selection of the auditor for the year 2025. The external auditor attended three, the Head of Internal Audit attended four meetings (out of five 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, the risk planning guidelines were presented to the committee.

### **Nomination and Remuneration Committee (split into Nomination Committee and Remuneration Committee as of 31 March 2023)**

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 and ultimately approved by 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.

**Nomination Committee (established 31 March 2023, members appointed 13 April 2023)**

The Nomination Committee held no meeting in 2023 since its establishment per 31 March 2023.

**Remuneration Committee (established 31 March 2023, members appointed 13 April 2023)**

The Remuneration Committee approved amendments of the remuneration policy pursuant to the Austrian Banking Act and has set the 2023 targets for the Management Board. In addition, it approved to introduce new employee benefits (BAWAG Employee Participation Program, BAWAG Cash Profit Participation Program, BAWAG 3+1 Matching Program) which modernized BAWAG's benefit landscape.

**ESG Committee**

The ESG Committee discussed broad ESG updates which also included details on BAWAG's ESG strategy, its ESG risk portfolio split and social initiatives.

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

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## ANNUAL FINANCIAL STATEMENTS

The annual financial statements and the consolidated annual financial statements for 2023 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 2023.

February 2024

Egbert Fleischer  
Chairperson of the Supervisory Board of BAWAG Group AG