

# Addiko Bank AG Remuneration Report 2024

Addiko Bank



# Addiko Bank

This remuneration report provides a comprehensive overview of the remuneration paid or granted to current and former members of Addiko Bank AG's Supervisory Board and Management Board members for the business year 2024.

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## 1. Key Highlights of the Business Year 2024

Addiko Group is proud of looking back on a year that has again highlighted the Bank's resilience, adaptability and commitment to delivering value to its customers. The net profit was increased for the third consecutive year, reaching EUR 45.4 million or a 10-percent improvement compared with the previous year. Addiko Group managed to improve its profitability as the Bank gained new customers, delivered on its promises to the existing clients and successfully repriced Addiko's offerings in an environment of high interest rates. Moreover, the Bank has further strengthened its reputation as a leading specialist bank, recognized for the fast decisions on loan offerings, enhanced digital services and full dedication to customer satisfaction.

The year 2024 also brought unexpected developments with the takeover offers by Agri Europe Cyprus and Nova Ljubljanska Banka in addition to several changes in the shareholder base. The latter has led to the recommendation by the ECB to suspend the dividend payment for the financial year 2024.

Despite the complex situation on the shareholder side and the impact of the takeover offers on the Bank, Addiko Group has achieved a solid financial performance, underscoring the strength of its business model and long-term strategic vision.

The operating result of the Addiko Bank Group improved by 8.1% to EUR 112.3 million. Consumer lending activities outperformed the Bank's plans with loan growth of 10% year-over-year while the SME segment remained below expectations due to muted demand and a highly competitive environment. Addiko Bank has kept the premium pricing approach and, at the same time, launched several initiatives to address the unique environment of the SME market. Without the costs related to the takeover offers, Addiko's operating result would have seen an increase of 11%.

Addiko's strategic "Acceleration Program", which was launched in 2023, was completed at the end of the financial year 2024 and continued to drive substantial improvements across its three pillars: Business Growth, Operational Excellence & Digital Innovation and Best-in-Class Risk Management. The preparation of the Bank's expansion into Romania has been an integral part of this program. Addiko is set to go live with its fully digital consumer lending solutions in the first quarter of 2025.

The investments in digital capabilities have transformed how Addiko engages with customers and how the Bank markets its services to existing and potential clients. The Banking Group ran more than 60 marketing campaigns executed by its in-house digital marketing team in 2024, leveraging both online and offline media channels. Digital innovations, such as end-to-end loan solutions in key markets and the launch of new customer acquisition tools like the ID-only loan product in Bosnia and Herzegovina, have strengthened Addiko's position as a digital-first bank.

Looking ahead to 2025, the economic environment in Central and Southeast Europe (CSEE) presents both challenges and opportunities. With projected growth outpacing the European Union average, Addiko's efforts to refine and expand its unique value proposition, particularly in mobile banking, are well-timed. The integration of artificial intelligence into the Bank's processes will further enhance efficiency and elevate customer experience, ensuring that Addiko Group remains at the forefront of banking innovation.

## 2. Remuneration of Supervisory Board and Management Board

Addiko Group's compensation approach has been defined to be compliant with the most recent international and national regulatory requirements, including the following documents:

- Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (Capital Requirements Directive IV - "CRD IV")
- Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures ("CRD V")
- § 39(2), 39b and 39c of the Austrian Banking Act (Bankwesengesetz - "BWG") and the Annex to § 39b BWG
- § 78a of the Austrian Stock Corporation Act (Aktiengesetzes - "AktG")
- Commission Delegated Regulation (EU) 2021/923 of 25 March 2021 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material business unit's risk profile, and setting out criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution's risk profile that is comparably as material as that of staff members or categories of staff referred to in Article 92(3) of that Directive
- EBA Guidelines on internal governance under Directive 2013/36/EU (EBA/GL/2021/05) dated 2 July 2021
- EBA Guidelines on sound remuneration policies under Articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013 (EBA/GL/2015/22) dated 27 June 2016 repealed on 31st December 2021 by EBA Guidelines on sound remuneration policies under Directive 2013/36/EU (EBA/GL/2021/04) dated 2 July 2021
- FMA-Circular regarding §§ 39(2), 39b and 39c BWG on the Principles of Remuneration Policies and Practises (FMA-Rundschreiben zu §§ 39 Abs. 2, 39b und 39c BWG über Grundsätze der Vergütungspolitik und Praktiken) (Document-No 05/2022) dated 15 June 2022

At Addiko Group, remuneration is generally prescribed by the Group Remuneration Policy. For the members of the Group's Management Board, it is additionally elaborated in the Remuneration Policy of Addiko Bank AG's Management Board ("Vergütungspolitik des Vorstandes der Addiko Bank AG"), while for the members of the Group's Supervisory Board it is additionally elaborated in the Remuneration Policy of Addiko Bank AG's Supervisory Board ("Vergütungspolitik des Aufsichtsrates der Addiko Bank AG").



## 3. Supervisory Board Remuneration

Pursuant to § 98a in conjunction with § 78a Austrian Stock Corporation Act (“AktG”), the remuneration framework for the Supervisory Board defines the principles of remuneration of the Supervisory Board members of Addiko Bank AG (“Company”) as elected by the Annual General Meeting. This framework and the principles are described in the Remuneration Policy of the Supervisory Board of Addiko Bank AG (“Vergütungspolitik des Aufsichtsrates der Addiko Bank AG”).

Members of the Supervisory Board, who are not employed with a legal entity of Addiko, are being compensated for this mandate. Members of the Supervisory Board, who are employed with an Addiko entity, are not compensated for this mandate, as their supervisory activity is considered to be part of their official duties. This must be adequately regulated in the respective job/role descriptions and employment contracts within each Addiko entity. Works Council representatives, who are members of the Supervisory Board, do not receive payment for this role.

According to the Remuneration Policy of the Supervisory Board of Addiko Bank AG, Supervisory Board members’ remuneration packages consist of the following components:

1. Fixed remuneration - function payment, defined on annual level and aliquot to the period of assignment, based on the:
  - a. Role in the Supervisory Board and
  - b. Role in a Committee of a Supervisory Board Committee
2. Attendance fee for participation in a Working Group of the Supervisory Board (per meeting)

Any other components of the Supervisory Board members’ remuneration must not be linked to the performance of the area they are supervising.

### Supervisory Board remuneration for the business year 2024

The remuneration system for Addiko Bank AG’s Supervisory Board in the business year 2024 consisted of:

1. Fixed remuneration based on their role in the Supervisory Board (Figure 1),
2. Fixed remuneration based on their role in a Committee of the Supervisory Board (Figure 2),
3. Attendance fee for participation in a Working Group of the Supervisory Board (EUR 1,000 gross per meeting).

Figure 1 - Fixed remuneration by role in the Supervisory Board in 2024 (EUR gross)

Supervisory Board role	Annual amount
Chair	115,000
Deputy Chair	95,000
Member	75,000

Figure 2 - Fixed remuneration by role in a Committee of the Supervisory Board in 2024 (EUR gross)

Role in a Committee of the Supervisory Board (per Committee)	Amount
Chair	20,000 per Committee
Deputy Chair	10,000 per Committee
Working Group for participating in meetings of the respective Supervisory Board working group as convened by the chair of the Supervisory Board	1,000 per participation

During the financial year 2024, the aforementioned amounts remained unchanged, maintaining the same level as in the previous period.

During 2024, there was a change in the organization of the committees and, in accordance with regulatory requirements, the Nomination and Remuneration Committee was separated into two separate committees, the Remuneration Committee and the Nomination Committee.

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The total remuneration paid to the members of Addiko Bank AG's Supervisory Board for the year 2024 amounted to EUR 676,884.35. This sum was divided between the individual Supervisory Board members as presented in Figure 3.

Figure 3 - Remuneration of the members of Addiko Bank AG's Supervisory Board for 2024. (EUR gross)

Name	Supervisory Board role	Fixed remuneration	Other expenses <sup>1</sup>	TOTAL
Kurt Pribil	Chair	155,000.00	1,167.33	<b>156,167.33</b>
Johannes Proksch	Member / Deputy Chair	134,000.00	0.00	<b>134,000.00</b>
Sava Ivanov Dalbokov	Deputy Chair / Member	125,000.00	1,374.20	<b>126,375.20</b>
Monika Wildner	Member	125,000.00	185.11	<b>125,185.11</b>
Frank Schwab	Member	125,000.00	10,157.71	<b>135,157.71</b>

<sup>1</sup> Including travel expenses

In accordance with the Remuneration Policy of the Supervisory Board of Addiko Bank AG (*"Vergütungspolitik des Aufsichtsrates der Addiko Bank AG"*), no Supervisory Board remuneration was paid to the Supervisory Board members delegated by the Works Council, Mr. Christian Lobner and Mr. Thomas Wieser.

## 4. Management Board Remuneration

The principles of remuneration for Addiko Bank AG's Management Board are regulated in accordance with §78a of the Austrian Stock Corporation Act ("AktG") within the Remuneration Policy of Addiko Bank AG's Management Board ("*Vergütungspolitik des Vorstandes der Addiko Bank AG*").

The valid version of the Remuneration Policy of Addiko Bank AG's Management Board was confirmed by the Supervisory Board's Nomination and Remuneration Committee and was adopted by a resolution of the Supervisory Board on 8 March 2023 and subsequently confirmed by the majority of votes at Addiko Bank's Annual General Meeting (AGM) on 14 April 2023.

In addition to all regulatory requirements covered, the Remuneration Policy of Addiko Bank AG's Management Board is designed to align the Management Board members' objectives with the long-term interests of Addiko and its shareholders, while ensuring an appropriate balance between fixed and variable remuneration components.

### 4.1. Requirements for the Activation of Variable Remuneration

Variable remuneration components may only be paid if the financial position of Addiko is sustainable and the variable remuneration is justified. The right to receive variable remuneration as well as the deferred payments from previous years exists only if the basic conditions are met, as described below.

Variable remuneration can only be activated if the capital requirements are met. The capital requirements are defined by Addiko Group's SREP requirements.

If the capital requirements are not met at the end of the relevant performance year, the basic requirement is not met, which represents a knock-out criteria. This means that the variable remuneration for the performance year is not capitalized and not activated (this applies to any new bonus and deferred payments that would be due in the respective year).

Additional knock-out criteria will also be defined for each respective business year in order to activate the variable remuneration. These additional knock-out criteria are defined by the Supervisory Board each business year and could include measures from the following categories:

- Risk (e.g., Non-performing exposures, liquidity coverage ratio)
- Financial performance (e.g., Net profit)

### 4.2. Fulfilment of Performance Criteria for the Annual Bonus Scheme

The annual bonus scheme, as a form of performance-based variable remuneration, is determined based on the individual's success (in quantitative and qualitative terms) as well as the success of Addiko Bank AG. When deciding on any form of variable rewards for members of the Management Board, the Committee for Management Board Matters of the Supervisory Board considers performance criteria, the market situation and market trends, the appropriateness of bonus payments and risk trends. In case of termination of employment, entitlements and claims of members of the Management Board will be agreed on an individual basis.

Performance targets for the Management Board are set as a balanced combination of quantitative financial targets and non-financial targets, with a total weighting of 100%.

Quantitative targets are based on the approved budget for the respective year from the following categories:

- Business transformation (e.g., Number of customers with active performing loans in focus area, focus revenue growth, etc.)
- Risk (e.g., Non-performing exposures / NPE ratio, Non-performing loans / NPL stock, Net NPL migration ratio, etc.)
- Efficiency (e.g., Cost Income Ratio / CIR, Operating expenses / OPEX, Operating result / NBI - OPEX, Return on equity / ROE, etc.)
- Financial performance (e.g., Net profit, etc.)

## 4.3. Performance Acceleration Incentive Framework (PAIF)

The PAIF scheme is designed as a long-term reward scheme with a performance monitoring period of three years. It is composed of the main long-term component, that monitors achievements over a three-year period, and a second component that allows yearly adjustments.

The component that allows for yearly adjustments thereby provides the Supervisory Board with the ability to balance the incentive towards achieving the initially set long-term target at the end of the three-year period, and to consider external events within the three-year period such as having an additional mechanism in the case when the trigger for the long-term target has already been achieved (before the end of the performance period) or in case of an extraordinary drop in the share price in the previous year related to external events. Such component will be defined for each year of the three-year performance monitoring period.

The PAIF scheme is defined in addition to the annual bonus scheme. The aim of the PAIF scheme is to align the business strategy and long-term objectives of Addiko Group's senior management team with the interests of shareholders and to provide a long-term incentive for the management to ensure a sustainable development of Addiko Group.

In addition to the previously stated requirements for the activation of variable remuneration, the individual achievement of the Management Board member, calculated in accordance with the performance criteria for the Annual Bonus scheme, must not be lower than 50%.

Because of the long-term nature of the PAIF scheme and in order to ensure long-term sustainability of the capital structure, the Bank evaluates one additional long-term criteria, the Capital utilization for credit risk in the ICAAP (economic view).

In addition to the basic requirements / knock-out criteria, a PAIF performance measure linked to shareholder participation is defined for both the long-term component and the annual component that allows yearly adjustments.

Such PAIF performance measure is defined through the Total Shareholder Return (TSR). The TSR is calculated as the sum of:

- Capital gains or losses (the change of Addiko's share price at the Vienna Stock Exchange) and
- Distribution of Earnings/Dividends per share (paid in the performance period)

The change of the Addiko share price is calculated as a difference of the Volume Weighted Average Price (VWAP) of Addiko shares in the fourth quarter at the end of the performance period and the VWAP of Addiko shares in the fourth quarter before the beginning of the performance period.

The target TSR is expressed as an improvement during the performance period in percentage terms, based on the VWAP of Addiko shares in the fourth quarter before the beginning of the performance period, and reflects the expected additional shareholder value to be achieved in the performance period.

Target TSR values are determined for both the long-term component and the component that allows yearly adjustments ("annual component"). The target TSR for the long-term component was determined at the beginning of the three-year period and the target TSRs for the annual components are determined before the beginning of each year within the three-year cycle.

The target TSR is defined by the Supervisory Board of Addiko Bank AG.

## 4.4. Remuneration of Management Board Members Must be Clearly Defined in the Employment Contract

As defined in the Remuneration Policy of Addiko Bank AG's Management Board, the remuneration of Management Board members is to be determined as a combination of fixed, performance-based variable pay, and non-monetary remuneration. Fixed remuneration is based on the level of responsibility of the respective Management Board member, which constitutes a relevant part of the total pay.



Variable annual remuneration is linked to the achievement of predetermined individual targets and prudent risk management, and should in any case be in line with the maximum thresholds determined for variable remuneration.

#### 4.5. Maximum Thresholds Determined for Variable Remuneration

There must be a clear separation between the fixed and variable remuneration components.

In December 2022, the Supervisory Board of Addiko Bank AG resolved to increase the variable remuneration component for the CEO, the CFO and the CMO/CIO of the Management Board of the Bank to up to 200% of the annual fixed remuneration and for the CRO to up to 100% of the annual fixed remuneration for the financial years 2023, 2024 and 2025, subject to i) all necessary internal approvals, ii) if required, necessary regulatory approvals and /or non-prohibitions and iii) quantitative and qualitative assessments of individual targets in line with EBA Guidelines on sound remuneration policies, and the FMA Circular on Principles of Remuneration Policies and Practices. This proposal does not increase the previously approved remuneration package of the members of the Management Board of Addiko Bank AG, only the target amount of the newly defined Performance Acceleration Incentive Framework („PAIF“) award was increased, while the amounts of annual fixed and variable remuneration remained unchanged. The PAIF relates to a performance period of three years, starting in the financial year 2023, and the variable compensation component can only exceed the fixed compensation component if targets are met within the performance period.

In accordance with the previously mentioned and approved variable remuneration, the components of remuneration of the members of the Management Board of Addiko Bank AG may be, in case of the activation of the PAIF long-term component, as follows:

- For the CEO Mr. Herbert Juranek to up to 162% of the fixed remuneration component,
- For the CMO/CIO Mr. Ganesh Krishnamoorthi to up to 135% of the fixed remuneration component,
- For the CFO Mr. Edgar Flagggl to up to 135% of the fixed remuneration component and
- For the CRO Mr. Tadej Krašovec to up to 75% of the fixed remuneration component.

The above stated maximum thresholds determined for variable remuneration are, in each case, valid for the three-year performance cycle, the financial years 2023, 2024 and 2025.

#### 4.6. Risk Assessment for the Variable Remuneration

##### Ex-ante Risk Adjustment

For every newly issued reward, the ex-ante risk assessments are conducted using the following indicators:

- Average PD of performing portfolio,
- Cost-of-Risk,
- Stage 2 share of performing portfolio,
- Risk Bearing Capacity.

In case the above-mentioned indicators are worse than the defined thresholds which are approved by the Supervisory Board within the targets for the annual budget, the underlying impact on the risk profile indicates the need for a possible risk adjustment. Based on a decision of the Group Supervisory Board, a (ex-ante) risk adjustment up to the full amount of the otherwise awarded variable remuneration of Identified Staff can be applied.

##### Ex-post Risk Adjustment

Addiko can use ex-post risk adjustments and decrease payment (Malus) or ask the individual to pay back if the payment was not justified (Claw back) under the predefined rules.

Employment contracts for active Management Board members contain a Malus and Claw back clause. Malus and Claw back could be applied to all types of variable remuneration. Malus and Claw back can be applied independently, and the relevant Addiko Group bodies have the discretion and the legal right to decide whether a Malus or Claw back situation exists and what the appropriate action is. The period during which Malus can be applied is equal to the defined period of deferral, while Claw back actions can be applied on a part or on the entire variable payment that had been paid out

depending on the specifics set in the employment contract as well as implications from labour, civil and criminal law depending on the specific circumstances (in particular in case of fraud).

## Malus

Performance related adjustment as a Malus arrangement will be activated in case:

- the Company is suffering a significant downturn in its financial performance - affecting the variable payment of the performance year and the deferrals on a Group-wide basis, except a significant downturn was planned and budgeted and no knock-out criteria apply. The quantitative definition of significant downturn thresholds will be part of the annual target KPI setting, which has to be approved by the Supervisory Board of Addiko Bank AG;
- significant changes in the Company's economic or regulatory capital base take place - affecting both variable payments of the performance year and deferrals on an Addiko Group wide basis;
- evidence of misbehaviour or serious error by the employee is detected - affecting both variable payments of the performance year and deferrals on an individual basis,
- the Company is suffering a significant failure of risk management - affecting both variable payments of the performance year and deferrals on an individual basis;
- regulatory sanctions are set, where the conduct of the employee contributed to the sanction - affecting both variable payments of the performance year and deferrals on an individual basis.

In case the below-mentioned multi-year assessment indicators are worse than the defined thresholds which are approved by the Supervisory Board within budget targets, the underlying impact on the risk profile indicates the need for the application of the malus arrangements:

- Loan portfolio vintage cohort analysis of default rate
- Loan portfolio vintage cohort analysis of stage 2 share

Based on a decision of the Group Supervisory Board, a (ex-post) risk adjustment up to the full amount of the deferred amount due for pay-out from the individual performance cycle (of the respective vintage cohort) can be applied.

The risk adjustment of total deferred instalments due for pay-out are conducted using the following assessment indicators:

- Inflow into Non-Performing Exposures (NPE Inflow)
- Non-Performing Exposure Ratio (NPE ratio)
- Coverage of Non-Performing exposure with provisions (NPE Coverage Ratio)

These three indicators are recognized and tracked in the recovery plan and within the Group Risk Appetite Framework. These indicators show the impact of management and sales activities in previous periods on the amount of risk that the Company has assumed within its portfolio and are constantly compared to predefined thresholds enabling constant tracking if the risk is above the limits that the Company is prepared to assume.

Based on a decision of the Supervisory Board of Addiko Bank AG, a (ex-post) risk adjustment up to the full amount of the deferred amount due for pay-out can be applied if the following indicators are “amber” or “red”:

- If an amber level recovery plan threshold is breached for more than 6 months
- if a red level threshold is breached for more than 3 months.

## Claw back

A Claw back should be used in the case of:

- fraud or contribution to fraud by the employee,
- when an employee has been released from the position upon disciplinary procedure based on a behaviour which had a weak/negative impact on the financial results or triggered a loss,
- the employee has contributed to weak or negative financial results,
- any other wilful or grossly negligent behaviour of an employee, which has led to a significant loss.

Depending on the circumstances as well as the applicable labour law, a Claw back might also be applied for staff that is not part of the Identified Staff (e.g., in case of fraud conducted to receive a bonus).

## **The principles of contract termination for members of the Management Board:**

Since it is in the interest of the Company and the Management Board members to ensure the stability of the Management Board, for the currently valid term of office it is defined that during the fixed term the Company or Management Board member shall only be permitted to terminate the agreement prior to its expiry upon good cause. Premature termination by notice without good cause is not possible for the Company nor the members of the Management Board.

## **The principles and conditions of the Company's retirement plan for the Management Board:**

No retirement plan has been implemented for the Management Board of Addiko Bank AG so far.

## **Stock Option Programme**

No stock option programme was implemented in the business year 2024.

## **D&O Insurance**

The members of the Management Board and the Supervisory Board of Addiko Bank AG are covered by a D&O insurance.

## 5. Remuneration of Active Management Board for the Year 2024

### 5.1. Fixed Remuneration

In addition to the base salary, the fixed remuneration component of members of the Management Board of Addiko Bank AG includes the car allowance and social security contribution amounts.

### 5.2. Variable Remuneration

The basic requirement for activation of the variable remuneration at Addiko for 2024 was defined by the Group's capital requirements as prescribed by SREP and other regulatory authorities.

#### Variable remuneration - Annual Bonus scheme

The additional knock-out criteria defined for the activation of the Annual Bonus scheme for 2024 was defined as follows:

- Addiko Group's Liquidity Coverage Ratio (LCR),
- Addiko Group's RAROC,
- Addiko Group's NPE volume.

If any knock-out criterion, basic or additional, would be met, the Annual Bonus would not be activated.

Figure 4 - Achievement of the knock-out criteria for activation of the Annual Bonus scheme for 2024 showing that basic requirement and all three additional knock-out criteria did not occur.

	Target	YE 2024 result
<b>Basic Knock-out criterion</b>		
Addiko Group's Total Capital Ratio	<= 18.35%	<b>21.0%</b>
<b>Additional Knock-out criteria</b>		
Addiko Group's Liquidity Coverage Ratio (LCR)	<= 120%	<b>364%</b>
Addiko Groups' NPE Ratio (EBA)	>= 5.0%	<b>2.9%</b>
Addiko Groups' Profit after tax	<= 0	<b>EUR 45.4 million</b>

The targets for 2024 are based on the approved budget for the year 2024 and thereby closely linked to activities of the Acceleration Programs.

The individual targets as approved by the Supervisory Board of Addiko Bank AG for the business year 2024, together with the achievement of the quantitative targets in the respective period, are presented in Figures 5a and 5b.

Figure 5a - Balanced Scorecard for the business year 2024 (CEO, CFO and CMO/CIO)

KPI Type	KPI Descriptions	weightage	2024 weighted target achievement <sup>1</sup>
Quantitative	Group Net growth focus clients	10%	<b>0.00%</b>
Quantitative	Group Net interest margin (in bps)	10%	<b>9.75%</b>
Quantitative	Group NPE Ratio (EBA)	10%	<b>8.38%</b>
Quantitative	Group NBI - OPEX	25%	<b>28.96%</b>
Quantitative	Group Net Profit	20%	<b>17.88%</b>
Qualitative	ESG strategy implementation	7.5%	<b>7.50%</b>
Qualitative	Preparation of the expansion project	7.5%	<b>5.25%</b>
Qualitative	Operational & Risk Excellence	10%	<b>10.00%</b>

<sup>1</sup> Exclusion of the extraordinary one-off expenses (€3.0m) related to the takeover offers reflected

Figure 5b - Balanced Scorecard for the business year 2024 (CRO)

KPI Type	KPI Descriptions	weightage	2024 weighted target achievement <sup>1</sup>
Quantitative	Group Net growth focus clients	10%	0.00%
Quantitative	Group NPE provision coverage (in %)	15%	9.34%
Quantitative	Group NPE Ratio (EBA)	20%	16.75%
Quantitative	Group NBI - OPEX	15%	17.38%
Quantitative	Group Net Profit	10%	8.94%
Qualitative	ESG strategy implementation	7.5%	7.50%
Qualitative	Expansion project - Risk Framework	7.5%	5.25%
Qualitative	Operational & Risk Excellence	15%	15.00%

<sup>1</sup> Exclusion of the extraordinary one-off expenses (€3.0m) related to the takeover offers reflected

Figure 6 illustrates the final bonus amounts for each member of the Management Board of Addiko Bank AG, calculated in accordance with the individual achievement for the business year 2024 and considering the maximum bonus amounts defined in their employment contracts.

Figure 6 - Bonus calculation for Management Board (MB) members in 2024 (EUR gross)

Name	MB member from - to	2024 Annual bonus
Herbert Juranek	01.01.-31.12.2024	307,020.00
Tadej Krašovec	01.01.-31.12.2024	100,200.00
Ganesh Krishnamoorthi	01.01.-31.12.2024	263,160.03
Edgar Flagg	01.01.-31.12.2024	197,370.00

## Variable remuneration - Performance Acceleration Incentive Framework (PAIF)

With regards to PAIF, the additional knock-out criteria were defined for the activation of the PAIF 2023-2025 scheme, as follows:

- Addiko Group's Liquidity Coverage Ratio (LCR),
- Addiko Group's NPE Ratio (EBA),
- Addiko Group's Profit after tax,
- Individual Achievement.

If any knock-out criterion, basic or additional, would be met, the Annual Bonus would not be activated.

Figure 7 - Status of the knock-out criteria for the activation of the 2024 Annual component of the PAIF 2023-2025 scheme, showing that the basic requirement and all four additional knock-out criteria did not occur.

	Target	YE 2024 result
<b>Basic Knock-out criterion</b>		
Addiko Group's Total Capital Ratio	<= 18.35%	21.0%
<b>Additional Knock-out criteria</b>		
Addiko Group's Liquidity Coverage Ratio (LCR)	<= 120%	364%
Addiko Groups' NPE Ratio (EBA)	>= 5.0%	2.9%
Addiko Groups' Profit after tax	<= 0	EUR 45.4 million
Individual Achievement	>= 50%	all above 80%

If the defined knock-out Criteria are not met, the PAIF scheme can be activated if the target Total Shareholder Return (TSR) is achieved.



The Target TSR value for the 2024 Annual component of 19.8% was defined by the Supervisory Board of Addiko Bank AG in December 2023. Considering the Volume Weighted Average Price (VWAP) of ADKO shares in the fourth quarter of 2023, which was equal to EUR 12.9600, the targeted increase of total shareholder value in 2024 was EUR 2.5661.

This means that the VWAP of Addiko shares in the fourth quarter of 2024 plus dividends per share paid in 2024 should be equal to or higher than EUR 15.5261 per share.

Figure 8 - Achievement of the 2024 Annual component of the PAIF 2023-2025 scheme, showing that the target Total Shareholder Return (TSR) is achieved.

Total Shareholder Return for 2024 PAIF - Annual Component	
Q4 2024 VWAP for activation of 2024 Annual PAIF component	19.6621
dividend per share paid in 2024	1.2600
<b>2024 Total Shareholder Return (TSR)</b>	<b>20.9221</b>

Figure 9 illustrates the final 2024 PAIF annual component amounts for each member of the Management Board of Addiko Bank AG. These amounts are calculated in accordance with the achievement of the TSR target for the year 2024 and the target PAIF amounts defined for the annual component 2024 in their employment contracts.

Figure 9 - PAIF 2024 Annual component amounts for Management Board (MB) members (EUR gross)

Name	MB member from - to	PAIF 2024 Annual Component
Herbert Juranek	01.01.-31.12.2024	280,000
Tadej Krašovec	01.01.-31.12.2024	100,000
Ganesh Krishnamoorthi	01.01.-31.12.2024	150,000
Edgar Flaggel	01.01.-31.12.2024	126,000

## Overview of total remuneration of active members of the Management Board for the business year 2024

For 2024, the members of the Management Board of Addiko Bank AG that were active during the period of the year earned EUR 3,703,144.45 gross in total, thereof EUR 1,523,750.03 gross as variable remuneration.

Figure 10 - Remuneration of the members of Addiko Bank AG's Management Board (MB) defined for 2024 (EUR gross) with a comparison to the remuneration paid for 2023

Name	MB member from - to	Base salary	Other fixed <sup>1</sup>	Total fixed	Variable remuneration	Total
Herbert Juranek CEO	01.01.-31.12.2024	650,020.00	32,343.57	682,363.57	587,020.00	1,269,383.57
	01.01.-31.12.2023	650,020.00	31,879.76	681,899.76	630,000.00	1,311,899.76
Tadej Krašovec CRO	01.01.-31.12.2024	500,000.06	32,343.57	532,343.63	200,200.00	732,543.63
	01.01.-31.12.2023	500,000.06	31,879.76	531,879.82	225,000.00	756,879.82
Ganesh Krishnamoorthi CMO/CIO	01.01.-31.12.2024	500,000.06	32,343.57	532,343.63	413,160.03	945,503.66
	01.01.-31.12.2023	500,000.06	31,879.76	531,879.82	450,000.00	981,879.82
Edgar Flaggel CFO	01.01.-31.12.2024	400,000.02	32,343.57	432,343.59	323,370.00	755,713.59
	01.06.-31.12.2023	400,000.02	31,879.76	431,879.78	351,000.00	782,879.78

<sup>1</sup> Other fixed includes car allowance and social security

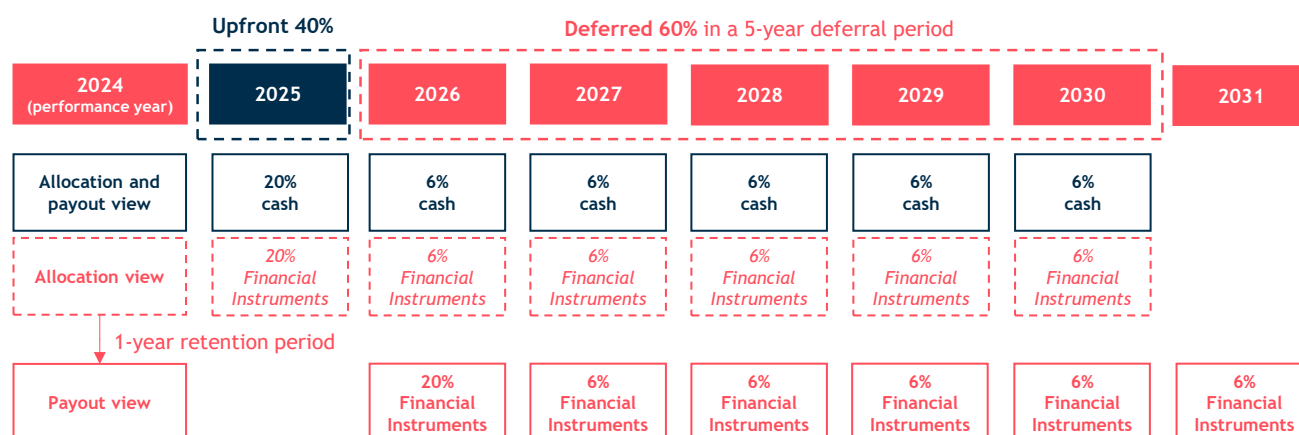
The payment of any performance related variable remuneration defined for 2024 will be initiated only if the Risk Assessment has been completed successfully and in accordance with regulatory requirements as described in the Remuneration Policy of Addiko Bank AG's Management Board ("Vergütungspolitik des Vorstandes der Addiko Bank AG").

# Addiko Bank

The variable remuneration of active Management Board members consists of a payment of 50% in cash and a payment of 50% in financial instruments linked to Addiko shares as follows:

- (i) In the first half of 2024, the Management Board member is entitled to a variable remuneration instalment amounting to 40% of the total variable remuneration, half of which is payable in cash and the second half in financial instruments. For the instalment in financial instruments, a retention period of one year is prescribed.
- (ii) The remaining 60% of the total variable remuneration will be deferred and the payout is distributed proportionally over a period of 5 years (12% per year), payable half in cash (6%) and half in financial instruments (6%). The cash instalments are paid as soon as possible after the end of the first / second / third / fourth / fifth financial year (at the latest by the end of the first half of 2026 / 2027 / 2028 / 2029 / 2030). According to the same scheme, the other half is to be paid out in financial instruments, with a retention period of one year for each instalment.

Figure 11 - Illustration of the allocation and payout model for the variable remuneration of Management Board members of Addiko Bank AG



The share price used to determine the number of financial instruments, for the remuneration cycle in the context of closing the financial year 2024, corresponds to the volume weighted average price of Addiko Bank AG shares (symbol: ADKO) at the Vienna Stock Exchange for the full year 2024. Based on the information from Vienna Stock Exchange, the volume weighted average price of Addiko Bank AG shares (symbol: ADKO) for the full year 2024 was 18.4770 EUR.

Considering the variable remuneration amounts defined for the business year 2024, the above-mentioned mechanism, and the average share price, the 50% of variable remuneration defined for the members of the Management Board will be transferred into financial instruments linked to Addiko shares as follows:

Figure 12 - Number of Financial instruments defined for the 2024 variable remuneration cycle

Name	2024 Variable remuneration	50% to be paid in financial instruments	VWAP for 2024 cycle	Number of financial instruments defined for 2024
Herbert Juranek	587,020.00	293,510.00	18.4770	15,885
Tadej Krašovec	200,200.00	100,100.00	18.4770	5,417
Ganesh Krishnamoorthi	413,160.03	206,580.01	18.4770	11,180
Edgar Flaggl	323,370.00	161,685.00	18.4770	8,750

The instalments allocated in financial instruments will be paid to the members of the Management Board of Addiko Bank AG in accordance with the mechanics outlined above.

## 6. Comparative Information on Remuneration and Company Performance

Figure 13 - Comparative information on the change of remuneration and company performance (2023 & 2024)

Management Board (MB) members' remuneration (fixed + performance related variable remuneration EUR gross)	2023	2024 vs. 2023	2024
<b>TOTAL<sup>1</sup></b>	<b>3,833,539.18</b>	<b>-130,394.73 or -3.4%</b>	<b>3,703,144.45</b>
Addiko Bank AG performance	2023	2024 vs. 2023	2024
Result after tax	41.1 m	+4.3 m or +10.5%	45.4 m
Operating result	103.9 m	+8.4 m or +8.1%	112.3 m
Operating expenses	-178.6 m	-13.8 m or +7.7%	-192.4 m
Cost-income ratio	60.5%	+ 0.42pp or +0.7%	60.9%
Average remuneration of Addiko Bank AG's employees (fixed + related variable remuneration EUR gross)	2023	2024 vs. 2023	2024
Addiko Bank AG's employees w/o MB members <sup>2</sup>	100,371.71	+1,393.41 or +1.4%	101,765.12

<sup>1</sup> a comparison of data at the level of individual members of the Management Board is shown in Figure 10 on page 13

<sup>2</sup> Addiko Bank AG employees in Austria

## 7. Management Board Remuneration from Previous Years Paid in the Year 2024

Since Addiko Bank AG met the criteria for small and non-complex institution in terms of point 145 of Article 4(1) of Regulation (EU) No 575/2013 and is not a large institution as defined in point 146 of Article 4(1) of Regulation (EU) No 575/2013, the following model concerning the payment of variable remuneration was applied to Addiko Group:

- (i) in the first half of the following financial year, a Management Board member is entitled to a variable remuneration instalment equal to 60% of the variable remuneration, payable in cash. The first instalment is paid as soon as reasonably possible, following the end of financial year for which it has been rewarded to the Management Board member (no later than end of the first half of Y+1)
- (ii) the remaining 40% of the variable remuneration shall be deferred and thus, paid out and proportionally allocated over a period of 5 years (8% per year), payable as soon as reasonably possible after the end of the first / second / third / fourth / fifth year, following the financial year for which it has been rewarded to the Management Board member (no later than the end of the first half of Y+2 / Y+3 / Y+4 / Y+5 / Y+6).

Exceptionally, in the case of the variable remuneration amount exceeding EUR 150,000, the first instalment was equal to 40% of the total variable remuneration, while 60% of the total variable remuneration amount was deferred and proportionally allocated over a period of 5 years.

From the payout cycle from the business year 2021 onwards, the payment of 50% in cash and 50% in Addiko shares was applied for the then active members of the Management Board. For the instalment in Addiko shares, a retention period of one year was prescribed.

By applying the payout models described above in the previous variable remuneration cycles (2017, 2018, 2019, 2021 and 2022), an amount of EUR 996,281.74 gross was due for payment in cash and paid in 2024 to Addiko Bank AG's Management Board members, of which EUR 440,468.74 gross was paid to active members and EUR 555,813.00 gross to former members of the Management Board.

For the active Addiko Bank AG's Management Board members, the total number of 31.513 financial instruments as physical shares was allocated in 2024.

Figure 14 - Variable remuneration instalments from previous years paid to active Management Board members in 2024 (EUR gross / number of financial instruments)

Name	Paid in 2024 (cash part)	Allocated in 2024 (part in financial instruments)
Herbert Juranek	159,033.43	11,709
Tadej Krašovec	59,921.01	4,450
Ganesh Krishnamoorthi	129,467.83	9,766
Edgar Flagg	92,046.47	5,606

In addition to the data from Figure 14, the former Management Board members Ulrich Kissing, Martin Thomas, Christian Kubitschek, Razvan Munteanu, Johannes Proksch, Csongor Nemeth and Markus Krause received deferred bonus payments of total EUR 555,813.00 gross, all paid in cash during 2024, on account of their previous work on the Management Board of Addiko Bank AG.