

Addiko Bank AG
2025 Disclosure Report
pursuant to Article 450
of the Capital Requirements
Regulation (CRR)

Addiko Bank



This Disclosure provides information in accordance with the requirements pursuant to Article 450 of the Capital Requirements Regulation (CRR) for the business year 2025.

1. QUALITATIVE DISCLOSURE - Remuneration Policy and practices (EU REMA)

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 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 Practices

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

With specific reference to Identified Staff, the Group People & Culture function establishes guidelines and coordinates a centralized and consistent management of remuneration and incentive systems. In compliance with both the Group Remuneration Policy and local regulation, Addiko Bank Austria AG and its legal entities apply the remuneration framework for all employees, with local adaptations based on specific regulations and/or business specifics.

In 2025, the local Remuneration Committees continued to support the local Supervisory Boards of the subsidiary banks. The Group Remuneration Policy is implemented locally across all Addiko Bank entities, with Group standards monitored by these committees as well as by the local Supervisory Board and Management Board, supported by the local People & Culture and Internal Audit units.

The remuneration system is aligned with the Group's long-term business strategy so that it includes the overall business strategy and quantified risk tolerance levels with a multi-year horizon. Variable remuneration serves to remunerate achievements by directly linking pay to performance (Group,

Bank, and individual performance). It also serves to motivate staff members to pursue the targets and interests of the Bank and enables them to participate in its success.

1.1. Composition and mandate of the Remuneration Committee

In 2025, the Remuneration Committee, as a committee of the Supervisory Board of Addiko Bank AG, consisted of six members (five elected members and one representative of the Works Council). It was tasked with overseeing and recommending changes to the Remuneration Policy of Addiko Bank AG in accordance with Sections 29 and 39c of the Austrian Banking Act (BWG). In addition, the Committee oversaw remuneration matters, including variable remuneration, and resolutions with an impact on the Bank's risk profile and its management.

The Remuneration Committee also cooperated with other committees of the Supervisory Board whose activities may have an impact on the design and proper functioning of remuneration policies and practices, for example the Credit & Risk Committee and the Audit, Compliance & AML Committee.

Group People & Culture provided the documents and data required to monitor the Remuneration Policy and remuneration practices and presented these to the members of the relevant committee. In addition, Group People & Culture, in its advisory role, supports the Management Board of Addiko Bank AG on remuneration matters.

The risk management function contributed to, and provided input on, the definition of suitable risk-adjusted performance measures (including ex-post adjustments). It also assessed how the variable remuneration structure affects the Bank's risk profile and risk culture. In addition, the risk management function validated and assessed the relevant risk adjustment data.

Without prejudice to the tasks of the Remuneration Committee, the Credit & Risk Committee was required to examine whether incentives provided by remuneration policies and practices took the Bank's risk, capital and liquidity position, as well as the likelihood and timing of earnings, into consideration.

The compliance function analysed how the Remuneration Policy affected the Bank's compliance with legislation, regulations, internal policies and risk culture, and reported identified compliance risks and instances of non-compliance to the management body in both its management and supervisory functions. The compliance function's findings were considered by the supervisory function during the approval and review procedures, as well as the ongoing oversight of the Remuneration Policy.

The Group Internal Audit function provided an independent review of the design, implementation and effects of the Bank's remuneration policies on its risk profile. In addition, the function performed the central review of compliance with applicable regulation as well as Group policies, procedures and internal rules, while all Addiko Group entities performed an independent review at local level.

The Remuneration Committee met 4 times throughout the year 2025.

During 2025, the Committee used the services of external consultants in connection with the new Long-term Incentive Plan (LTIP) of Addiko Bank AG, for period 2026-2028.

Revisions to the Group Remuneration Policy in 2025

In accordance with regulatory requirements, the Group Remuneration Policy must be revised at least once a year or upon regulatory change. Group People & Culture recommended the changes, while the Management Board of Addiko Bank AG, the Remuneration Committee and the Supervisory Board of Addiko Bank AG reviewed and approved the Remuneration Policy and the related changes twice in 2025.

The main changes of the Group Remuneration Policy compared to the previous year were driven by the aim to ensure a further improved alignment of the remuneration strategy with the strategic direction of the Group's material business activities, while complying with the latest regulatory updates. These changes included, among others:

- Clarification of duties between the Remuneration Committee and the Committee for Management Board Matters

- Deadline for target setting for new employees defined at five months
- Good leaver categories for LTIP aligned with categories for annual bonus
- Remuneration Policy of Other Staff: Deadline for target setting for new employees defined at five months, good leaver categories for LTIP aligned with categories for annual bonus, deletion of former Chapters 13 and 14 (Summary and Review Process), adding target setting principles for Control Functions
- Remuneration Policy of the Management Board: Good leaver categories for the LTIP aligned with categories for annual bonus for other Employees
- New LTI definition
- Clarification of Country Success Factor throughout the Policy
- Performance rating percentages and descriptions aligned with annually set targets
- Underperformance Management guidelines replaced with Guidelines for Managing Performance and Development
- Raised threshold for enhanced deferral rules from €150.000 to €175.000 or 100% of fixed pay
- Adding the Employee Referral Program within the variable remuneration section
- Acceptance of the performance targets as a mandatory condition for participation in the annual variable remuneration scheme

1.2. Criteria for the Identification of Staff

The process of identification of staff in entities of Addiko Group is based on the Regulatory Technical Standards on criteria to define managerial responsibility and control functions, a material business unit and a significant impact on its risk profile, and categories of staff whose professional activities have a material impact on an institution's risk profile (EBA/RTS/2020/05), the Articles 92 & 94 of Directive 2013/36/EU (the Capital Requirements Directive - CRD), the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 and EBA Guidelines on sound remuneration policies under Directive 2013/36/EU.

In accordance with the above regulations, it is considered that employees have a material impact on the risk profile of the Bank if the quantitative and / or qualitative criteria specified in the Regulatory Technical Standards are met.

For the purpose of determining identified employees at the beginning of the current financial year based on quantitative criteria, the Bank considers the total cash and non-cash benefits granted to the employee in the previous business year, regardless of when these benefits were paid or will be paid.

The Group periodically updates the process for determining Identified Staff, at least with regard to the qualitative criteria. Employees identified based on qualitative criteria for a period of at least three months in a business year are considered Identified Staff for that business year.

In 2025, 205 employees on overall Addiko Group level were defined as Identified Staff.

1.3. Fixed Remuneration

The main parameters for determining the amount of fixed remuneration are:

- Statutory and collective remuneration regulations
- The Group Remuneration Policy
- The Remuneration Policy of the Management Board of Addiko AG
- The job or role performed and job grading as defined in the Group Remuneration Policy
- The position within the Bank (hierarchy levels, assuming corporate responsibility, assessing past performance)
- Basic remuneration in line with market rates and the specific role (fulfilment is assessed by benchmarks)

1.4. Variable Remuneration

Variable remuneration components (including benefits that depend on performance) may be paid only if the financial position of the company is sustainable and the payment is justified.

All variable remuneration schemes are sufficiently flexible to be reduced, including to zero, if results are negative or if required by the competent supervisory authority. Variable remuneration may be granted only if the applicable capital requirements are met, as defined by the Addiko Group's SREP requirements.

If the capital requirements are not met at the year-end of the relevant performance year, the basic condition is not satisfied and the knockout criteria are triggered. In this case, annual variable remuneration for the respective year will not be activated and no bonus will be paid (including both new awards and deferred instalments due in that year). Additional knockout criteria defined for 2025 were as follows:

- Group's Total Capital Ratio $\leq 18.35\%$
- Group's Liquidity Coverage Ratio (LCR) $< 150\%$
- Group's NPE Ratio (EBA) $\geq 4.7\%$
- Group's Profit after Tax ≤ 0

1.4.1. Annual Bonus

Following the transposition of the European Banking Authority's CEBS Guidelines on Remuneration Policies and Practices into national law (Section 39b of the Austrian Banking Act (BWG), including the associated annex), Addiko Bank AG established a bonus policy aligned with legal requirements and implemented it across all entities of the Addiko Group.

Corporate success is measured by using defined performance and risk indicators. The staff member's individual performance is assessed via a Management By Objectives (MBOs) and / or the performance evaluation process.

Performance management contributes to the effective management of individuals in order to achieve high levels of organizational performance. The Performance Management process is conducted on an annual basis, and it includes:

1. Target Setting
2. Ongoing Performance Communication during the year
3. Annual Performance Review
4. Evaluation (i.e., performance calibration); and
5. Communication of Overall Performance Appraisal Rating and Remuneration

Targets for participants are defined in individual scorecards allowing for the assessment of individual results in the annual performance cycle. Targets are set as a balanced combination of quantitative / financial targets and discretionary / non-financial targets, with the total weighting of 100%. The individual scorecard is balanced and ensures that objectives are aligned with the business strategy, within the risk appetite and risk management framework of the respective banking entity.

Quantitative targets are based on budget and include targets from the following categories:

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

The specific targets are set for each business year. For each quantitative / financial target, the precise indicators (KPIs) for low (Floor), targeted (Target) and high (Cap) performance achievement are defined. The calculation of KPIs for quantitative targets is prepared by the CFO / financial controlling, risk management and other relevant functions. Final confirmation of those KPIs is

undertaken by the Supervisory Board. Qualitative / non-financial targets are defined based on business performance and the specific requirements placed on the Management Board and include, for example, team leadership skills, successful completion of business segment reporting, support for the Group-wide digital transformation, strengthening the risk culture.

The individual targets of employees are derived from the Bank's goals and the goals set for the corresponding organizational unit. They are compliant with the values prescribed in the Code of Business Conduct and Ethics as well as regarding the specifics of the job. Individual targets encourage employees to become more involved and to show extraordinary performance.

Target setting follows the guidelines explained below:

- Individual targets for employees in Control Functions reflect primarily the performance of their own function (to minimize potential conflicts of interest)
- B1-level managers should have 30% of their individual annual performance targets assigned as Corporate Targets, except for the Internal Audit B1 and the Compliance & AML B1 managers, for whom this share is set at 20%. The Board defines the Corporate Targets at the beginning of each business year.
- For all other employees, at least 10% of individual targets should be based on Addiko values and behaviours, corporate culture and the Code of Business Conduct and Ethics.

The prerequisite for fulfilling the performance criteria is the documented achievement of targets, which include agreed-upon financial and non-financial, as well as quantitative and qualitative, staff and departmental targets.

When calibrating performance, the following aspects are also taken into consideration:

- Managerial skills,
- collaboration with internal users,
- Compliance (regulatory compliance, internal audit findings, penalties, protection of interests and consumer rights).

The potential amount of the variable remuneration depends on the job / function performed by the employee and is capped at a maximum amount.

A bonus is the final step in the performance management process, in which performance-related remuneration complements fixed remuneration.

The annual bonus is determined considering three factors: Target bonus (defined by function and annual base salary), Company Success Factor (Group / Country performance) and Individual Performance (Individual Success Factor). The minimal overall Individual Success Factor for the activation of the variable remuneration is defined for all eligible participants.

In assessing individual performance, strict consideration is also given to breaches of conduct, compliance requirements or values, as well as findings and assessments by supervisory authorities or by Internal Audit, Compliance, Risk Management and People & Culture.

1.4.2. Performance Acceleration Incentive Framework (PAIF)

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

The component that allows for yearly adjustments provides the Supervisory Board with the ability to balance the incentive to achieve the initially set long-term target at the end of the three-year period and to take into account external events occurring during the period. This includes, for example, defining an additional mechanism where the trigger for the long-term target has already been achieved (before the end of the performance period) or where the share price decreased significantly in the previous year due to external events. This component is 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 the Addiko Group senior management team

with the interests of shareholders and to provide a long-term incentive for the management and the leadership team 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 participant, calculated in accordance with the performance criteria for the Annual Bonus scheme, must not be lower than 50%.

Due to the long-term nature of the PAIF scheme and to support the long-term sustainability of the capital structure, the Bank evaluates an additional long-term criterion: capital utilisation 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 will be 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 the Addiko share price on 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 will be 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.

1.5. Maximum Ratio of the Variable to Fixed Remuneration Component

Each Addiko Bank shall set in its Remuneration Policy explicit maximum ratio(s) on the variable component in relation to the fixed component of remuneration. This maximum ratio must be set for the different relevant categories of staff whose professional activities have a material impact on the risk profile of the Bank. The maximum balance between fixed and variable remuneration should be set in a sufficiently granular way.

In all cases, the separation between the fixed and variable components must be absolute. There must be no leakage between these two components.

In general, the variable remuneration component must not exceed 100% of the fixed component of the total remuneration for each individual. An entity within the Addiko Group may set a lower maximum percentage but may also propose to shareholders a higher maximum level of the ratio between the fixed and variable components of remuneration, provided that the overall level of the variable component does not exceed 200% of the fixed component of the total remuneration for each individual. Such exceptions may be justified provided they do not undermine the maintenance of a sound capital base for the Bank, in particular with regard to mandatory own funds requirements, and should be endorsed by Group People & Culture as well as Group Compliance, recommended by the Group Remuneration Committee and the Supervisory Board of Addiko Bank AG, and approved by the General Meeting of Addiko Bank AG. Any additional local law approval and reporting requirements must also be observed. At the end of 2022, Addiko Bank AG put forward a proposal for the Annual General Meeting (AGM) to increase the maximum ratio between fixed and variable remuneration for members of the Management Board of Addiko Bank AG (up to 100% for the Chief Risk Officer and up to 200% for other members of the Management Board). As the achievement of a higher ratio between

fixed and variable remuneration corresponds to the activation of the long-term remuneration component, and with the activation of the variable remuneration cycle for 2025, four members of the Management Board of Addiko Bank AG benefited from such increased maximum ratios.

The mix of fixed and variable remuneration for control function personnel should be weighted in favour of fixed remuneration. If they receive variable remuneration, this part should be based on function-specific objectives and should not be determined by the individual financial performance of the business area they monitor.

A more conservative approach is applied to control functions, and the upper limit of variable remuneration is set at one third of the total annual remunerations, so that the individual maximum amount of variable remuneration never exceeds 50% of the individual's annual fixed remuneration.

There were no employees within Addiko Group who were granted performance-driven annual variable remuneration for 2025 in the amount higher than the fixed remuneration for that year.

1.6. Effective Risk Management

When determining the variable remuneration pool or individual awards, Addiko Bank AG considers a full range of current and potential (unexpected) risks associated with the activities undertaken. Performance measures used to set the remuneration pool may not fully capture the risks assumed; therefore, ex-ante adjustments may be applied to ensure that variable remuneration remains aligned with the risks undertaken. The Addiko Group applies both quantitative and qualitative measures within its risk adjustment process. In assessing risk and performance, current and future risks are considered at the level of the staff member, the business unit, the Bank and the Group as a whole.

Ex-post risk adjustments of variable remuneration are applied in response to actual risk outcomes related to the employee's actions or to changes in relevant circumstances. This ex-post risk adjustment is an explicit risk-alignment mechanism through which the Addiko Group may adjust an employee's remuneration by applying malus arrangements or clawback clauses. In addition, the Remuneration Policy promotes effective risk management and does not encourage risk-taking beyond the regulated/tolerated risk level. All variable remuneration schemes are consistent with the Addiko Group's Internal Capital Adequacy Assessment Process (ICAAP) and its Internal Liquidity Adequacy Assessment Process (ILAAP).

Addiko Bank AG and all entities of the Addiko Group must consider the risks associated with their remuneration systems with regard to any potential impact on the Group's capital base on a consolidated and sub-consolidated basis.

Accordingly, Addiko Bank AG and all entities of the Addiko Group must include the impact of variable remuneration—both upfront and deferred amounts—in their capital planning and overall capital assessment process, taking into account their current capital position. Guidance on the process is provided by the respective control functions at local level and at Addiko Bank AG level.

The total variable remuneration awarded by an entity of the Addiko Group must not limit the ability of the institution to maintain or restore a sound capital base in the long term. When assessing whether the capital base is sound, the institution should consider its overall own funds—particularly Common Equity Tier 1 capital—its applicable capital requirements (including the combined buffer requirement, leverage ratio buffer requirement, and the minimum requirement for own funds and eligible liabilities), as well as any capital add-on and restrictions on distributions.

In line with EBA Guidelines on sound remuneration policies, as also defined in the Addiko Group Remuneration Policy, Addiko should evaluate the:

- indicators for ex-ante risk adjustment,
- indicators for ex-post risk adjustment,
- indicators for multi-year ex-post risk adjustment, and
- the impact of remuneration payout for 2025 on capital adequacy.

Ex-ante risk adjustment

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

- Average PD of performing portfolio,
- NPE Coverage Ratio,
- Stage 2 share of performing portfolio,
- Risk Bearing Capacity.

If the indicators listed above are worse than the defined thresholds approved by the Supervisory Board as part of the annual budget target setting, the resulting impact on the risk profile may indicate the need for a risk adjustment. Based on a decision of the Group Supervisory Board, an ex-ante risk adjustment of up to the full amount of the variable remuneration otherwise awarded to Identified Staff may be applied.

Ex-post risk adjustment

Entities of the Addiko Group may apply ex-post risk adjustments through malus arrangements (reducing or cancelling payments) or clawback provisions (requiring repayment where a payment was not justified), in accordance with predefined rules.

Malus and clawback may potentially be applied to all types of variable remuneration. They may be applied independently, and the relevant bodies within the Addiko Group have the discretion and legal right to determine whether a malus or clawback situation exists and which action is appropriate. Malus may be applied throughout the defined deferral period. Clawback may be applied to part or all of the variable remuneration already paid, depending on the provisions of the employment contract and the implications under applicable labour, civil and criminal law, including in cases of fraud.

Malus

A performance-related adjustment under a malus arrangement may be applied in the following cases:

- the Company is suffering a significant downturn in its financial performance - affecting the variable payment of the performance year and the deferrals on an Addiko 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 imposed, where the employee's conduct contributed to the sanction— affecting both variable payments of the performance year and deferrals on an individual basis.

Based on a decision of the Supervisory Board of Addiko Bank AG, an ex-post risk adjustment of up to the full amount of the deferred amount due for payout from the individual performance cycle (of the respective vintage cohort) may be applied.

The Risk adjustment of total deferred instalments due for payout 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 recognised and tracked in the recovery plan and within the Group Risk Appetite Framework. They show the impact of management and sales activities in previous periods on the level of risk assumed within the Company's portfolio and are monitored against predefined thresholds to identify whether risk remains within the limits the Company is prepared to assume.

Based on a decision of the Supervisory Board of Addiko Bank AG, an ex-post risk adjustment of up to the full amount of the deferred amount due for payout may 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.

Clawback

Clawback should be applied in cases including the following:

- 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 and applicable labour law, clawback may also be applied to staff who are not Identified Staff (for example, in cases of fraud committed to obtain a bonus).

Multi-year ex-post risk adjustment

If the multi-year assessment indicators listed below are worse than the defined thresholds approved by the Supervisory Board of Addiko Bank AG as part of the annual budget target setting, the resulting impact on the risk profile may indicate the need to apply malus arrangements.

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

Both indicators are assessed as follows:

- Calibration: based on the average NPE inflow / Stage 2 share over the next five business years following the reference year
- Assessment: based on the three-year average vintage cohort performance of the portfolio, compared to budgeted values for 2023

Impact of variable remuneration pay out for 2025 on capital adequacy

The objective of the analysis was the identification of effects of award and variable remuneration payout for 2025 on the capital adequacy from regulatory / normative (Pillar I) and internal/economic (Pillar 2) perspective.

Effective Risk Management - conclusion

In addition to the basic and additional requirements for variable remuneration activation, Addiko also evaluates indicators for ex-ante risk adjustment, ex-post risk adjustment and multi-year ex-post risk adjustment, as well as the impact of remuneration payout on capital adequacy.

The above-mentioned assessments are prepared by the Group Integrated Risk Management function and, prior to the discussion and conclusion of the Remuneration Committee, were analysed and discussed on the Credit & Risk Committee.

Based on the discussion on the Credit & Risk Committee, the opinion forwarded to the Remuneration Committee was that there was no indication of need for ex-post risk adjustment for deferred payouts and that remuneration payouts do not constitute a knockout due to all capital indicators being satisfied.

The Remuneration Committee considered, from the remuneration point of view, the possible need to adjust variable remuneration based on risk assessment. With regard to the opinion of the Credit & Risk Committee and further discussion, it was concluded that, according to the results of the risk

assessment, there is no reason to apply Malus or Claw-back and that the variable remuneration for 2025 can be activated.

1.7. Variable Remuneration Payout Model

Based on the currently valid regulation, a value threshold for deferring a variable remuneration has been defined. Having considered the risk profile and the nature of the credit business of Addiko Bank, a variable remuneration amount, calculated as the sum of all variable components of remuneration in a given performance year, shall be deferred only if:

- the variable remuneration amount is equal or higher than EUR 50,000 or
- the variable remuneration amount exceeds 1/3 (one third) of the individual's annual fixed remuneration

If local regulation is stricter than any of the thresholds stated above, the stricter thresholds apply.

Entities within the Addiko Group generally apply a variable remuneration payout model as described below:

- (i) in the first half of the following financial year, an employee will be entitled to a bonus instalment equal to 60% of the variable remuneration. The first instalment will be paid as soon as reasonably possible after the end of the financial year for which the employee has been rewarded (no later than the end of the first half of Y+1).
- (ii) the remaining 40% of the bonus shall be deferred and paid out proportionally over a period of five 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 the employee has been rewarded (no later than the end of the first half of Y+2/Y+3/Y+4/Y+5/Y+6).

Exceptionally, if the variable remuneration amount exceeds EUR 175,000, 60% of the total bonus amount will be deferred and paid out proportionally over a period of five years, payable as follows:

- (i) in the first half of the following financial year, the employee will be entitled to a bonus instalment equal to 40% of the bonus. The first instalment will be paid as soon as reasonably possible after the end of the financial year for which the employee has been rewarded (no later than the end of the first half of Y+1).
- (ii) the remaining 60% of the bonus shall be deferred and paid out proportionally over a period of five years (12% 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 the employee has been rewarded (no later than the end of the first half of Y+2/Y+3/Y+4/Y+5/Y+6).

The relevant Supervisory Board may propose (or, where required under local legislation, implement) a payment method combining cash and financial instruments for Identified Staff in accordance with the provisions and any stricter local law. Such a proposal may be made by the competent Supervisory Board during the target-setting process for the respective business year.

A clear summary of the financial instruments used for Management Board variable remuneration, including phantom shares (cash-settled, share-linked financial instruments), is provided in the quantitative disclosure. Details of these instruments are set out in the bonus letters, which complement the definitions in the Remuneration Policy.

Derogations

For the 2025 variable remuneration cycle, payout in financial instruments linked to Addiko Bank AG shares was applied for Group Management Board members at Addiko Bank AG in Austria, while other financial instruments were used at Addiko Bank d.d. in Slovenia, Addiko Bank d.d. in Croatia, Addiko Bank d.d. Sarajevo and Addiko Bank a.d. Banja Luka.

Addiko benefits from derogation laid down in Article 94(3) CRD point (b) in accordance with point (k) of article 450(1) CRR.

Number of staff benefiting from the derogation is 15.

Total remuneration: EUR 3,898,452 (Fixed: EUR 2,488,725; Variable: EUR 1,409,727).

Addiko Bank

Addiko Bank AG is not a large institution within the meaning of Article 4(1)(146) CRR. For remuneration purposes, the Bank applies the principle of proportionality pursuant to Article 94(3) CRD and Article 450(2) CRR and, based on a self-assessment, considers its activities to be non-complex.

For Identified Staff in Austria below Board level, whose variable remuneration exceeds the thresholds set out in Article 94(3)(b) CRD (Austrian Banking Act Appendix to Art 39b, point 13 (b)), Addiko applies the proportionality principle and ensures compliance with the following principles:

- sound governance of remuneration,
- performance-based assessment,
- risk-adjusted remuneration,
- prohibition of guaranteed bonuses (except sign-on, strictly limited),
- bonus cap (100% / 200% fixed-to-variable ratio, unless waived at national level),
- sufficient fixed remuneration to allow flexibility.

For Identified Staff whose variable remuneration remains below the thresholds in Article 94(3)(b) CRD, the requirements on deferral and the use of instruments under Article 94(1)(l) and (m) do not apply; therefore, no derogation is required for this population.

In Serbia and Montenegro, the local regulatory framework does not provide for the use of financial instruments for variable remuneration; therefore, variable remuneration is paid fully in cash. Addiko does not consider this an automatic application of the Article 94(1)(l) derogation, but rather a reflection of local legal constraints. Compliance with Article 94 of the Directive is assessed on a consolidated level, including the application of available derogations where applicable.

2. QUANTITATIVE DISCLOSURE - Capital Requirements Regulation (CRR), Article 450, ANNEX XXXIII

2.1. EU REM1 - Remuneration awarded for the financial year

		MB Supervisory function	MB Management function	Other senior management	Other identified staff
		Remuneration in €			
Fixed remuneration	Number of identified staff	22	22	116	45
	Total fixed remuneration	799,508 €	6,142,974 €	9,360,705 €	1,915,822 €
	Of which: cash-based (Not applicable in the EU)	799,508 €	6,142,974 €	9,360,705 €	1,915,822 €
	Of which: shares or equivalent ownership interests				
	Of which: share-linked instruments or equivalent non-cash instruments				
	Of which: other instruments (Not applicable in the EU)				
	Of which: other forms (Not applicable in the EU)				
	Variable remuneration				
Number of identified staff	0	21	106	35	
Total variable remuneration		7,198,626 €	2,329,044 €	131,414 €	
Of which: cash-based		3,918,390 €	2,253,994 €	131,414 €	
Of which: deferred		2,030,493 €	604,261 €		
Of which: shares or equivalent ownership interests		2,144,386 €			
Of which: deferred		1,286,632 €			
Of which: share-linked instruments or equivalent non-cash instruments					
Of which: deferred					
Of which: other instruments		1,135,849 €	75,051 €		
Of which: deferred		580,363 €	34,003 €		
Of which: other forms					
Of which: deferred					
Total remuneration		€ 799,508	€ 13,341,600	€ 11,689,749	€ 2,047,236

2.2. EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

<i>Remuneration in €</i>	MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards				
Guaranteed variable remuneration awards - Number of identified staff	0	0	0	0
Guaranteed variable remuneration awards -Total amount	0 €	0 €	0 €	0 €
Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
Severance payments awarded in previous periods, that have been paid out during the financial year				
Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	0	0	0	0
Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	0 €	0 €	0 €	0 €
Severance payments awarded during the financial year				
Severance payments awarded during the financial year - Number of identified staff	0	2	1	2
Severance payments awarded during the financial year - Total amount	0	183,750 €	41,695 €	78,102 €
Of which paid during the financial year		183,750 €	41,695 €	78,102 €
Of which deferred				
Of which severance payments paid during the financial year, that are not taken into account in the bonus cap				
Of which highest payment that has been awarded to a single person		93,750 €	41,695 €	58,275 €

2.3. EU REM3 - Deferred remuneration

Deferred and retained remuneration (in €)

	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. Changes due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
MB Supervisory function	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Cash-based								
Shares or equivalent ownership interests								
Share-linked instruments or equivalent non-cash instruments								
Other instruments								
Other forms								
MB Management function	7,278,685 €	2,137,459 €	5,141,225 €	0 €	0 €	0 €	1,699,925 €	437,534 €
Cash-based	4,258,533 €	1,496,625 €	2,761,908 €				1,496,625 €	
Shares or equivalent ownership interests								
Share-linked instruments or equivalent non-cash instruments	1,467,845 €		1,467,845 €					
Other instruments	1,552,307 €	640,835 €	911,472 €				203,300 €	437,534 €
Other forms								
Other senior management	117,676 €	53,944 €	63,732 €	0 €	0 €	0 €	52,069 €	1,875 €
Cash-based	108,593 €	46,736 €	61,857 €			-	46,736 €	
Shares or equivalent ownership interests								
Share-linked instruments or equivalent non-cash instruments								
Other instruments	9,083 €	7,208 €	1,875 €			-	5,333 €	1,875 €
Other forms								
Other identified staff	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Cash-based								
Shares or equivalent ownership interests								
Share-linked instruments or equivalent non-cash instruments								
Other instruments								
Other forms								
Total amount	7,396,361 €	2,191,404 €	5,204,957 €	0 €	0 €	0 €	1,751,994 €	439,409 €

2.4. EU REM4 - Remuneration of 1 million EUR or more per year

Remuneration in €		Identified staff that are high earners as set out in Article 450(i) CRR
1	1,000,000 to below 1,500,000	2
2	1,500,000 to below 2,000,000	1
3	2,000,000 to below 2,500,000	
4	2,500,000 to below 3,000,000	1
5	3,000,000 to below 3,500,000	
6	3,500,000 to below 4,000,000	
7	4,000,000 to below 4,500,000	
8	4,500,000 to below 5,000,000	
9	5,000,000 to below 6,000,000	
10	6,000,000 to below 7,000,000	
11	7,000,000 to below 8,000,000	

2.5. EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		Management body remuneration			Business areas							
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset mgmt.	Corporate functions	Independent internal control functions	All other	Total	
<i>Remuneration in €</i>												
1	Total number of identified staff											205
2	Of which: members of the MB	22	22	44								
3	Of which: other senior management				0	22	0	63	25	6		
4	Of which: other identified staff				0	12	0	25	8	0		
5	Total remuneration of identified staff	799,508 €	13,341,600 €	14,141,108 €	0 €	3,364,847 €	0 €	7,054,940 €	2,874,226 €	442,972 €		
6	Of which: variable remuneration	0 €	7,198,626 €	7,198,626 €	0 €	812,377 €	0 €	1,161,373 €	451,418 €	35,290 €		
7	Of which: fixed remuneration	799,508 €	6,142,974 €	6,942,482 €	0 €	2,552,470 €	0 €	5,893,568 €	2,422,808 €	407,681 €		

2.6. EU GPG - Gender pay gap (Addiko Bank AG Austria stand-alone view)

Total number of staff	110
Total number identified staff	21

	Representation of staff of different genders per quartile of remuneration level				Gender pay gap based on the total gross remuneration			
	All male staff in percent of all staff	All female staff in percent of all staff	All male identified staff in percent based on all identified staff	All female identified staff in percent based on all identified staff	Gender pay gap of all staff, based on median	Gender pay gap of all staff, based on mean	Gender pay gap of identified staff, based on median	Gender pay gap of identified staff based on mean
Quartile 1 (low)	50.00%	50.00%	80.00%	20.00%	-5.35%	-1.35%	-39.13%	-27.48%
Quartile 2 (low to medium)	57.14%	42.86%	40.00%	60.00%	-0.77%	-0.42%	1.03%	4.39%
Quartile 3 (medium to high)	66.67%	33.33%	100.00%	0.00%	-3.44%	-1.96%	100.00%	100.00%
Quartile 4 (high)	74.07%	25.93%	83.33%	16.67%	13.07%	56.40%	79.23%	80.33%
Total staff/identified staff	61.82%	38.18%	76.19%	23.81%	10.30%	47.49%	6.25%	59.06%

Statement of all Legal Representatives

The Management Board of Addiko Bank AG confirms to the best of their knowledge that the disclosures required set out under Part Eight of the Regulation (EU) No 575/2013 are made in accordance with the formal policies and internal processes, system and controls.

Addiko Bank AG

MANAGEMENT BOARD

Herbert Juranek m.p.
Chairman of the Management Board

Edgar Flaggl m.p.
Member of the Management Board

Tadej Krašovec m.p.
Member of the Management Board

Ganesh Krishnamoorthi m.p.
Member of the Management Board