

Excerpts of public disclosure ahead of Q2 2021 reporting

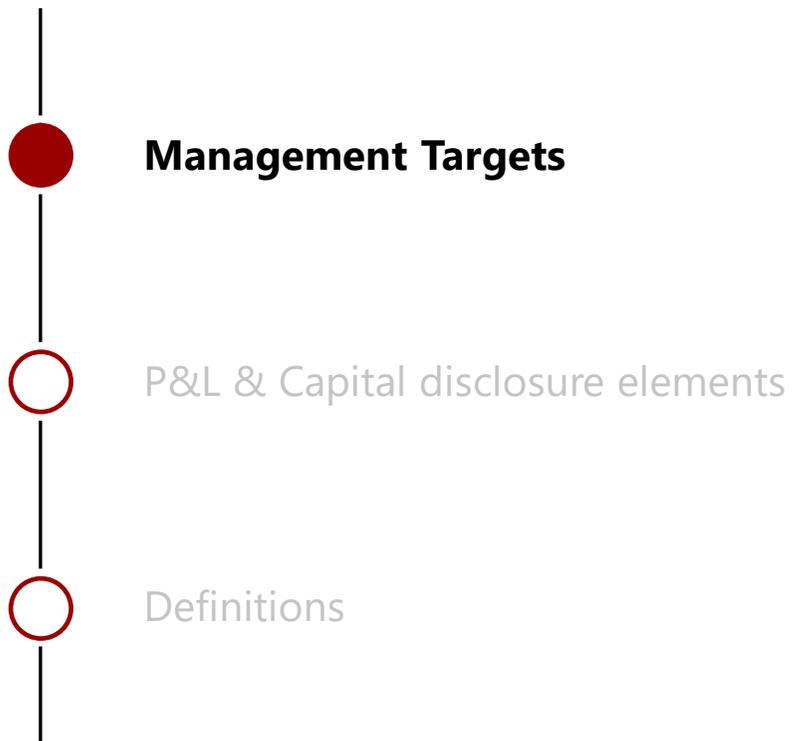
9 July 2021

Excerpts of public disclosure ahead of Q2 2021 reporting

This document provides excerpts of different public disclosure of BAWAG Group. The source of the excerpt is noted at each respective excerpt. Except where noted, the excerpts were prepared at the time of the Q1 2021 disclosure, are based on the Q1 2021 financial reporting as well as information released during Q2 2021 and were provided to you at such time. BAWAG Group has not and expressly disclaims any obligation to update or alter any statements therein, including without limitations any forward-looking statements, whether as a result of new information, future events, or otherwise.

The information in this document is to be read together with the Q1 2021 earnings presentation as well as the transcript of the earnings call of Q1 2021 as well as all releases published since then.

Documents can be found on our website under <https://www.bawaggroup.com/BAWAGGROUP/IR/EN/Financial-Results> unless stated otherwise.



2021 Outlook

OUTLOOK 2021

Core revenues FY '20: €1,171m	~2% growth
Other income FY '20: €1m	€0m expected
Operating expenses: FY '20: €520m	Below €485m
Regulatory charges FY '20: €59m	~€60m expected
Risk costs FY '20: €225m	> 40% reduction

TARGETS

2021	RoTCE > 13%	CIR < 41%
MID-TERM <i>Based on normalized environment</i>	RoTCE > 15%	CIR < 40%

Annual General Meeting
Q4 '21

Capital Markets Day
November '21



1

Revenues

> Core revenues

"Net interest income down 2% versus Q4 '20 due to day count with a stable net interest margin of 228 basis points, in line with Q4 '20. We still see an overall positive trend resulting from higher interest-bearing assets in prior quarters and consistent with prior quarters we expect our asset mix to change into more secured lending.

In terms of net commission income, it was up 5% versus fourth quarter and we saw a continued improvement with a stronger advisory business despite the lockdown situation.

We expect the second quarter to look very similar to the first quarter given the existing lockdown measures, for the full year we still expect core revenues to grow by 2% assuming a normalization of customer activity in the second half of the year."

Source: Webcast transcription Q1 2021

2

Risk cost and operating expenses

> "... on the risk cost we are already below 30 basis points, which is in line with our guidance that we gave on Q4 '20 as well as now being just 40% less than last year. Again, without releasing any credit reserves, **second quarter I would assume to be quite similar** from kind of the early developments you are seeing in the first couple of weeks."

Source: Webcast transcription Q1 2021

> "Underlying operating expenses came down almost 2 points year-over-year and showed a positive trend in Q1 as well. Cost-income ratio was at 40.5% for the quarter. Absolute costs came in at below € 122 million and we expect further gradual OpEx decreases over the coming quarters."

Source: Webcast transcription Q1 2021

> "Q1 2021 Regulatory charges of € 54m representing 90% of full year charge"

Source: Earnings presentation Q1 2021

Note. Q2 2021 regulatory charges approximately € 2 million

3

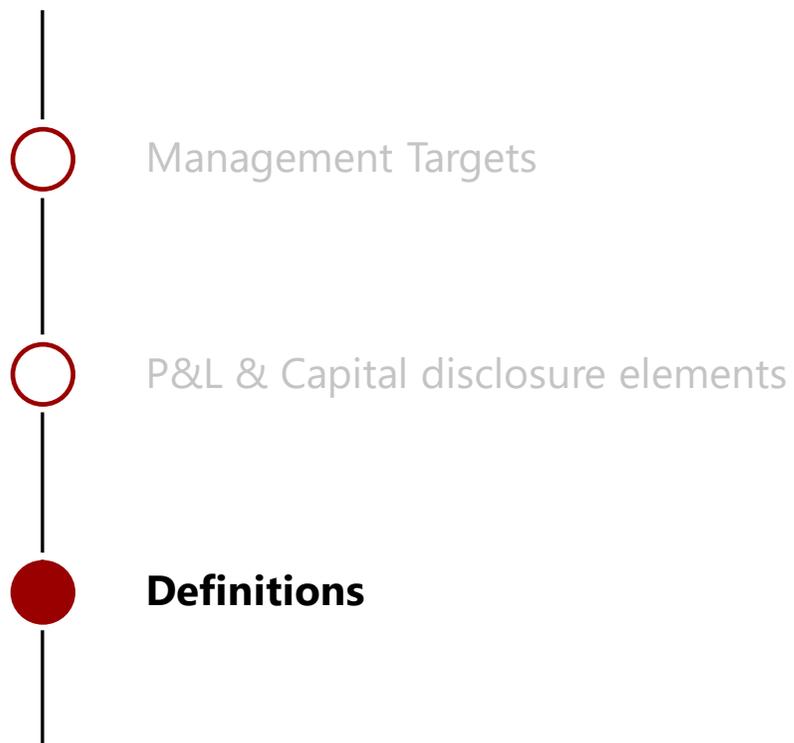
Capital development

> "at the end of the first quarter, our CET1 ratio was 14.2% after deducting the remaining earmarked dividends from profit reserves of € 420 million and deducting the first quarter 2021 dividend of € 37 million. We are fully committed to distributing the remaining earmarked dividends of € 420 million, as we look to honor commitments to shareholders and believe the bank's continued resilience and overall strong capital levels position us well to resume ordinary capital distributions. From today's perspective, we anticipate this is a fourth quarter event."

Source: Webcast transcription Q1 2021

> "For the quarter, we generated 40 basis points of gross capital and continue to consistently generate significant amounts of capital, averaging over 220 basis points annual gross capital generation over the past four years"

Source: Webcast transcription Preliminary Q1 2021



Definitions of return and efficiency ratios

<u>Reported ratios</u>	Definition
Cost-income ratio	Operating expenses / operating income
Risk costs / interest-bearing assets; (risk cost ratio)	Total risk costs (Provisions and loan loss provisions, impairment losses and operational risk) / average interest bearing assets
Common Equity Tier 1 (CET1) ratio	Common Equity Tier 1 (CET1) capital / risk-weighted assets; CET1 capital including profit and dividend accrual
Return on tangible common equity	Net profit / average tangible common equity
Pre-tax earnings per share	Profit before tax / weighted average number of shares outstanding
After-tax earnings per share	Net profit / weighted average diluted number of shares outstanding



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