



 **BAWAG**
Group

BAWAG Group

COMPANY PROFILE

One of Austria's leading retail banks with **2.4 million customers & solid market shares**

2019 results: €459m net profit, 16.1% RoTCE, CIR 42.7% and CET1 ratio 13.3%

Focused on developed markets ... DACH region, Western Europe and the United States

Organic & inorganic growth in DACH region and developed markets

Simple & consistent product offering across multiple channels

Developing more towards a Retail & SME franchise ... targeting mid-term 80% profit contribution from Retail & SME (versus 67% in 2019)

CAPITAL MANAGEMENT



Focused on organic and inorganic growth



Dividend policy of 50% payout ratio of net profits



Committed to returning excess capital to shareholders

MEDIUM-TERM TARGETS

Based on normalized environment

Return on tangible common equity (RoTCE)

> 15%

Cost-income ratio

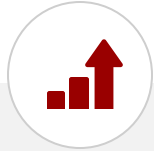
< 40%

OUR STRATEGY



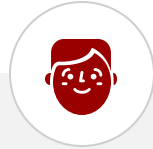
Strategy

4 pillars of our growth strategy



Growing in our core markets

- Our foundation is Austria with focus on DACH region and developed markets
- Grow into current account market share entitlement of up to 20% in Austria across core retail products
- Organic growth drivers ... Partnerships & platforms, enhancing digital engagement and growing share of wallet of 2.4 million customer base
- Inorganic growth drivers ... pursuing earnings-accretive M&A meeting our Group RoTCE targets >15%



Focus on Customer Centricity

- Build multi-channel and multi-brand franchise from branches-to-partners-to-brokers-to-platforms-to-digital products across the entire Retail & SME franchise
- Physical network focused on high-touch and high-quality advisory
- Leverage technology to simplify processes and reduce complexity
- Enhance analytical capabilities to improve customer experience
- New partnerships and lending platforms to provide 24/7 customer access



Drive efficiency through operational excellence

- Our DNA is to focus on the things we control ...“Self-help” management
- Simplify, standardize, and automate products offerings across all channels
- Create simple processes ... wing-to-wing digitization focus across the Bank
- Continuously optimize our processes, footprint, and technology infrastructure
- Embrace various forms of technological change ... will transform banking



Maintaining a safe and secure risk profile

- Maintaining strong capital position, stable retail deposits and low risk profile
- Focus on mature, developed and sustainable markets
- Applying conservative and disciplined underwriting in markets we understand
- Maintain fortress balance sheet
- Proactively manage and mitigate non-financial risk

Committed to responsible and profitable growth considering ESG

Bank transformation

Focusing on things we control and driving operational excellence

KEY METRICS

	2012	2013	2014	2015	2016	2017	2018	2019
RoTCE	3%	11%	15%	17%	18%	15%	15%	16%
C/I ratio	70%	68%	54%	48%	46%	47%	44%	43%
CET1 (FL) post dividend	6.2%	9.4%	12.2%	12.3%	13.6%	13.5%	14.5%	13.3%
NPL ratio	3.5%	2.5%	2.0%	1.9%	1.7%	1.8%	1.7%	1.7%
Assets (€b)	41.5	36.6	34.9	35.7	39.7	46.1	44.7	45.7

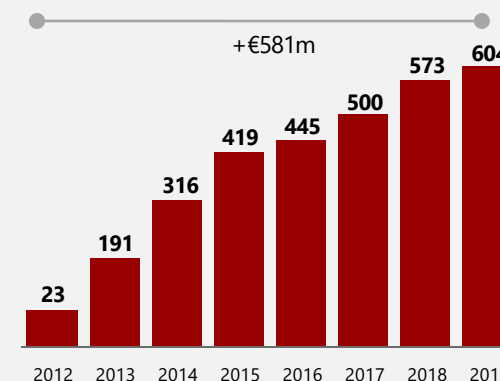
KEY TOPICS

- ✔ Structurally **fixed cost base**
- ✔ **Significantly increased profitability** despite declining / negative rates
- ✔ Focus on **simple core products**
- ✔ More than **doubled CET1** ratio
- ✔ **Focus on core markets** ... exited CEE and non-core assets
- ✔ **Returned/earmarked over €900m*** capital since IPO in 2017
- ✔ **Discontinued trading activities**
- ✔ Completed **9 acquisitions** in DACH region since 2015

* Comprised of €400m share buyback executed in 2019 and €500m dividend, of which €230m FY2019 dividend postponed, pending regulatory guidance

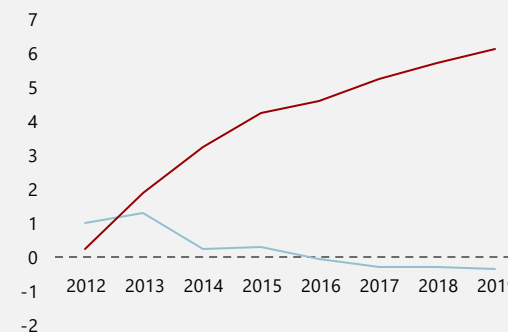
Increased profitability ...

Pre-tax profit (€ millions)



... without relying on interest rates

• Pre-tax profit
• 3m Euribor

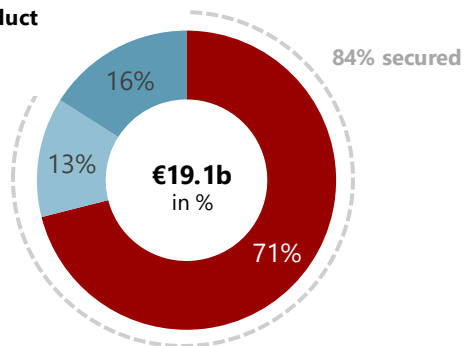


Customer businesses €32.7 billion

As of September 2020

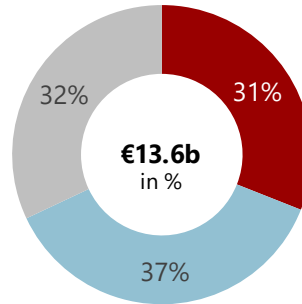
RETAIL & SME

By product



■ Housing loans ■ Consumer & SME (secured)
■ Consumer & SME (unsecured)

CORPORATES & PUBLIC



■ Corporate lending ■ Asset backed lending
■ Public clients

CUSTOMER BUSINESSES

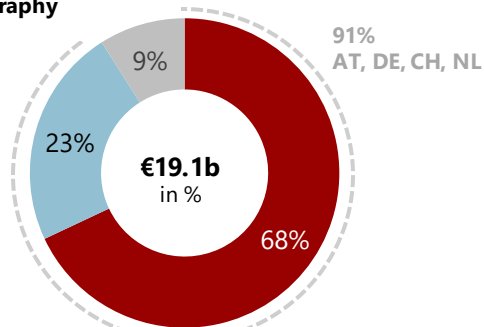
€32.7 billion of which ...

~77%
Secured or public
sector lending

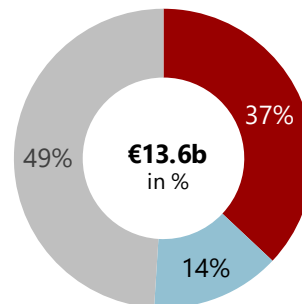
~75%
Lending in
AT, DE, CH, NL

~25%
Western Europe &
USA

By geography



■ AT ■ DE, CH, NL ■ Western Europe / Other



■ AT ■ DE, CH, NL ■ Western Europe / USA

Developing towards a Retail & SME franchise

Retail & SME Business

2.4 million

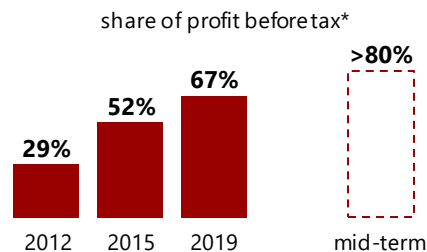
customers in DACH region with core foundation in Austria ... focus on DACH and developed markets

Focus on

- current accounts
- credit cards
- mortgages
- consumer loans
- discount brokerage
- auto and equipment leasing
- factoring
- SME lending
- niche private banking

Strategic priorities

- Applying a multi-brand and multi-channel focus leveraging "branches-to-partners-to-brokers-to-platforms-to-digital products and services"
- Entering into strategic retail partnerships and platforms in core markets
- Driving digital engagement ... Technology as enabler to roll-out simple and easy-to-use digital products and services
- Data driven decision-making ... enhancing analytical capabilities to better serve our customers

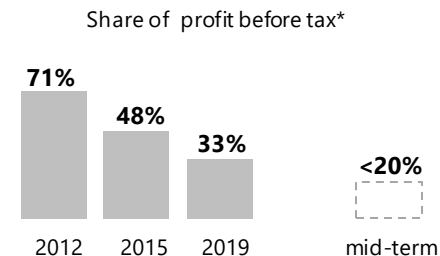


Corporates & Public Business

- Focus on developed markets... DACH region, Western Europe & the United States
- Disciplined & conservative corporate, asset backed and public sector lending
- Austrian public sector lending, payments provider for the Republic of Austria

Simplified business focus





















- Term loans, payments, and working capital facilities
- Focus on risk-adjusted returns versus volume growth
- Diversified portfolio in regards to asset class and geographies
- Focus on originate-to-sell for public sector assets



*based on customer segments' profit before tax

Proven M&A track record

Experienced with bolt-on acquisitions to build out customer franchise

	Q2 '19	 Health AG ³⁾	€0.1b assets, €1b factoring volume	3k customers	<p>Continued focus on companies within the DACH region and core Europe</p> <p>Assessing banks, specialty finance companies, performing loan portfolios complimentary financial service companies and FinTechs</p> <p>Primary focus: Mortgages, Leasing, Consumer, Factoring, Cards, SMEs and niche Private Banking</p> <p>Primarily targeting companies requiring operational turnaround through simplification, standardization and technology</p>
	Q1 '19	 Zahnärztekasse AG			
	Q2 '19	 BFL DIE IT-FINANZIERER	€0.6b assets	50k customers	
	2018	 Deutscher Ring ²⁾ Bausparkasse AG	€0.5b assets	85k customers	
	2017	 SÜDWESTBANK	€7.4b assets	100k customers	
	2017	 PayLife,  SIX commercial card issuing business	1.7m cards	>500k customers	
	2016	 start  bausparkasse	€2b assets	500k customers	
	2016	 IMMO-BANK	€1.6b assets	5k customers	
	2015	 VB LEASING ¹⁾ LIKE IT. LEASE IT.	€0.7b assets	50k customers	

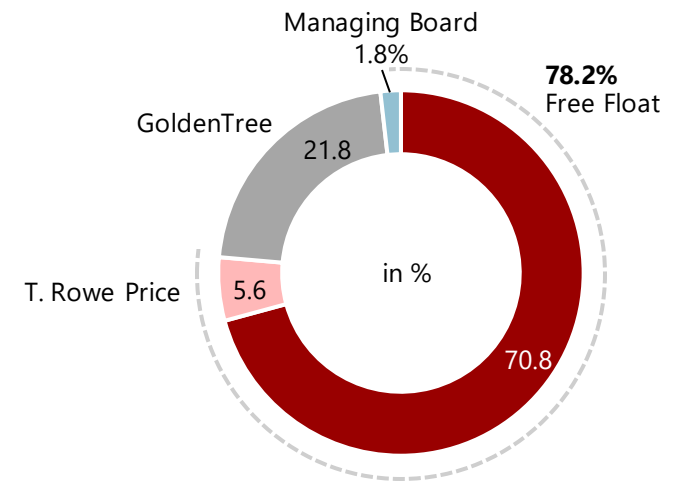
1) rebranded: easyleasing 2) rebranded: start:bausparkasse 3) rebranded: Health Coevo AG

Investor relations calendar

UPCOMING ROADSHOWS AND CONFERENCES

27 Oct	Digital one-on-one and group meetings
30 Oct	Annual General Meeting (virtual; https://www.bawaggroup.com/agm)
11 Nov	UBS Financials Conference
23 Nov	Citi Pan-Asia Conference
24 Nov	UBS German Senior Day
25 Nov	RCB Austrian Day

SHAREHOLDER STRUCTURE





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