

BAWAG Group



COMPANY PROFILE

One of Austria's leading banking groups with **2.3 million customers across DACH/NL region**

2020 results: €284m net profit, 10.2% RoTCE, CIR 44.3% and CET1 ratio (post dividend) 14.0% ... against backdrop of global pandemic and prudent and conservative provisioning

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

Organic & inorganic growth in DACH/NL region and developed markets

Delivering simple, transparent and reliable financial products and services that meet our customer's needs across multiple brands and 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

TARGETS

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

OUR STRATEGY



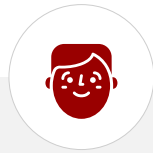
Strategy

4 pillars of our growth strategy



Growing in our core markets

- Our foundation is Austria with focus on DACH/NL region and developed markets
- Grow profitably into current account market share entitlement in Austria and address significant market opportunity in retail products across DACH/NL region
- Organic growth drivers ... Partnerships & platforms, enhancing digital engagement and growing share of wallet of 2.3 million customers
- Inorganic growth drivers ... pursuing earnings-accretive M&A meeting our Group RoTCE targets of at least 15%



Focus on Customer Centricity

- Build multi-channel and multi-brand franchise from branches-to-partners-to-platforms-to-digital products
- 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 through “self-help” management
- Simplify, standardize, and automate products offerings across all channels
- Create simple end-to-end processes across the Bank
- Continuously optimize our processes, footprint, and technology infrastructure
- Embrace various forms of technological change and invest judiciously in technology



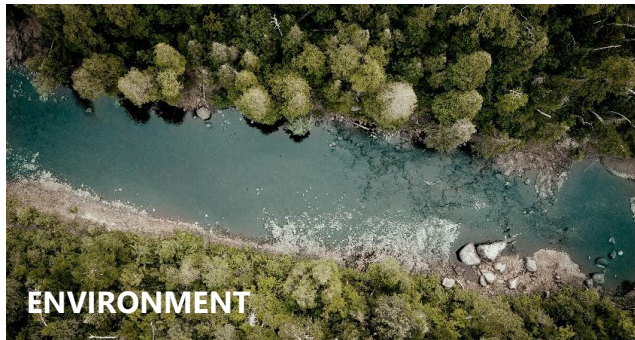
Maintaining a safe and secure risk profile

- 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 with focus on secured lending
- Maintain fortress balance sheet
- Proactively manage and mitigate non-financial risk

Committed to responsible, sustainable and profitable growth considering ESG

ESG embedded into our strategic roadmap

Committed to responsible, sustainable and profitable growth



- Reduce own Scope 1 and Scope 2 CO2 emissions mid-term
- Switch to 100% green electricity mid-term ... already at 97% as of YE '20 ... as of 1 January 2021, all Südwestbank locations switched to green energy suppliers
- Continuously increasing ESG-related products – both for environmental and social factors
- Lending/exclusion criteria for specific industries introduced in Q1 '21 ... low or no volumes in customer book already today: total exposure to defense industry, nuclear energy, fossil fuels and industries with other ethical risks represented less than 0.1% of Group exposure
- Planning a green bond issuance in 2021 ... subject to market conditions



- Empower our clients by continuously enhancing our services and digital/online functionalities for their financial well-being
- Empower our employees by offering broad-based career opportunities and focus on enhancing training and development programs
- Increase the number of women in management positions ... offering targeted development programs ... Women target quota introduced in Q1 '21: 33% in Supervisory Board and 33% in senior leadership team (including Managing Board) until 2027
- Intensify collaboration with dedicated partners, bundling activities across the region and drawing on our various franchise assets in support of our local communities



- Executive body of ESG-topics is the Non-Financial Risk & ESG Committee at Managing Board level
- Selective topics like Data Privacy & IT security are integrated in Supervisory Board Committees
- Establishing a clear governance to address climate risks ... addressing supervisory expectations and regulations
- Disclosure continuously enhanced, e.g. publication of diversity & inclusion policy in Q1 '21

For further details see: <https://www.bawaggroup.com/BAWAGGROUP/IR/EN/ES>

Bank transformation

Focusing on things we control and driving operational excellence

KEY METRICS

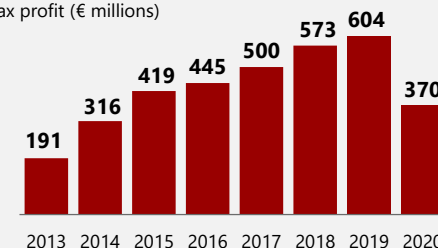
	2013	Private company				Public company			
		2014	2015	2016	2017	2018	2019	2020	
RoTCE	11%	15%	17%	18%	15%	15%	16%	10%	
C/I ratio	68%	54%	48%	46%	47%	44%	43%	44%	
CET1 (FL) post dividend	9.4%	12.2%	12.3%	13.6%	13.5%	14.5%	13.3%	14.0%	
NPL ratio	2.5%	2.0%	1.9%	1.7%	1.8%	1.7%	1.7%	1.5%	
Assets (€b)	36.6	34.9	35.7	39.7	46.1	44.7	45.7	53.1	

PILLARS OF OUR TRANSFORMATION

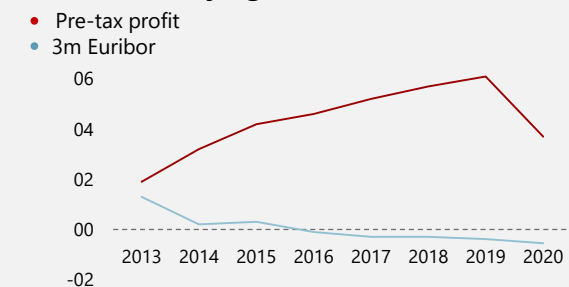
- ✓ Transformed business to address prolonged negative interest rate environment
- ✓ Structurally fixed cost base
- ✓ Focus on simple core products
- ✓ Focus on core markets ... exited CEE and non-core assets
- ✓ Discontinued trading activities
- ✓ Significantly increased profitability despite declining / negative rates
- ✓ More than doubled CET1 ratio
- ✓ Completed 9 acquisitions in DACH region since 2015 ... one further deal signed in Feb '21

Increased profitability ...

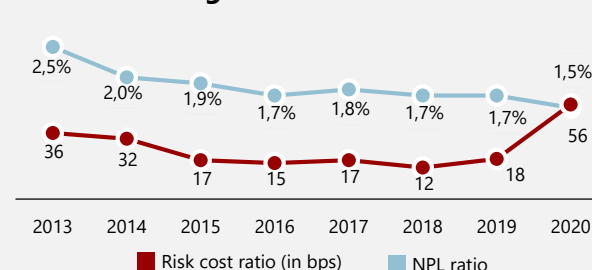
Pre-tax profit (€ millions)



... without relying on interest rates



... maintaining fortress balance sheet

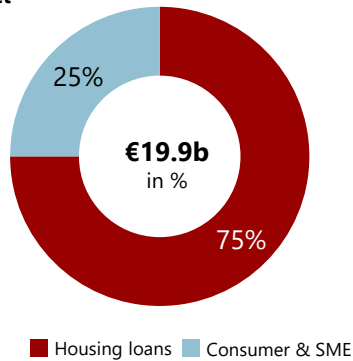


Customer businesses €34.1 billion

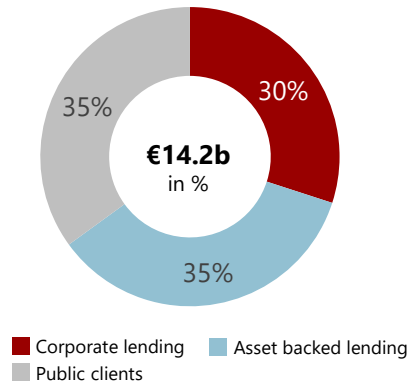
As of March 2021

RETAIL & SME

By product



CORPORATES & PUBLIC



CUSTOMER BUSINESSES

€34.1 billion of which ...

79%

Secured or public sector lending

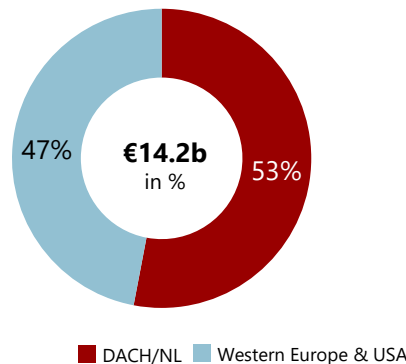
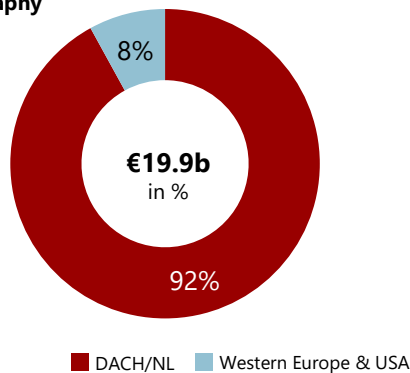
76%

Lending in DACH/NL

24%




















Western Europe & USA

By geography



Proven M&A track record

Experienced with bolt-on acquisitions to build out customer franchise

	2021	DEPFA Bank plc	Signed deal to acquire DEPFA Bank plc, closing expected in 2H'21	
	2019	 Health AG ³⁾	€0.1b assets,	3k customers
	2019	 Zahnärztekasse AG	€1b factoring volume	
	2019	 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

Key M&A targets

- Continued focus on companies within the DACH/NL region and developed markets
- Assessing banks, specialty finance companies, performing loan portfolios, complimentary financial service companies and FinTechs
- Primary focus on core Retail & SME Banking (Mortgages, Consumer Lending, SME, Product Factories) and Specialty Finance (Leasing, Factoring)
- Targeting companies requiring operational turnaround through simplification, standardization and technology enhancement
- Also targeting wind-down / run-off opportunities to leverage restructuring advisory unit in both M&A and advisory capacity

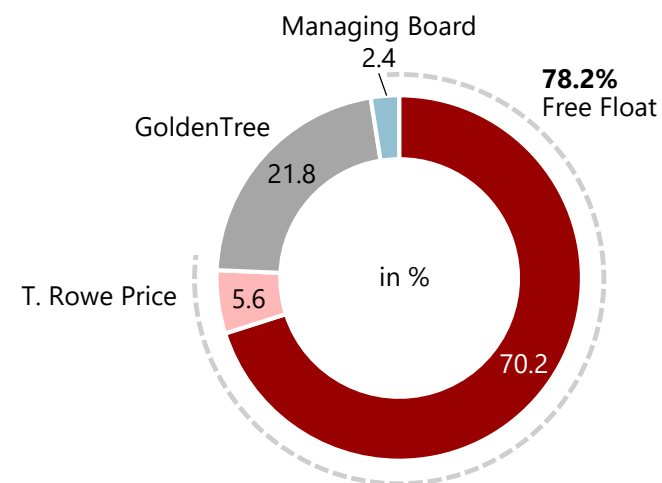
1) rebranded: easyleasing 2) rebranded: start:bausparkasse 3) rebranded: Health Coevo AG

Investor relations calendar

UPCOMING ROADSHOWS AND CONFERENCES

26 April	Digital one-on-one and Group Meetings after Q1 results
05 May	Goldman Sachs small/mid-cap conference
12 May	KBW European Financials Conference
12 May	UBS small/mid-cap conference
09 June	Goldman Sachs European Financials conference
26 July	BAWAG Group Q2 '21 Earnings Release
16 Sep	Citi small/mid-cap conference
22 Sep	BAML conference
28 Oct	BAWAG Group Q3 '21 Earnings Release
mid Nov	BAWAG Group Capital Markets Day
22 – 25 Nov	Citi Pan-Asia conference

SHAREHOLDER STRUCTURE



Number of shares: 89,142,237; Shares outstanding as of 26 April 2020: 88,855,047



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