

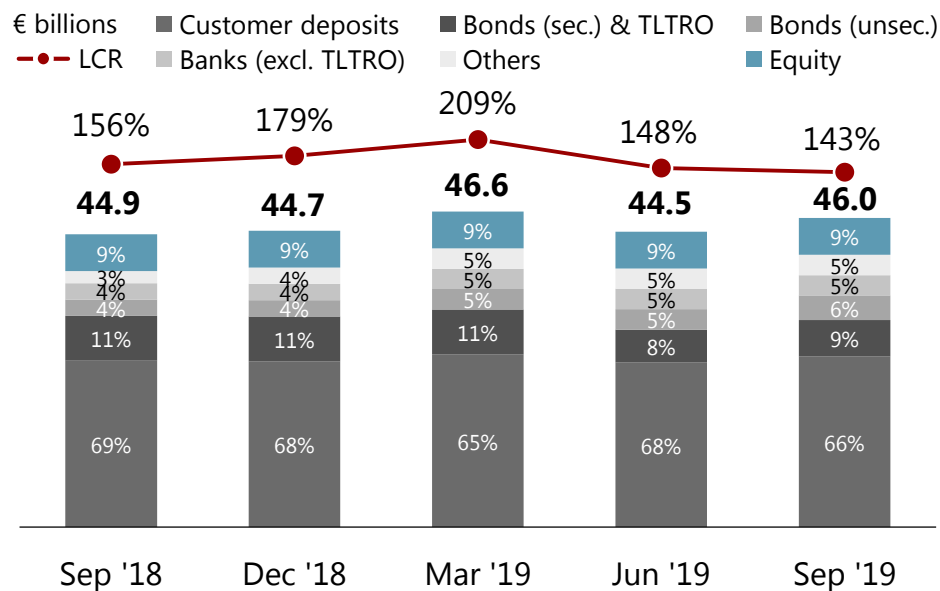
Funding update

October 29, 2019

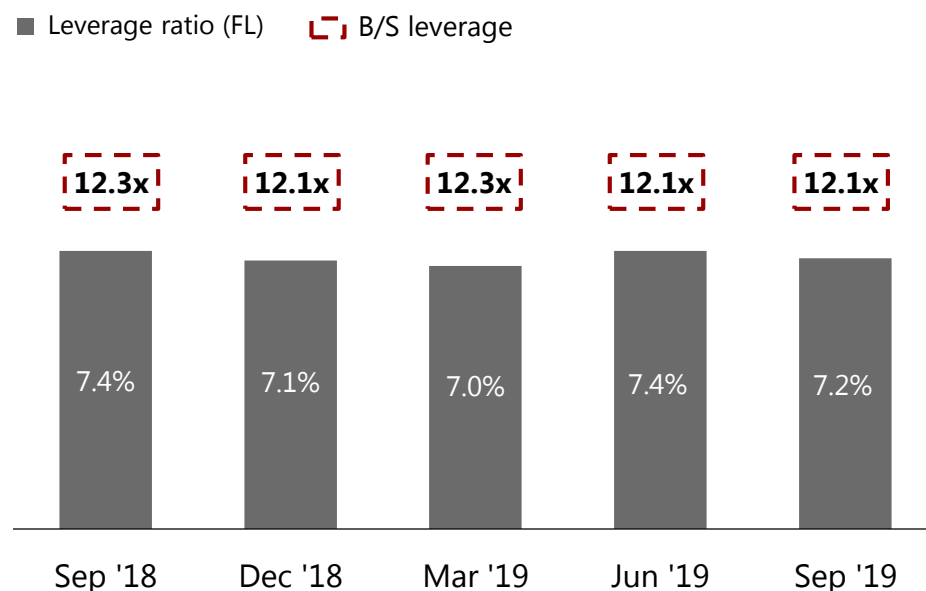
Funding & leverage

Strong customer deposit base and focus on conservative leverage

Funding structure



Leverage



- Funding strategy based on customer deposits (>65% of total balance sheet ... thereof >75% retail deposits)
- Complemented by diversified wholesale funding with low maturity concentration
- Consistently strong liquidity coverage ratio (LCR) significantly above regulatory requirements

- Running a low leverage business model

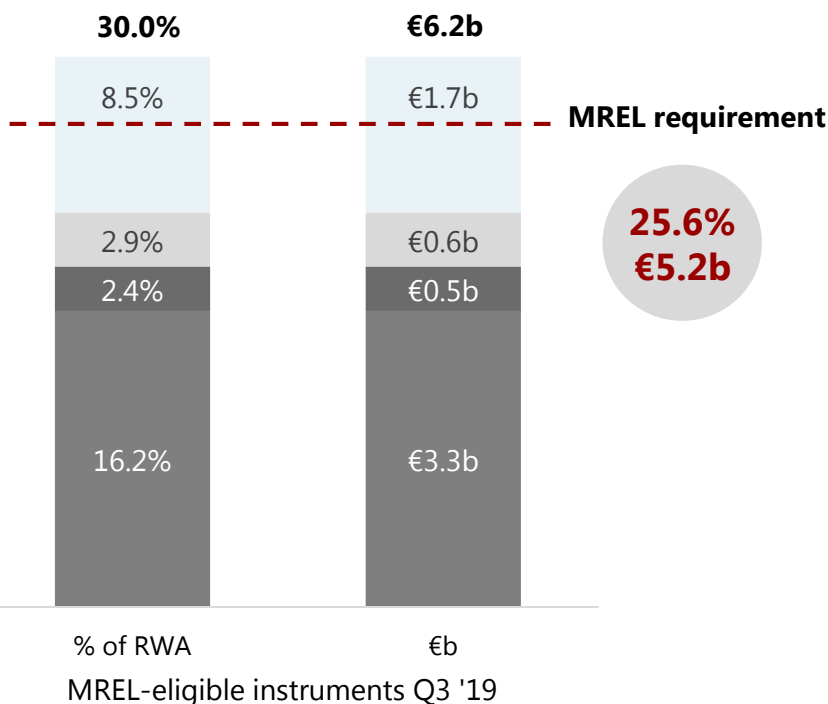
Note: B/S leverage based on equity excl. AT1 capital

MREL update

Proactive approach to meeting regulatory requirements

MREL requirement¹⁾

- Own funds
- Senior non-preferred
- Legacy MREL-eligible instruments BAWAG P.S.K.
- Legacy MREL-eligible instruments subsidiaries



MREL strategy

- First MREL decision received in June 2019 ... in line with expectations
 - MREL requirement of 11.94% of TLOF (~25.6% of RWA²⁾)
 - BAWAG P.S.K. confirmed as single point of entry
 - Requirement applicable at BAWAG P.S.K. level (consolidated)
 - No subordination requirement
- BAWAG P.S.K. in full compliance with MREL requirement based on current regulatory framework ... 13.8% of TLOF as of Q3 '19
- Stricter rules expected for future MREL decisions applicable for 2020 and beyond
 - Introduction of subordination requirement
 - MREL eligibility restricted to instruments issued by BAWAG P.S.K.
- Our MREL strategy with limited reliance on multi-year phase in
 - €500m senior non-preferred bond ("SNP") successfully issued in August 2019
 - Additional ~€1.0m-1.5b senior instruments (senior preferred, senior non-preferred) to meet MREL and subordination requirement until year end 2022, depending on regulatory requirements

TLOF ... Total Liabilities and Own Funds

1) Figures on BAWAG P.S.K. consolidated level as of 30 Sep 2019; own funds and RWA on fully loaded basis; share buyback already considered 2) Based on financial statements as of 31 December 2017

Customer deposits

Overview as of 30 September 2019

€ millions	BAWAG Group excl. Südwestbank & start:bausparkasse DE	BAWAG Group
Customer deposits covered by DGS	18,266	19,755
Retail & SME deposits > €100k	3,001	4,016
Thereof natural persons	2,629	3,320
Thereof SME	372	696
Other customer deposits¹⁾	4,534	6,480
Thereof maturity >1yr	153	1,020
Customer Deposits	25,801	30,252

1) Südwestbank and start.bausparkasse DE: all customer deposits excl. customer deposits covered by DGS are shown under other customer deposits



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