Q1 2021 Credit Update

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

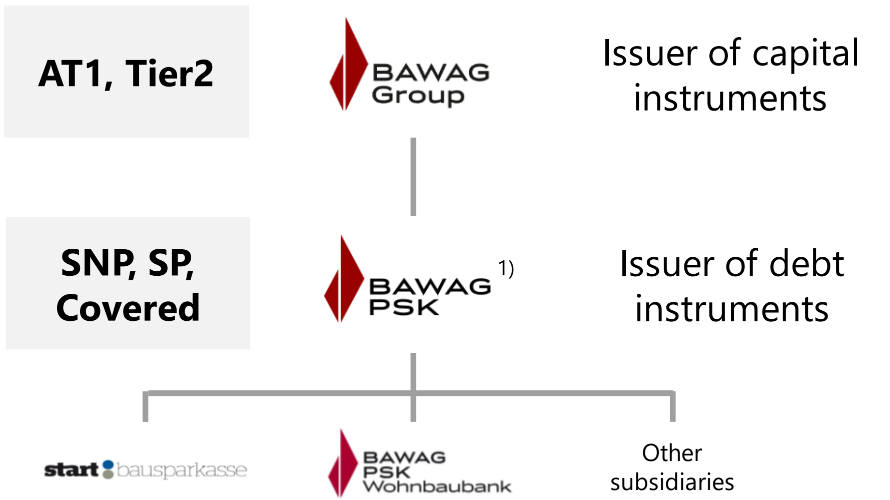
	RoTCE	CIR
2021	**>13%**	**<41%**
MID-TERM *Based on normalized environment*	**>15%**	**<40%**

OUR STRATEGY

- Growing in our **core markets**
- Focus on **Customer Centricity**
- Efficiency and **operational excellence**
- **Safe and secure**

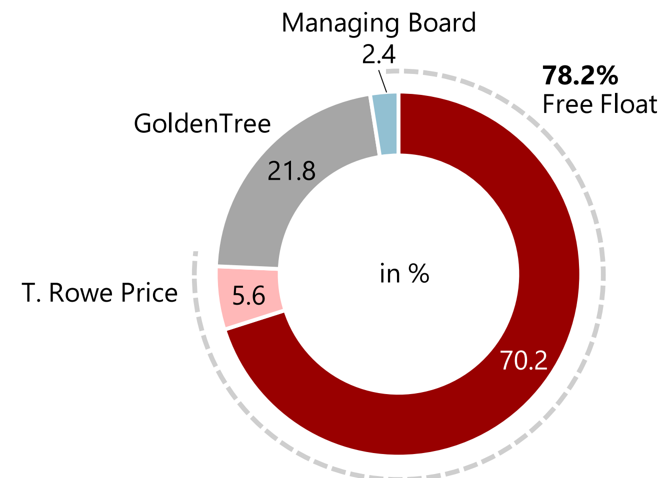
BAWAG Group

Company structure and issuing entities



		Moody's
BAWAG P.S.K.	Issuer Rating	A2 (stable)
	Covered bonds	Aaa
	Senior preferred	A2
	Senior non-preferred	Baa2
BAWAG Group	Tier 2	Baa2
	Additional Tier 1	Ba1

Shareholder structure of BAWAG Group AG



- Public listing on the Vienna Stock Exchange
- Granular and well diversified investor base with ~80% free float

On 30 October 2020, Fitch has withdrawn the rating (A-, stable outlook) for commercial reasons
1) BAWAG P.S.K., easybank and Südwestbank are the main brands for banking operations of BAWAG P.S.K.

Based on number of shares of the most recent major holdings notifications

Financial performance

Key highlights

P&L | € millions	Q1 '21	Q1 '20	vPY	Q4 '20	vPQ
Core revenues	297	292	2%	298	-
Operating income	301	296	2%	302	-
Operating expenses	(122)	(125)	(3%)	(145)	(16%)
Pre-provision profit	**179**	**171**	**5%**	**158**	**14%**
Regulatory charges	(54)	(36)	49%	(6)	789%
Risk costs	(29)	(55)	(47%)	(45)	(35%)
Profit before tax	**96**	**81**	**20%**	**107**	**(10%)**
Net profit	**74**	**61**	**20%**	**83**	**(11%)**

Ratios	Q1 '21	Q1 '20	vPY	Q4 '20	vPQ
RoCE	8.6%	7.5%	1.1pts	9.7%	(1.1pts)
RoTCE	10.2%	9.1%	1.1pts	11.5%	(1.3pts)
CIR	40.5%	42.3%	(1.8pts)	47.9%	(7.4pts)
Risk cost ratio	0.29%	0.58%	(0.29pts)	0.44%	(0.15pts)
Normalized					
Net profit	103	79	31%	76	35%
RoCE	12.0%	9.6%	2.4pts	8.9%	3.1pts
RoTCE	14.3%	11.6%	2.7pts	10.6%	3.7pts

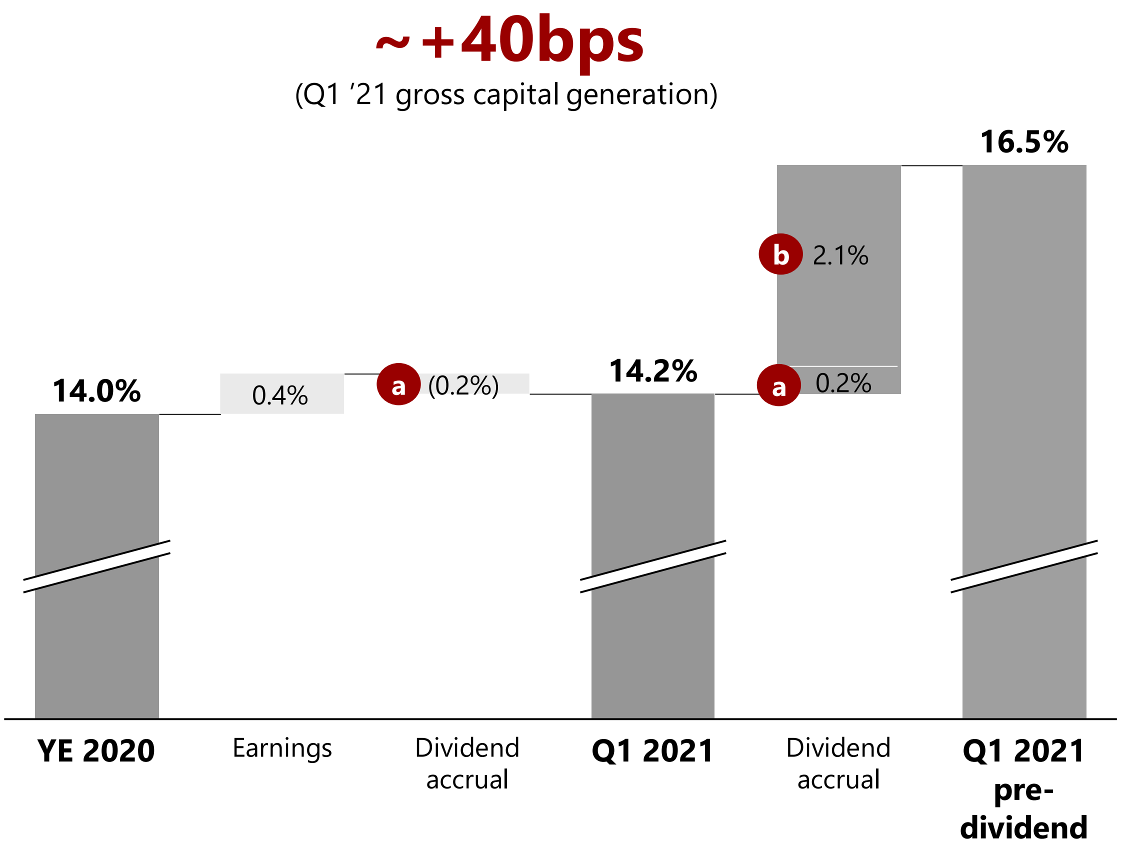
Balance Sheet & Capital | € millions	Q1 '21	Q4 '20	vPQ
Total assets	52,975	53,128	-
Interest-bearing assets	41,260	40,410	2%
Customer loans	33,015	32,004	3%
Customer deposits	32,041	32,415	(1%)
Common Equity	3,439	3,423	-
Tangible Common Equity	2,899	2,871	1%
CET1 Capital	2,838	2,807	1%
Risk-weighted assets	20,053	20,072	-
CET1 Ratio (post dividend)	**14.2%**	**14.0%**	**0.2pts**

Per share data	Q1 '21	Q1 '20	vPY	Q4 '20	vPQ
Earnings (€)	0.83	0.69	19%	0.93	(11%)
Book value (€)	38.70	36.84	5%	38.93	(1%)
Tangible book value (€)	32.62	30.41	7%	32.65	-
Shares outstanding (€ m)	88.9	87.9	1%	87.9	1%

Note: All equity, capital, ratios and per share data reflect deduction of remaining €420m earmarked dividend from 2019/2020 profits as well as €37m dividend accrual for Q1 '21

Capital development … CET1 ratio (FL)

Strong capital position



Capital distribution plans

✓ €40m dividend paid in Q1 '21 in line with ECB recommendation

a €37m dividends accrued based on dividend policy for Q1 '21 earnings

b €420m dividends (€4.72 per share) relating to 2019/2020 profits to be distributed in Q4 '21*

Capital development

– +40bps gross capital generation; RWAs flat

Excess capital

– Additional excess capital €382m (post-dividend deductions) above 12.25% CET1 target

Other items

– City of Linz receivable fully provisioned through prudential filter in 2020 with no impact on capital distribution plans in worst-case scenario

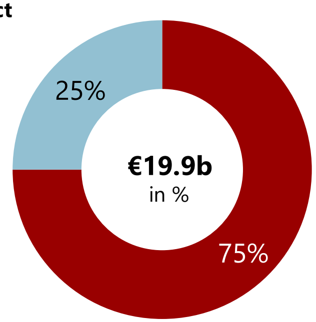
*subject to shareholder and regulatory approvals.

Customer businesses €34.1 billion

As of March 2021

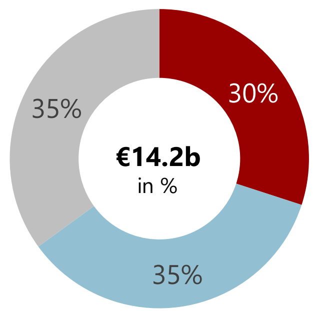
RETAIL & SME

By product



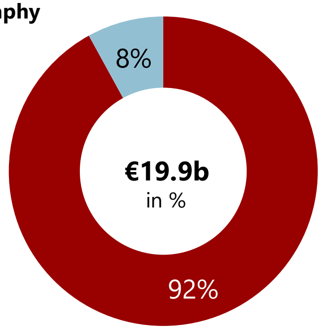
Housing loans Consumer & SME

CORPORATES & PUBLIC

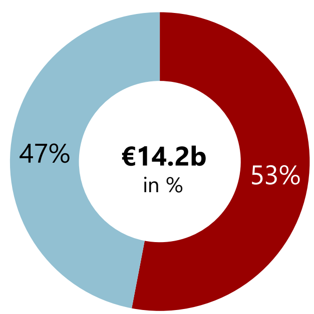


Corporate lending Asset backed lending
Public clients

By geography



DACH/NL Western Europe & USA



DACH/NL Western Europe & USA

CUSTOMER BUSINESSES

€34.1 billion of which …

79%
Secured or public sector lending

76%
Lending in DACH/NL

24%
Western Europe & USA

Retail & SME

Financial performance

€ millions	Q1 '21	Q1 '20	vPY	Q4 '20	vPQ
Core revenues	222.8	229.9	(3%)	219.4	2%
Net interest income	163.1	168.1	(3%)	164.4	(1%)
Net commission income	59.7	61.8	(3%)	54.9	9%
Operating income	224.6	232.4	(3%)	222.7	1%
Operating expenses	(89.4)	(90.1)	(1%)	(90.4)	(1%)
Pre-provision profit	**135.2**	**142.3**	**(5%)**	**132.2**	**2%**
Regulatory charges	(30.5)	(25.2)	21%	(4.6)	563%
Risk costs	(15.4)	(42.2)	(64%)	(21.4)	(28%)
Profit before tax	**89.3**	**74.9**	**19%**	**106.3**	**(16%)**
Net profit	**67.0**	**56.2**	**19%**	**79.7**	**(16%)**

Ratios

in %	Q1 '21	Q1 '20	vPY	Q4 '20	vPQ
RoCE	18.3%	15.3%	3.0pts	21.5%	(3.2pts)
RoTCE	21.6%	18.3%	3.3pts	25.3%	(3.7pts)
CIR	39.8%	38.8%	1.0pts	40.6%	(0.8pts)
NPL ratio	1.9%	1.7%	0.2pts	1.9%	-
Risk cost ratio	0.31%	0.92%	(0.61pts)	0.44%	(0.13pts)

Customer development

€ millions	Q1 '21	Q1 '20	vPY	Q4 '20	vPQ
Housing loans	14,861	13,266	12%	14,331	4%
Consumer and SME	4,994	5,042	(1%)	4,915	2%
Total assets	**19,856**	18,308	**8%**	19,246	**3%**
Total assets (average)	**19,615**	18,217	**8%**	19,163	**2%**
Risk-weighted assets	**8,091**	8,614	**(6%)**	8,029	**-**
Customer deposits	**25,790**	24,124	**7%**	25,837	**-**
Customer deposits (average)	**25,405**	23,925	**6%**	24,805	**2%**

Q1 '21 net profit of €67m, up 19% vPY primarily due to lower risk costs … average net asset growth +8% vPY driven by housing loans

Pre-provision profit of €135m for Q1 '21, down (5%) vPY … Core revenues down (3%), still impacted by COVID-19, and operational expenses down (1%)

Risk costs of €(15)m in Q1 '21, down (64%) vPY with no reserves released … current payment holidays at 0.6% with 89% paying ratio on expired deferrals with average of 7-months … 78% of loans, in active deferral or non-paying after deferral expiration, already captured in stage 2/3

Continued executing various operational and strategic initiatives to drive efficiency and profitable growth across our Retail & SME franchise

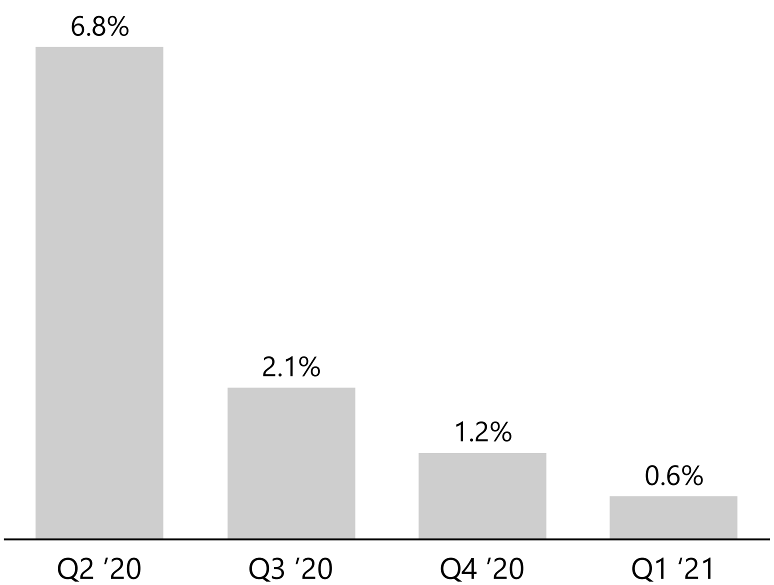
Retail & SME

Portfolio overview of €19.9b of customer loans and leases

Payment deferral overview

	Assets Q1 '21 (€b)	NPL ratio			Reserve development			Reserve ratio			Payment holiday		paying ratio (expired deferrals)
		Q4 '19	Q4 '20	Q1 '21	Q4 '19	Q4 '20	Q1 '21	Q4 '19	Q4 '20	Q1 '21	31.12.2020	31.03.2021	
Housing Loans	14.9	1.8%	1.5%	1.3%	76	93	94	0.88%	0.65%	0.64%	1.0%	0.4%	90%
Consumer & SME	5.0	1.9%	2.8%	3.1%	100	188	200	2.39%	3.79%	4.00%	1.7%	1.5%	87%
Total Retail & SME	**19.9**	**1.9%**	**1.9%**	**1.9%**	**176**	**281**	**294**	**0.96%**	**1.46%**	**1.48%**	**1.2%**	**0.6%**	**89%**

Payment Holidays Trend Development



Key developments

Highly collateralized Retail & SME business (81%) … primarily mortgages

Consumer & SME lending primarily personal loans to primary banking customers (~80%)

Total reserve build of +€13m (+5%) vs YE '20 and increase in reserve ratio from 146bps to 148bps

89% of expired payment deferrals are current (paying again) with average payment period of 7 months

78% of loans, in active deferral or non-paying after deferral expiration, already captured in stage 2/3

In Austria, public moratorium expired with 31 January 2021 … Overall, very positive customer behavior, but we will remain prudent and cautious

Corporates & Public

Financial performance

€ millions	Q1 '21	Q1 '20	vPY	Q4 '20	vPQ
Core revenues	69.7	69.1	1%	69.0	1%
Net interest income	61.0	58.4	4%	59.0	3%
Net commission income	8.7	10.7	(19%)	10.0	(13%)
Operating income	74.4	70.7	5%	70.1	6%
Operating expenses	(18.6)	(21.3)	(13%)	(19.1)	(3%)
Pre-provision profit	**55.8**	**49.4**	**13%**	**51.0**	**9%**
Regulatory charges	(6.9)	(6.5)	6%	(0.9)	667%
Risk costs	(15.1)	(11.9)	27%	(19.1)	(21%)
Profit before tax	**33.8**	**31.0**	**9%**	**31.1**	**9%**
Net profit	**25.4**	**23.3**	**9%**	**23.3**	**9%**

Ratios

in %	Q1 '21	Q1 '20	vPY	Q4 '20	vPQ
RoCE	9.6%	8.8%	0.8pts	8.6%	(1.0pts)
RoTCE	11.6%	11.1%	0.5pts	10.6%	(1.0pts)
CIR	25.0%	30.1%	(5.1pts)	27.2%	2.2pts
NPL ratio	1.1%	1.0%	0.1pts	1.2%	0.1pts
Risk cost ratio	0.43%	0.35%	0.08pts	0.54%	0.11pts

Customer development

€ millions	Q1 '21	Q1 '20	vPY	Q4 '20	vPQ
Corporate lending	4,227	4,858	(13%)	4,060	4%
Asset backed lending	4,955	4,921	1%	4,954	-
Public clients	5,046	3,675	37%	4,899	3%
Total assets	**14,228**	13,454	**6%**	13,913	**2%**
Total assets (average)	**13,800**	13,088	**5%**	13,813	**-**
Risk-weighted assets	**7,516**	7,977	**(6%)**	7,431	**1%**
Customer deposits	**5,457**	4,577	**19%**	5,902	**(8%)**
Customer deposits (average)	**5,851**	4,994	**17%**	5,613	**4%**

Q1 '21 net profit of €25m, up 9% vPY … average net assets up 5% vPY driven by growth in public sector lending

Pre-provision profit €56m in Q1 '21, up 13% vPY … Operating income up 5% and operating expenses down (13%)

Risk costs of €(15)m in Q1 '21, of which ~€(13)m general reserves … no reserves released … current payment holidays of 0.1% with 100% paying ratio on expired deferrals … continued positive development across customer base

Maintaining disciplined and conservative underwriting … will remain patient and continue to focus on risk-adjusted returns

Corporates & Public

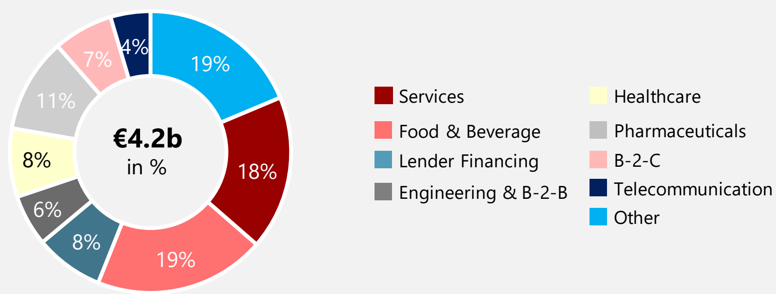
Portfolio overview of €14.2 billion of customer loans … whereof €5.0b in public sector

Payment deferral overview

	Assets Q1 '21 (€b)	NPL ratio Q4 '19	NPL ratio Q4 '20	NPL ratio Q1 '21	Reserve development Q4 '19	Reserve development Q4 '20	Reserve development Q1 '21	Reserve ratio Q4 '19	Reserve ratio Q4 '20	Reserve ratio Q1 '21	Payment holiday 31.12.2020	Payment holiday 31.03.2021	paying ratio (expired deferrals)
Total Corporates and Public	**14.2**	**1.0%**	**1.2%**	**1.1%**	**77**	**115**	**130**	**0.58%**	**0.82%**	**0.91%**	**0.2%**	**0.1%**	**100%**
Corporate & Asset Backed Lending	9.2	1.4%	1.8%	1.7%	76	114	129	0.78%	1.27%	1.40%	0.4%	0.1%	100%

CORPORATE LENDING … €4.2; 4% vPQ

By industry

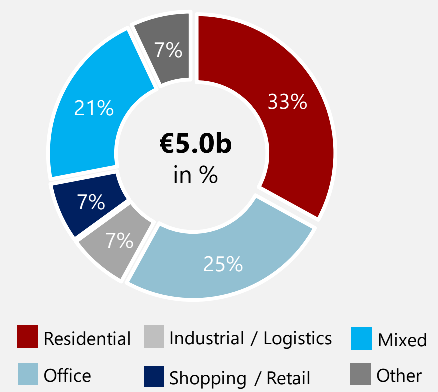


– Disciplined and conservative underwriting over the years focused on risk-adjusted returns and not chasing volume growth

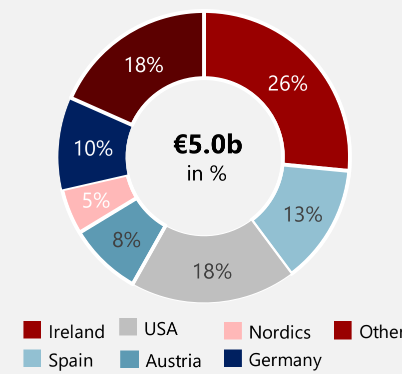
– Proactively managing higher-risk cyclical exposures … De-minimis remaining exposure of €22m (down by ~ 81% vs YE´19)

ASSET BACKED LENDING … €5.0b; flat vPQ

By underlying



By geography



Underwriting overview

Historically disciplined underwriting:

- Senior secured
- Day 1 LTC/V < 65%
- Interest Coverage Ratio (ICR >2.0x)

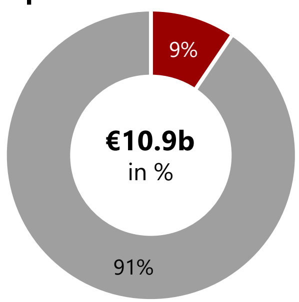
Comments

- Resilient portfolio performance through lockdowns with continued 1Q '21 improving fundamentals
- Direct exposure to Hotel/Retail of ~ 8%, of which ~16% NPL, proactive management and conservative LLPs
- Hotel/Retail with over 39% avg. pay down, ~6 months interest reserve

Investment book and Cash

Q4 '20 | **Q1 '21**

Cash & Cash equivalent



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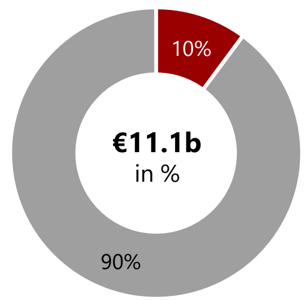
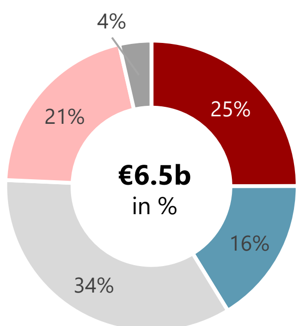


Cash | Cash equivalent

Investment book



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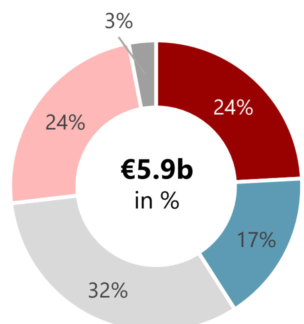


AAA | AA | A | BBB | BB

As of Q1 '21, cash and cash equivalents (mainly money at central banks) at €11.1b ... TLTRO III of €6.4b

Investment book primarily serves as liquidity book of the Bank

Focus on low credit risk, high liquidity, shorter duration and solid diversification in terms of geography and issuers:

- No non-performing assets
- 97% portfolio investment grade, with 73% A or higher
- Weighted average life of 3.9 years
- 320 positions, average size ~€18m

P&L & key ratios

P&L | € millions	**Q1 '21**	**Q1 '20**	**vPY**	**vPQ**
Net interest income	229.6	219.9	4%	(2%)
Net commission income	67.7	71.9	(6%)	5%
Core revenues	**297.3**	**291.8**	**2%**	**-**
Other revenues	3.7	3.8	(3%)	(12%)
Operating income	**301.0**	**295.6**	**2%**	**-**
Operating expenses	**(121.8)**	**(125.0)**	**(3%)**	**(16%)**
Pre-provision profit	**179.2**	**170.6**	**5%**	**14%**
Regulatory charges	(54.2)	(36.4)	49%	789%
Risk costs	(29.3)	(55.0)	(47%)	(35%)
Profit before tax	**96.4**	**80.5**	**20%**	**(10%)**
Income taxes	(23.0)	(19.3)	19%	(6%)
Net profit	**73.6**	**61.2**	**20%**	**(11%)**

Key ratios	**Q1 '21**	**Q1 '20**	**vPY**	**vPQ**
Return on Common Equity	8.6%	7.5%	1.1pts	(1.1pts)
Return on Tangible Common Equity	10.2%	9.1%	1.1pts	(1.3pts)
Net interest margin	2.28%	2.32%	(0.04pts)	-
Cost-income ratio	40.5%	42.3%	(1.8pts)	(7.4pts)
Risk cost ratio	0.29%	0.58%	(0.29pts)	(0.15pts)
Earnings per share (in €)	0.83	0.69	19%	(11%)
Tangible book value per share (in €)	32.62	30.41	7%	-

Net interest income down (2%) vPQ due to daycount; up +4% vPY due to higher interest-bearing assets in prior quarters

NCI +5% vPQ … slight recovery despite partial lockdown during Q1 '21

Regulatory costs up 49% vPY due to Commerzialbank case in 2020 and higher balances

Risk costs of €(29)m in Q1 '21 … no reserves released

Balance sheet

Growing overall balance sheet thru increased interest-bearing assets

Balance sheet | € millions	**Q1 '21**	**Q4 '20**	**vPQ**
Customer loans	33,015	32,004	3%
Securities and bonds	6,775	7,531	(10%)
Credit institutions and cash	11,054	10,921	1%
Other assets	2,131	2,671	(20%)
Total assets	**52,975**	**53,127**	**-**
thereof Average interest-bearing assets	40,824	40,851	-
Customer deposits	32,041	32,415	(1%)
Own issues	6,719	6,475	4%
Credit institutions	7,628	7,522	1%
Other liabilities	2,217	2,358	(6%)
Common equity	3,439	3,423	-
Dividend accrual	457	460	(1%)
AT1 capital & Minorities	475	474	-
Total liabilities & equity	**52,975**	**53,127**	**-**

Capital & RWA | € millions	**Q1 '21**	**Q4 '20**	**vPQ**
Common equity	3,439	3,423	-
Tangible common equity	2,899	2,871	1%
CET1 capital	2,838	2,807	1%
Risk-weighted assets	20,053	20,072	-
CET1 Ratio	14.2%	14.0%	0.2pts
Leverage ratio	6.1%	6.1%	-
Liquidity Coverage Ratio	229%	231%	(2pts)

Stable average interest-bearing assets vPQ thru mix of growth in customer loans offsetting lower securities and bonds … Risk weighted assets stable vPQ

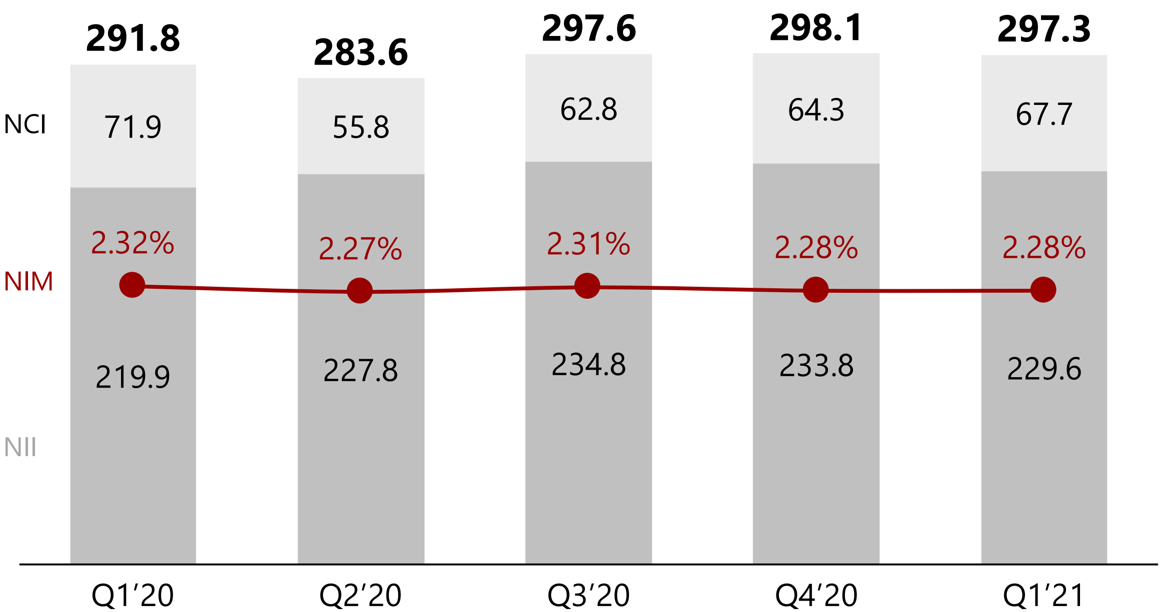
Issued €500m 20yr mortgage covered bond at MS+4bps

Tangible Common Equity +1% vPQ and CET1 ratio at 14.2% (+20bps) post deduction of €420m earmarked dividend (for 2019 and 2020) and €37m dividend accrual (for Q1 2021)

P&L details – core revenues

Solid core revenues in Q1 ‘21 … NCI continues recovery

€ millions



Customer loans | Average interest-bearing assets | € billions

31.1	31.4	31.5	32.0	33.0
38.1	40.4	40.4	40.9	40.8

Net interest income (NII) down (2%) vPQ … net interest margin (NIM) at 2.28% in Q1 ‘21

- Decrease in Q1 ‘21 mainly related to day count
- Stable NIM at 2.28% with positive underlying trend resulting from increasing average interest-bearing assets in prior quarters
- Changing asset mix over time (more secured vs. unsecured lending) impacting overall NIM
- Interest rate sensitivity (primarily exposed to 3-months-Euribor) +/- 100 bps parallel shift in interest rates = +/- € 100m NII/year

Net commission income (NCI) up 5% vPQ

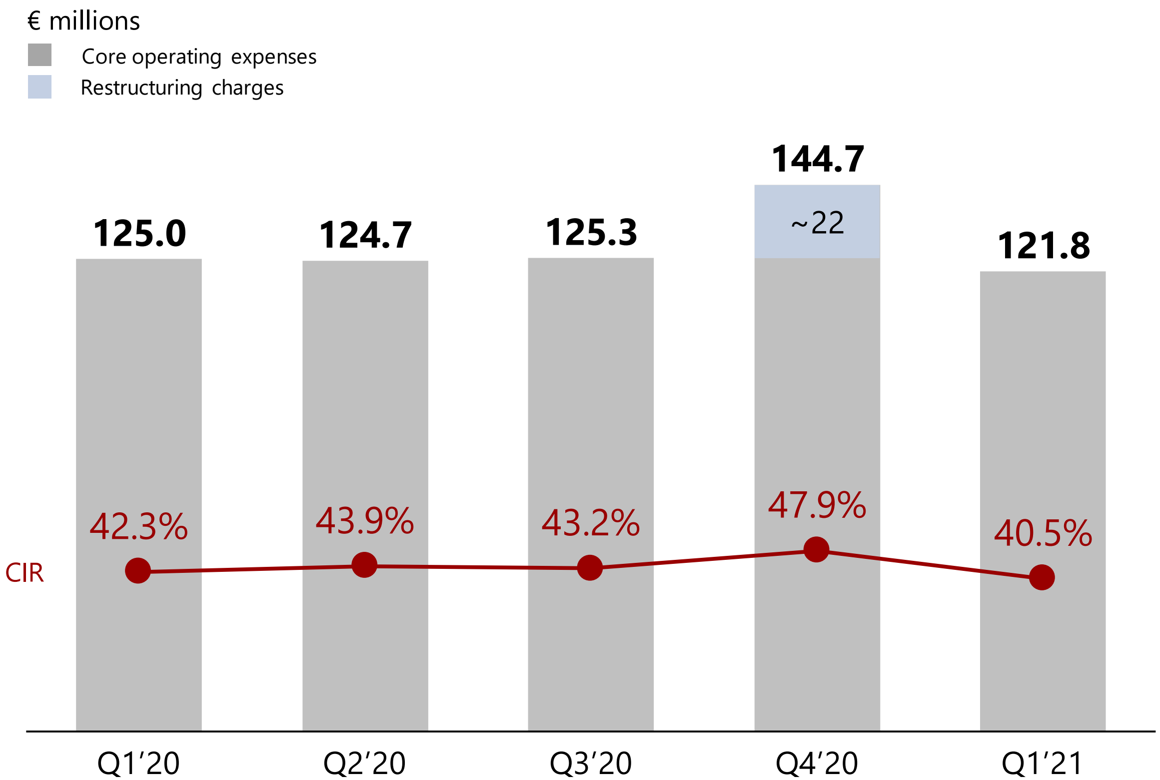
- Ongoing recovery in Q1 ’21 … stronger advisory business despite partial lockdown in Q1 ‘21
- Still subdued activity in selected business areas compared to previous year … down 6% vPY

Outlook for 2021

- Expect core revenues growing ~2% in 2021
- Anticipate subdued activity during H1 ’21 followed by a normalized environment in H2 ’21

P&L details – operating expenses

Costs targets on track



CIR at 40.5% in Q1 '21 down (1.8pts) vPY

On track to meet full-year targets … gradual decrease over the coming quarters resulting from efficiency measures

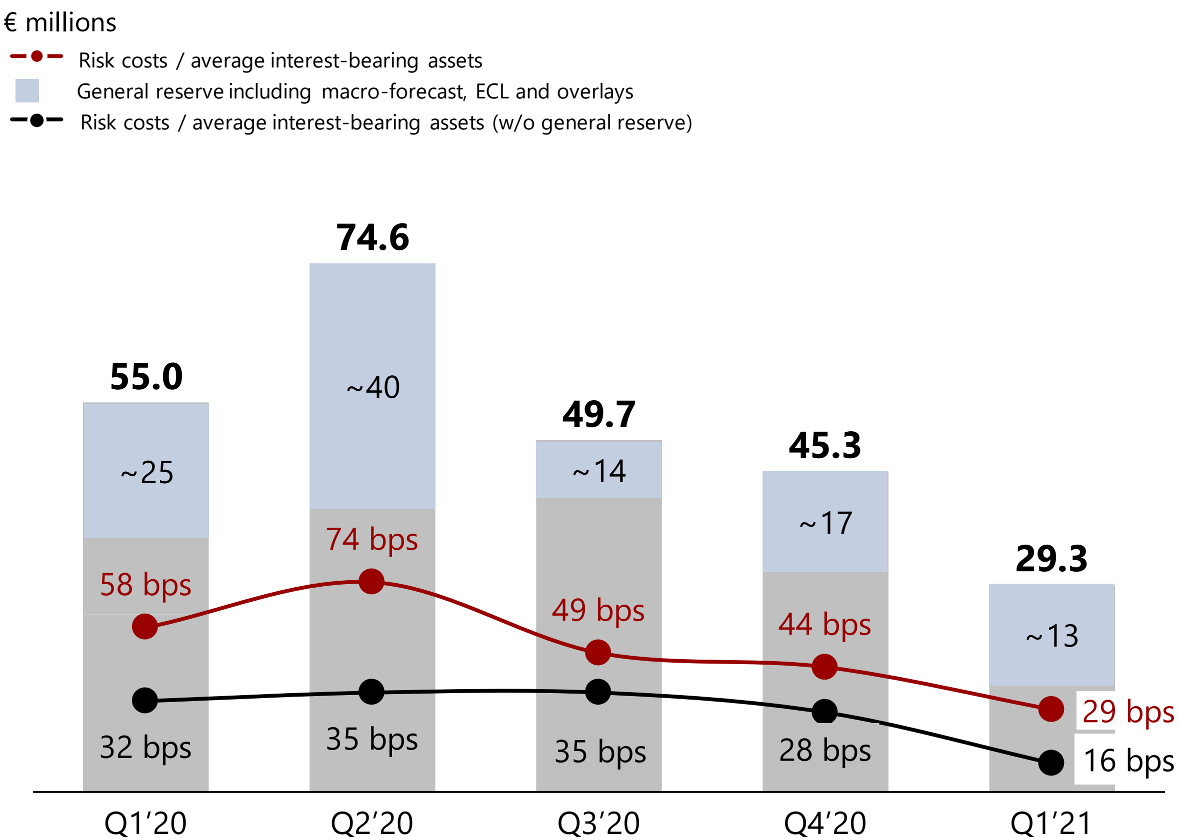
Adapting to post COVID-19 world … planting the seeds for greater scale, greater digital engagement, and continued rollout of simplification initiatives across the Group

Outlook for 2021

- Operating expenses expected below €485m in 2021 … target cost-income ratio below 41%
- Mid-term cost-income ratio target below 40%

P&L details – risk costs

Strong underlying asset quality



NPL ratio (as reported and excluding CoL)

1.6%	1.5%	1.5%	1.5%	1.5%
1.1%	1.1%	1.1%	1.1%	1.1%

Q1 '21 risk costs €29m … risk cost ratio at 29bps

– Normal risk cost run-rate in Retail & SME of ~€16m

– €13m general reserves booked in Corporate & Public business

– No ECL reserves released

Maintain safe & secure balance sheet & portfolio risk management

– Focused on developed markets … 76% DACH/NL region and 24% Western Europe / United States

– Conservative underwriting with a focus on secured lending … 79% of customer loans is secured or public sector lending

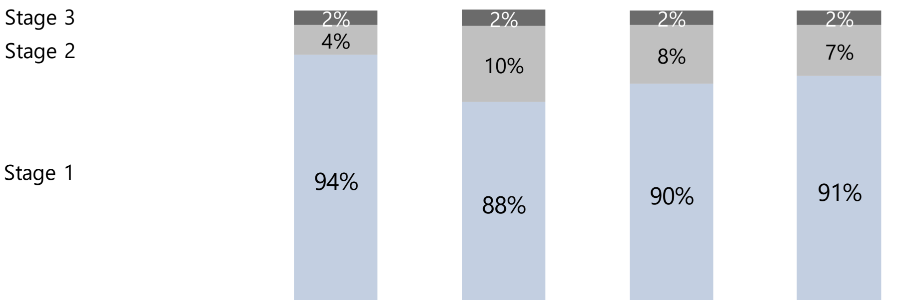
<u>Outlook for 2021</u>

– Expected >40% reduction vs. 2020 based on current macroeconomic assumptions … no ECL reserve releases included in outlook

Details on reserves

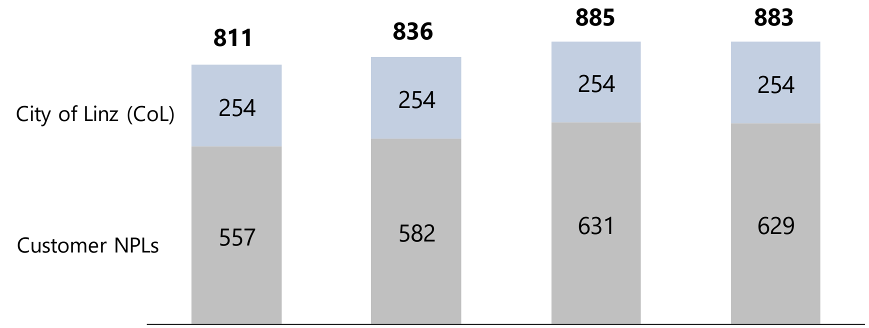
Continuing to remain prudent despite improved economic forecast

IFRS 9 Migration- Customer Segment Assets



€ billions	Q4 '19	Q2 '20	Q4 '20	Q1 '21
Customer Segments	**31.3**	**32.4**	**33.2**	**34.1**
less Public Sector	*3.4*	*4.4*	*4.9*	*5.6*
Asset base	**27.9**	**28.0**	**28.3**	**28.5**

Non-performing stage 3 loans, in €m



	Q4 '19	Q2 '20	Q4 '20	Q1 '21
NPL ratio excl. CoL	1.1%	1.0%	1.1%	1.1%
NPL cash coverage excl. CoL	37%	39%	46%	47%
NPL ratio	1.7%	1.5%	1.5%	1.5%
NPL cash coverage	32%	36%	62%	63%

ECLs (Stage 1&2) and SPECIFIC RESERVES (Stage 3)

€ millions	**Q4 '19**	**Q2 '20**	**Q4 '20**	**Q1 '21**
Stage 1	39	67	67	69
Stage 2	17	56	64	80
Stage 3	205	226	271	279
Total Reserves	**262**	**349**	**402**	**428**
Total reserve ratio %	*0.9%*	*1.2%*	*1.4%*	*1.5%*

Key developments

NPL ratio (excluding City of Linz) flat at 1.1% … cash coverage of 47%

Total reserves of €428, up €26m vYE ’20 (+6%) … total reserve ratio at 1.5%

Total ECL of €149m, up €18m (+14%) vYE ’20 … of which €56m (38%) comprised of management overlay … monitoring economic recovery H2 ’21

NPE backstop regulatory requirements fully met as of Q1 ’21 (including all transitional step-ups)

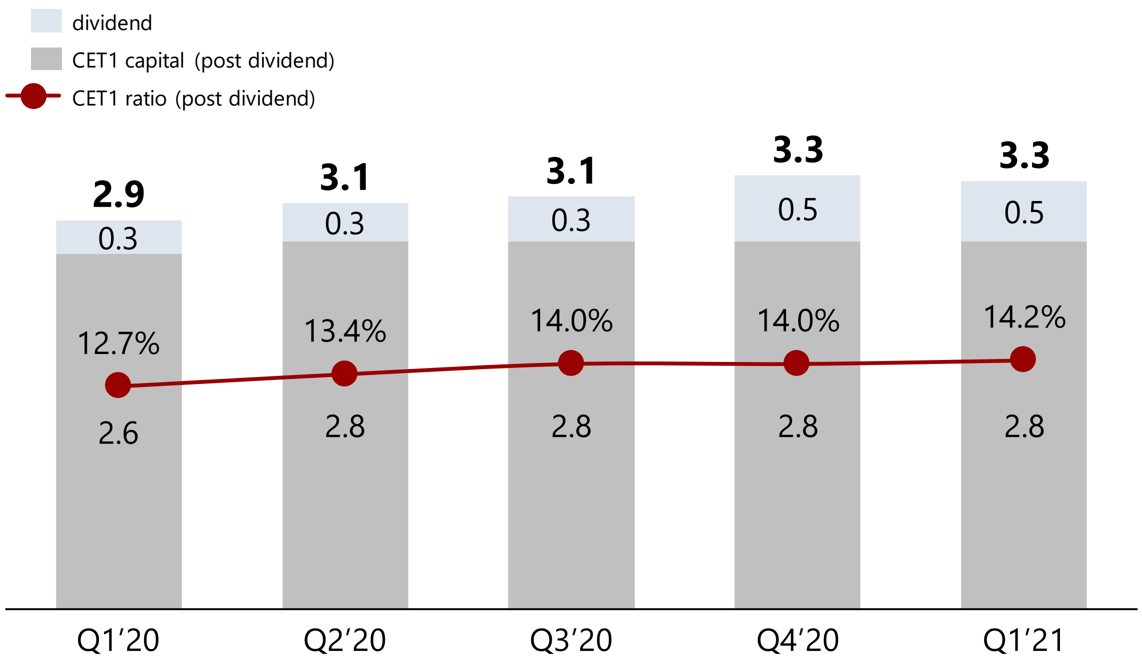
City of Linz receivable fully provisioned through prudential filter in 2020 with no impact on capital distribution plans in worst-case scenario

Regulatory Capital

Strong capital position

€ billions

CET1 Capital and ratios



RWA | € billions | **Tier 1 ratio** | **Total capital ratio** | **Leverage ratio**

RWA (€ billions)	20.9	20.8	20.2	20.1	20.1
Tier 1 ratio	14.1%	14.8%	16.3%	16.4%	16.5%
Total capital ratio	16.3%	17.0%	19.6%	19.6%	19.8%
Leverage ratio	6.3%	5.9%	6.4%	6.1%	6.1%

Note: All ratios post dividend accrual

Capital distribution plans:

✓ €40m dividend paid in Q1 '21 in line with ECB recommendation
- €37m dividends accrued based on dividend policy for Q1 '21 earnings
- €420m dividends (€4.72 per share) relating to 2019/2020 profits to be distributed in Q4 '21 (subject to shareholder and regulatory approvals)

Capital development:

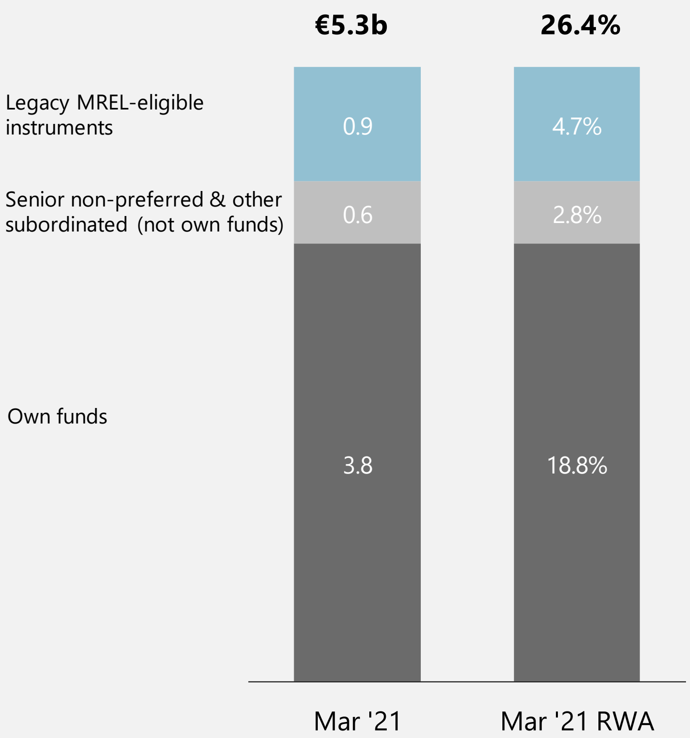
- Tier1 capital ratio increased to 16.5% and Total Capital ratio to 19.8% in Q1 '21
- Target CET1 ratio of 12.25% is ~310bps above MDA trigger of 9.14%
- Current CET1 ratio ~500bps above MDA trigger of 9.14%

Other:

- City of Linz receivable fully provisioned through prudential filter in 2020 with no impact on capital distribution plans in worst-case scenario

MREL

MREL-REQUIREMENT



MREL-STRATEGY

New MREL decision received in Feb '21 fully reflecting CRR2/BRRD2 with final requirements from 1 January 2024:

- Requirement applicable at BAWAG P.S.K. level (consolidated)
- MREL ratio as of Q1 2021 of 26.4% already in line with end state requirement of 25.32% of RWA
- Currently no subordination requirement
- Interim target lowered due to COVID-19 pandemic … 2022 interim target of c. 22% already met

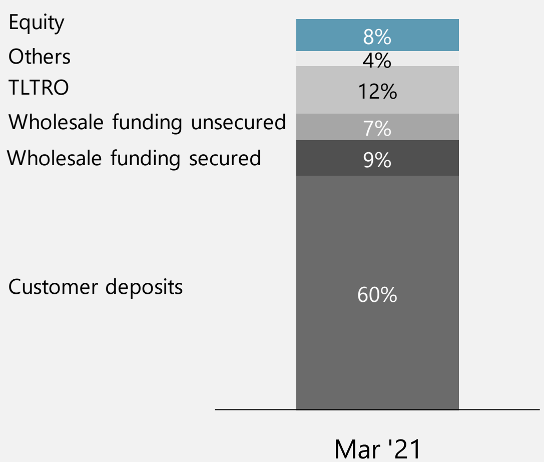
Our MREL strategy with consideration of multi-year phase in:

- €500m SNP successfully issued in August 2019
- Additional ~€1.0b-1.5b senior instruments to replace maturities, meet MREL requirement and build buffer until year end 2023

Funding & Liquidity

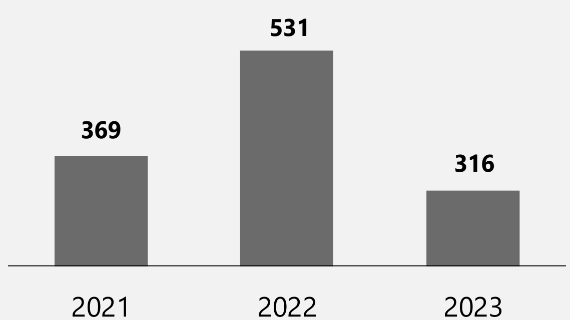
FUNDING

STRONG CUSTOMER DEPOSIT FUNDING ...



... AND COMFORTABLE MATURITY PROFILE

€ millions notional



- Covered bonds important capital market funding source going forward ... €1.75b executed in 2020 and €500m executed in Q1 2021 ... 8 benchmark bonds outstanding with up to €750m issue size and maturities up to 2041
- Participated in TLTRO III up to full capacity of €6.4b
- P2R optimization executed ... €175m AT1 and €200m Tier2 issued in Sep '20
- Additional ~€1.0b-1.5b senior instruments to replace maturities, meet MREL requirement and build buffer until year end 2023

LIQUIDITY

Liquidity coverage ratio

229%

Liquidity buffer

€9.3b

Liquidity buffer Including other marketable securities

€13.0b

ESG embedded into our strategic roadmap

Committed to responsible, sustainable and profitable growth

- Reduce own Scope 1 and Scope 2 CO_2 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

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Annex – Definitions and abbreviations

After-tax earnings per share (EPS)
Net profit / weighted average number of shares outstanding (diluted)

B/S leverage
Total assets / IFRS equity

Common Equity Tier 1 capital (CET1)
including interim profit and deducts earmarked dividends

Common Equity Tier 1 ratio
Common Equity Tier 1 capital (CET1) / risk-weighted assets

Core revenues
The total of net interest income and net fee and commission income

Cost-income ratio
Operating expenses (OPEX) / operating income

Customer Loans
Loans to customers measured at amortized cost

Common equity
Equity attributable to the owners of the parent; excluding minorities, AT1 and deducted dividend accrual

FL … Fully-loaded

Leverage ratio
Tier 1 capital (including interim profit and dividend accruals) / total exposure (calculation according to CRR)

Net interest margin (NIM)
Net interest income (NII) / average interest-bearing assets

NPL cash coverage
Stage 3 including prudential filter / NPL exposure economic

NPL ratio
NPL exposure economic / exposure

Pre-tax earnings per share
Profit before tax / weighted average number of shares outstanding (diluted)

Return on common equity (RoCE)
Net profit / average IFRS common equity and deducted dividend accruals average equity based on 1 January 2018 due to IFRS 9 implementation

Return on tangible common equity (RoTCE)
Net profit / average IFRS tangible common equity and deducted dividend accruals; average equity based on 1 January 2018 due to IFRS 9 implementation

Risk cost ratio
Provisions and loan-loss provisions, impairment losses and operational risk (risk costs) / average interest-bearing assets

Tangible book value / share
IFRS tangible equity (excluding AT1 capital, deducted dividend accruals) / number of shares outstanding

Tangible common equity
Common equity reduced by the carrying amount of intangible assets

Total capital ratio
Total capital / risk-weighted assets

vPY … versus prior year period
vPQ … versus prior quarter period
vYE … versus year-end

Note: Tables in this presentation may contain rounding differences. Already published historic figures may vary due to adjustments.