

BAWAG GROUP HOSTS INAUGURAL INVESTOR DAY AND ANNOUNCES NEW TARGETS

- ▶ **Medium Term Return Targets: RoTCE >17% and CIR <38%**
- ▶ **2025 Financial Targets: Profit before tax >€750 million, EPS >€7.25 and DPS >€4.00**
- ▶ **2025 ESG Targets: >50% reduction of own scope 1 & 2 CO2 emissions, annual new business green lending >€1.6 billion and female gender quota of 33% for both Supervisory Board and Senior Leadership Team**
- ▶ **Updating Capital Distribution Policy: Plan to increase dividend payout from 50% to 55% starting in 2022 and share buyback planned for 2022**

VIENNA, Austria – September 20, 2021 – BAWAG Group today hosts its inaugural investor day following the IPO in October 2017. After four years as a public company, we are taking stock on what we have achieved to-date and more importantly focusing on how we are positioning our franchise for growth. Following our transformation over the past decade, BAWAG Group today ranks among the most profitable and efficient banks in Europe, with the financial wherewithal to support our customers and local communities.

Our new 2025 plan targets a **profit before tax >€750 million, earnings per share (EPS) > €7.25, and dividend per share (DPS) > €4.00 in 2025**. The increase in earnings and overall profitability will be driven by core revenue growth, continued efficiency measures, and normalized risk and regulatory costs. Furthermore, we are updating our normalized medium term return targets, with a return on tangible common equity (RoTCE) >17% and a cost-income ratio (CIR) <38%.

In terms of capital distribution, we are planning to increase the dividend payout ratio from 50% to 55% starting from financial year 2022, resulting in a targeted dividend distribution of ~€1.4 billion for the financial years 2021 through 2025. In line with our capital management framework to distribute excess capital to our shareholders, we are targeting a share buyback in 2022 equal to the amount of excess capital >12.25%, which as of the second quarter 2021 equaled €436 million, subject to regulatory approvals. Additional capital through 2025 of ~€0.8 billion will be allocated to business growth, M&A, and/or share buybacks and special dividends, subject to our routine annual assessment.

We are also embedding ESG targets into our operating plans. We are targeting a reduction of our own scope 1 and 2 CO2 emissions of >50% by 2025 from a baseline of approximately 2,900 tonnes in 2020. In terms of diversity, we are establishing a female gender quota of 33%, for both the Supervisory Board as well as the Senior Leadership Team, by 2025 versus our prior date of 2027. To further promote the environmental transition, we are targeting annual new business green financing of over €1.6 billion, doubling today's amount.

"Looking back at our performance over the past decade, the Group has delivered very strong returns and outperformed the listed European banking sector, delivering an average return on tangible common equity ~14% versus the banking sector ~ 5%. This was a result of having fundamentally transformed the franchise over the years. Since our IPO in October 2017 and based on our forecasted year-end results, we will have grown absolute profit by 15%, completed 5 acquisitions, and distributed €1.13 billion of capital in the form of dividends and share buybacks by the end of this year. Today, we are sharing our new 2025 plan with specific financial and ESG targets as well as updating our capital distribution plans.

The team takes great pride in our achievements over the past decade. However, I'm more excited today about our future than at any other point in the 10 years I've been with the company. We have positioned the franchise for sustainable profitable growth and long-term value creation that will benefit our customers, shareholders, team members and local communities in the many years ahead" commented Chief Executive Officer **Anas Abuzaakouk**.

Our Targets:

Financial targets	2021 Forecast	2025
Profit before tax	~€575 million	>€750 million
Earnings per share	>€5.00	>€7.25
Dividend per share	~€2.60	>€4.00

Return targets	2021 Forecast	Medium Term
Return on tangible common equity	~15%	>17%
Cost/Income ratio	~40%	<38%

ESG targets	Baseline	2025
CO2 emissions (own scope 1&2 emissions)	~2,900tCO2	>50% reduction
Women quota (Supervisory Board and Senior Leadership Team)	17% Supervisory Board / 15% Senior Leadership Team	33%
Green lending new business	€0.8 billion	>€1.6 billion

At 10:00am CEST, the entire Management Board will present an overview of the strategy, what has been achieved to date, our updated targets and 2025 plans. The webcast will be available under <https://edge.media-server.com/mmc/p/wjgkdiog>. At 4:00 pm CEST, we will host a Q&A session, during which all members of the Management Board will be available for answering your questions. The live stream as well as the access to the Q&A tool is available under the following link: <https://edge.media-server.com/mmc/p/2dhowo7b>.

About BAWAG Group

BAWAG Group AG is a publicly listed holding company headquartered in Vienna, Austria, serving 2.3 million retail, small business, corporate, real estate and public sector customers across Austria, Germany, Switzerland, Netherlands, Western Europe and the United States. The Group operates under various brands and across multiple channels offering comprehensive savings, payment, lending, leasing, investment, building society, factoring and insurance products and services. Our goal is to deliver simple, transparent, and affordable financial products and services that our customers need.

BAWAG Group's Investor Relations website <https://www.bawaggroup.com/ir> contains further information, including financial and other information for investors.

Contact:

Financial Community:

Jutta Wimmer (Head of Investor Relations)
Tel: +43 (0) 5 99 05-22474, IR Hotline: +43 (0) 5 99 05-34444
E-mail: investor.relations@bawaggroup.com

Media:

Manfred Rapolter (Head of Corporate Communications, Spokesman)
Tel: +43 (0) 5 99 05-31210
E-mail: communications@bawaggroup.com

This text can also be downloaded from our website: <https://www.bawaggroup.com>