

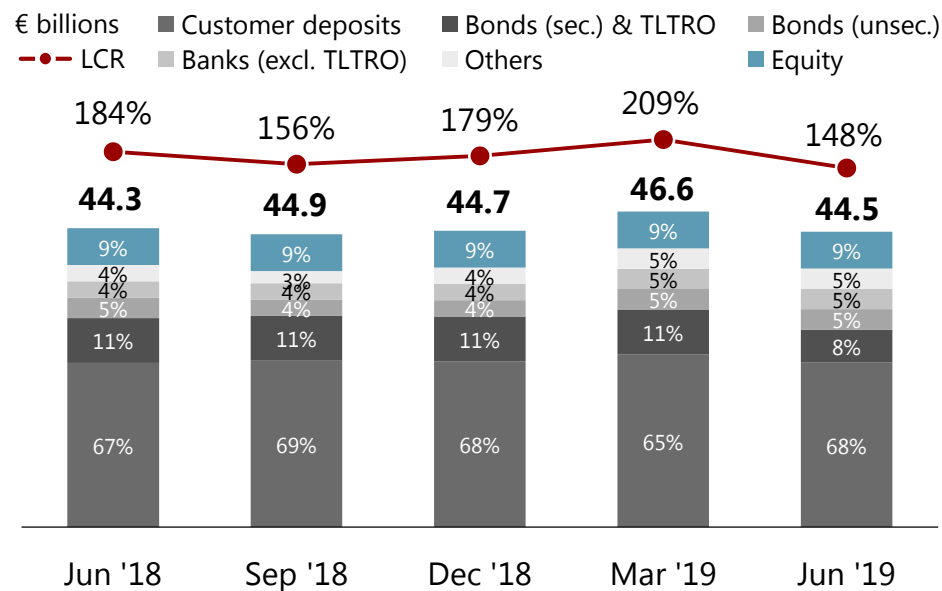
Funding update

August 6, 2019

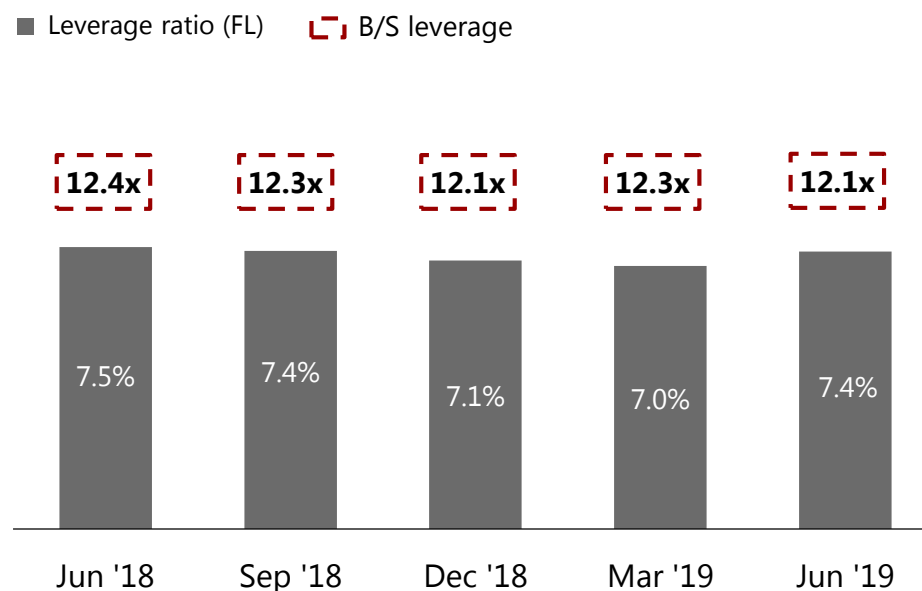
Funding & leverage

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

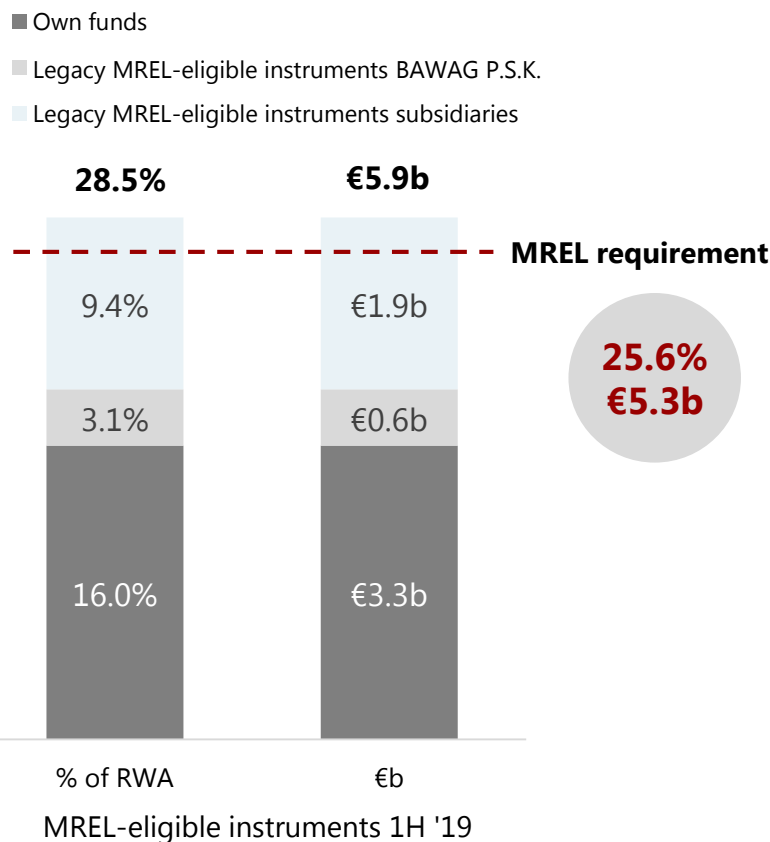
- Running a low leverage business model

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

MREL update

Proactive approach to meeting regulatory requirements

MREL requirement¹⁾



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 1H '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-1.0b senior non-preferred issuance to meet expected subordination requirement within 12-18 months
 - Additional ~€500m-1.0b senior preferred instruments to meet gap between 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; own funds and RWA on fully loaded basis; proposed capital return already considered 2) Based on financial statements as of 31 December 2017

Customer deposits

Overview as of 30 June 2019

€ millions	BAWAG Group excl. Südwestbank & start:bausparkasse (Germany)	BAWAG Group
Customer deposits covered by DGS	18,668	20,193
Retail & SME deposits > €100k	2,974	4,088
Thereof natural persons	2,601	3,296
Thereof SME	373	792
Other customer deposits ¹⁾	4,003	5,814
Thereof maturity >1yr	150	1,025
Customer Deposits	25,645	30,095

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



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