Annual General Meeting 2020

30 October 2020

Highlights 2019

BAWAG Group

FINANCIALS

€5.22 EPS pro-forma	+19% vPY
€459m Net profit	+5% vPY
16.1% RoTCE	+1.3pts vPY
42.7% CIR	(1.5pts) vPY

CAPITAL

- Distributed €615m capital via €400m share buyback and €215 million dividend
- CET1 ratio at year-end 2019 of 14.4% pre-dividend and 13.3% post dividend accrual
- **2019 dividend of approximately €230 million** earmarked for future payout

STRATEGY

- **Completed *Concept 21***: full separation from Austrian Post
- **Germany**: significant progress made in transforming German acquisitions and building out German platform
- Continue to develop towards a **Retail & SME franchise** … target 80% profit contribution

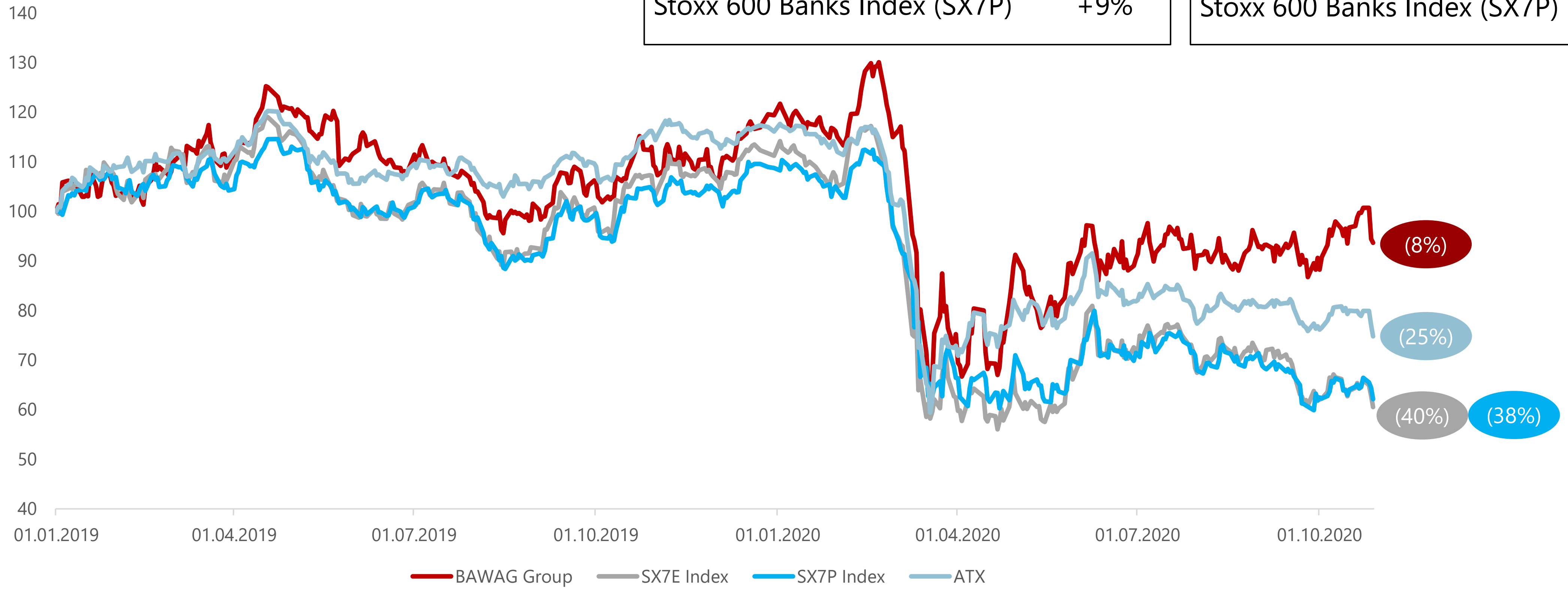
Note: Pro forma EPS defined as net profit / shares outstanding at period end; EPS reported of €4.69, +7% vPY

Share price development

Indexed as of 1 Jan 2019

2019	
BAWAG Group	+19%
ATX	+16%
EuroStoxx Banks Index (SX7E)	+11%
Stoxx 600 Banks Index (SX7P)	+9%

2020 YTD	
BAWAG Group	-22%
ATX	-36%
EuroStoxx Banks Index (SX7E)	-46%
Stoxx 600 Banks Index (SX7P)	-43%



Development based on the daily closing price. The last closing price shown is as of 28 October 2020. The performance does consider the dividend paid in 2019, however not the earmarked dividend for 2019. Not adjusting for paid dividend, BAWAG Group share performance would have been +13% in 2019 and (11%) from 1 Jan 2019 – 28 Oct 2020

Strategy remains unchanged

Targeting ~10% RoTCE during a severe economic downturn

Growing in our core markets

Drive efficiency through operational excellence

Mid-term Targets:

Return on tangible common equity (RoTCE)

>15%

Cost-income ratio

<40%

Focus on Customer Centricity

Maintaining a safe and secure risk profile

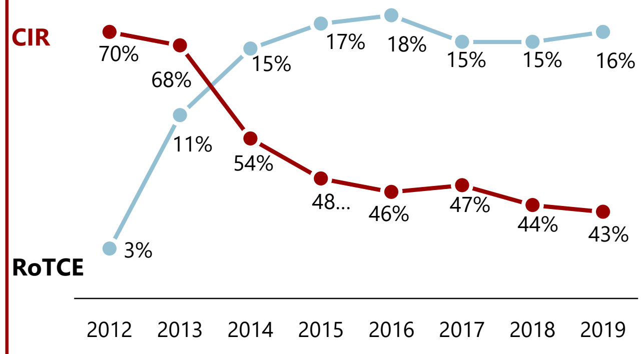
We entered the crisis in a strong position

BAWAG Group

RESILIENT BUSINESS MODEL

- Strategic transformation since 2012
- Focus on developed markets with Austria as our core and foundation
- Highly cash-capital generating business model with ~+230bps CET1 per year thru 2019

EFFICIENT & HIGH-RETURN BUSINESS MODEL



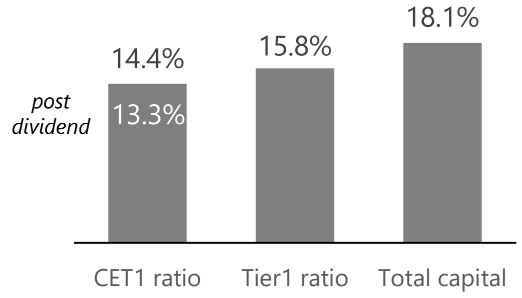
STRONG FUNDING & LIQUIDITY

- Strong customer deposit base … represents more than 2/3 of funding
- Comfortable maturity profile of own issuances
- Liquidity coverage ratio of 190% … short-term liquidity buffer of €8.8b (30 September 2020)

STRONG CAPITAL POSITION

As of Dec 2019, pre-dividend

RWA Density: 45%

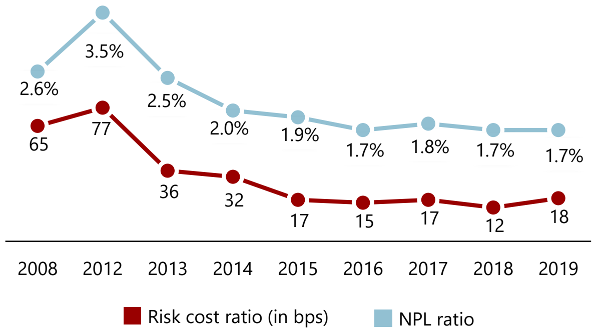


SOLID ASSET QUALITY and DISCIPLINED UNDERWRITING

- Conservative risk appetite and revamped risk organization since 2012
- Disciplined underwriting in corporates and real estate … focus on risk-adjusted returns
- No relevant exposure to CEE or emerging markets
- No operations with elevated AML risk

NON-PERFORMING LOANS

developments since financial crisis



Operating environment during pandemic

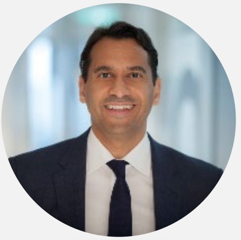
Business environment

- Governments in DACH-region put out extensive stimulus packages and support measures … demonstrating their fiscal strength and capabilities
- Lockdown in Austria started in March and lasted thru April … Public moratoria introduced early April and extended until January 2021
- DACH countries demonstrating the highest payment commitments across Europe … only 1.7% payment holiday of our Retail & SME business and 0.6% for Corporates & Asset Backed lending portfolio thru mid-October
- Proactive outreach program in local communities … transparency and proactive communication on stimulus packages for our SME & corporate clients
- GDP forecasts for Euro area of ECB slightly improved in September to -10% in 2020 in an adverse scenario … we've applied ECB Euro area adverse scenario published in June for IFRS 9 provisioning (-12.6% GDP in 2020 with +3.3% recovery in 2021)
- Early adoption of safety measures for employees and customers … 75% of all employees working from home … still on "home office preferred" mode and will continue throughout the end of the year at minimum

Catalyst for long-term changes

- ✓ Planting the seeds for greater scale, greater digital engagement both with customers and employees, and greater simplification and standardization across the Bank
- ✓ Positive impacts from home-office …will be integrated in long-term working model … reduced physical footprint, maintenance costs, and greater potential for productivity
- ✓ Catalyst for future cost initiatives and redefining operating infrastructure

Long term commitment of Managing Board

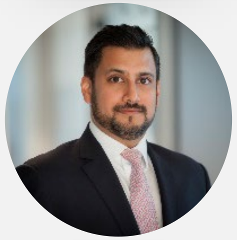


Anas Abuzaakouk
Chief Executive Officer

David O'Leary
Chief Risk Officer

Enver Sirucic
Chief Financial Officer &
Deputy Chief Executive Officer

Andrew Wise
Chief Investment Officer &
Head of Non-Retail Lending



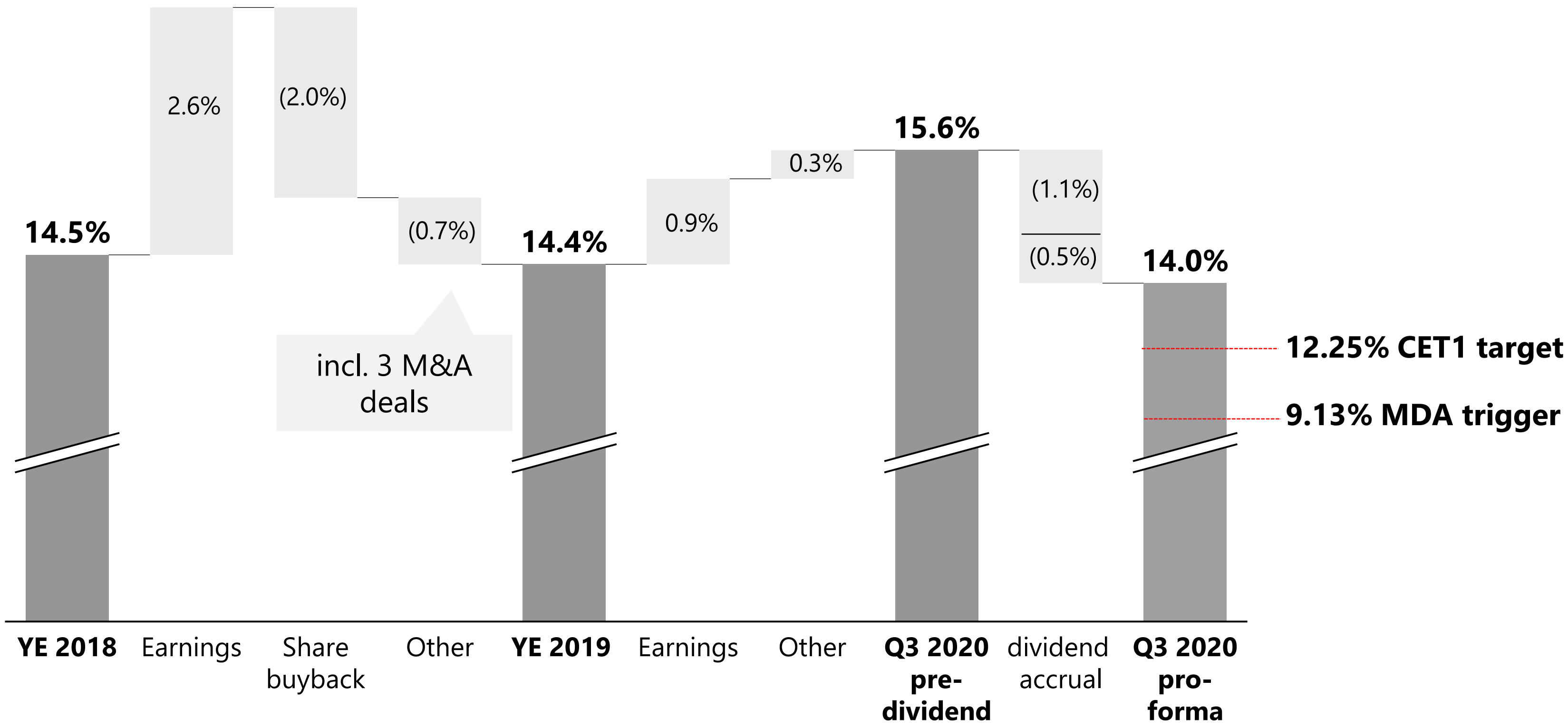
Sat Shah
Head of Retail & SME &
Deputy Chief Executive Officer

- Managing Board will be reduced to 5 members by 1 Jan 2021
- Extension of mandates through March 2026
- Changes effective since October 2020
- Deputies assigned for Managing Board Members

Agenda

Capital generation 2019-2020 YTD

Highly capital accretive business model



~260bps

(FY'19 gross capital generation through earnings)

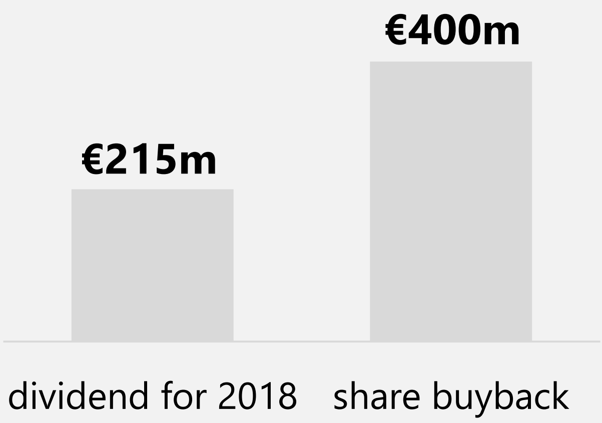
€175m AT1 and €200m Tier2 issued during Q3 '20 to fill AT1 & T2 buckets following the change in composition of P2R requirement

Regulatory capital requirement reduced to 9.13% +1% P2G during 2020:

- Target CET 1 ratio of 12.25% is 312 bps (€631m) above MDA trigger as of Q3 '20
- Pro-forma CET 1 ratio 14.% is 486 bps (€984m) above MDA trigger as of Q3 '20

Capital distribution

Capital distribution in 2019



- Dividend policy of **50% payout ratio**
- Share buyback of €400m (11% of shares outstanding) executed in November 2019 … new share capital: 89,142,237 shares
- **~140% Total Payout Ratio** for 2018 paid in 2019

Future capital distribution

~€230m

dividend for 2019 earmarked for future payout

~€101m

YTD dividend accrual for 2020 as per dividend policy

- ECB recommended not to pay dividend until 1 January 2021 … further guidance will be provided in December
- Taking into consideration any further formal guidance or recommendations, dividends will be presented to be resolved:
  - 2019 dividend upon to the next (extraordinary) general meeting (2021)
  - 2020 dividend upon to the next general meeting (2021)
- **New CET1 ratio threshold for capital distribution is 12.25%**

Agenda

Major P&L & balance sheet items 2019

Profit before tax	**€604m**	+6%
Core revenues	**€1,163m**	+3%
Common equity (excl. AT1 capital and dividend)	**€3.3b**	(6%)
Total assets	**€46b**	+2%
Customer loans	**€30b**	-
Customer deposits	**€30b**	+1%

Financial performance 2019

BAWAG Group

FINANCIALS

P&L | € millions	2019	vPY
Core revenues	1,163	3%
Operating income	1,241	6%
Operating expenses	(530)	2%
Regulatory charges	(42)	6%
Risk costs	(69)	54%
Profit before tax	**604**	**6%**
Net profit	**459**	**5%**

TARGETS

		2019	Target	
Profit before tax		**€604m**	**>€600m**	✓
Cost-income ratio		**42.7%**	**<43%**	✓
RoTCE	**Reported**	**16.1%**	**15%-20%**	✓
	Pro forma	**17.3%**		
CET1 ratio (post dividend)		**13.3%**	**12%-13%**	✓
EPS	Pre-tax	**€6.17**	**>€6.00**	✓
	Post-tax	**€4.69**	**>€4.50**	

CAPITAL ACTIONS

- €400m Tier2 capital issued in March '19 to fill the T2 requirement
- Share buyback of 10,857,763 shares (€400m) in Q4 '19, which were cancelled afterwards ... reduced share capital of 89,142,237 shares[1)]
- Dividend paid for 2018 in 2019 of €215m

Note: Pro forma EPS defined as net profit / shares outstanding at period end; pro forma RoTCE assumes deduction of earmarked capital for share buyback in 2018   1) 1,205,107 own shares held

Recent developments - Highlights Q3 2020

EARNINGS

- Net Profit of €79m, EPS of €0.90, and RoTCE 11.1%
- **Pre-provision profit of €165m and CIR 43.2%**
- **Risk cost of €50m,** of which €14m general reserves … applying conservative provisioning
- **1-off item:** Q3 '20 deposit insurance charge of €12m due to Commerzialbank fraud

BALANCE SHEET & CAPITAL

- **Interest bearing assets: +9% vYE; Customer loan growth: +4% vYE**
- CET1 ratio (post dividend) up +60bps in Q3 '20 to 14.0% as of September 2020
- Full year 2019 and YTD '20 **dividend deducted from capital (€331m)**
- Issued **€175m AT1 and €200m Tier 2** to optimize P2R … **CET1 ratio target reduced to 12.25%**

OUTLOOK

- Targeting **RoTCE ~10%** for full year 2020
- Dividend distributions pending guidance from ECB/regulators
- **Committed to medium-term targets: RoTCE >15% and CIR <40%**

Note: Comparison vPY, unless stated otherwise

Financial performance
Key highlights

P&L | € millions	Q3 '20	vPY	vPQ	YTD	vPY
Core revenues	298	2%	5%	873	1%
Operating income	290	(8%)	2%	870	(6%)
Operating expenses	(125)	(6%)	-	(375)	(5%)
Pre-provision profit	**165**	**(9%)**	**3%**	**495**	**(7%)**
Regulatory charges	(14)	576%	468%	(53)	35%
Risk costs	(50)	191%	(33%)	(179)	305%
Profit before tax	**101**	**(38%)**	**25%**	**263**	**(42%)**
Net profit	**79**	**(37%)**	**29%**	**201**	**(41%)**
Ratios					
RoCE	9.3%	(4.5pts)	1.9pts	8.0%	(4.8pts)
RoTCE	11.1%	(5.3pts)	2.2pts	9.6%	(5.5pts)
CIR	43.2%	0.8pts	(0.7pts)	43.1%	0.4pts
Risk cost ratio	0.49%	0.31pts	(0.25pts)	0.60%	0.45pts
Normalized					
Net profit	77	(34%)	47%	209	(40%)
RoCE	9.1%	(4.0pts)	2.7pts	8.3%	(4.8pts)
RoTCE	10.9%	(4.6pts)	3.2pts	10.0%	(5.4pts)

Balance Sheet & Capital | € millions	Q3 '20	Q2 '20	vPQ	vYE
Total assets	51,238	51,278	-	12%
Interest-bearing assets	40,274	40,505	(1%)	9%
Customer loans	31,545	31,372	1%	4%
Customer deposits	30,433	30,255	1%	-
Common Equity	3,435	3,366	2%	4%
Tangible Common Equity	2,882	2,811	3%	6%
CET1 Capital	2,832	2,777	2%	5%
Risk-weighted assets	20,246	20,750	(2%)	(1%)
CET1 Ratio (post dividend)	**14.0%**	**13.4%**	**0.6pts**	**0.7pts**
Liquidity Coverage Ratio	190%	209%	(19pts)	44pts
Leverage ratio	6.4%	5.9%	0.5pts	(0.1pts)

Per share data	Q3 '20	vPY	vPQ	YTD	vPY
Earnings (€)	0.90	(29%)	28%	2.29	(34%)
Book value (€)	39.07	6%	2%	39.07	6%
Tangible book value (€)	32.78	5%	3%	32.78	5%

Note: €331m dividend deducted from Equity balances and CET1 capital in balance sheet, capital, ratios and per share data.

Outlook and Targets
Updated 2020 outlook

OUTLOOK 2020

	FY '20
Net interest income **FY '19: €879m**	**Increasing up to 4%**
Net fee and commission income **FY '19: €284m**	**Decreasing ~10%**
Other income **FY '19: €78m**	**€0 result for full year 2020**
Operational expenses **FY '19: €530m**	**Core expenses : Decreasing by ~5%;** **Booking up to €25m restructuring cost in Q4 '20**
Risk costs **FY '19: €69m**	**H2 '20 lower than H1 '20 risk costs**
Return on tangible common equity: **FY '19: 16.1%**	**Targeting ~10%**

MEDIUM-TERM TARGETS

Based on normalized environment

Return on tangible common equity (RoTCE)

>15%

Cost-income ratio

<40%

Dividend distributions pending guidance from ECB/regulators

Capital Markets Day

September '21

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