

Annual General Meeting 2022

28 March 2022

Highlights 2021

FINANCIALS

€5.39
EPS | +68%
vPY

€480m
Net profit | +68%
vPY

16.1%
RoTCE | +5.9pts
vPY

39.5%
CIR | (4.8pts)
vPY

BALANCE SHEET & CAPITAL

- > Average customer loans +9% vPY
- > CET1 ratio 15.0% (230bps gross capital generation)
- > Proposing €3.00 dividend per share (€267m dividend)
- > Share buyback of up to €425m planned for 2022, subject to regulatory approval

STRATEGY

- > Completed two acquisitions ... Hello bank! in Austria and DEPFA Group in Ireland
- > Launched several initiatives over the last year to drive efficiency allowing us to counter significant inflationary pressures
- > Increased focus on secured and public sector lending ... ~80% of customer assets

Financial performance

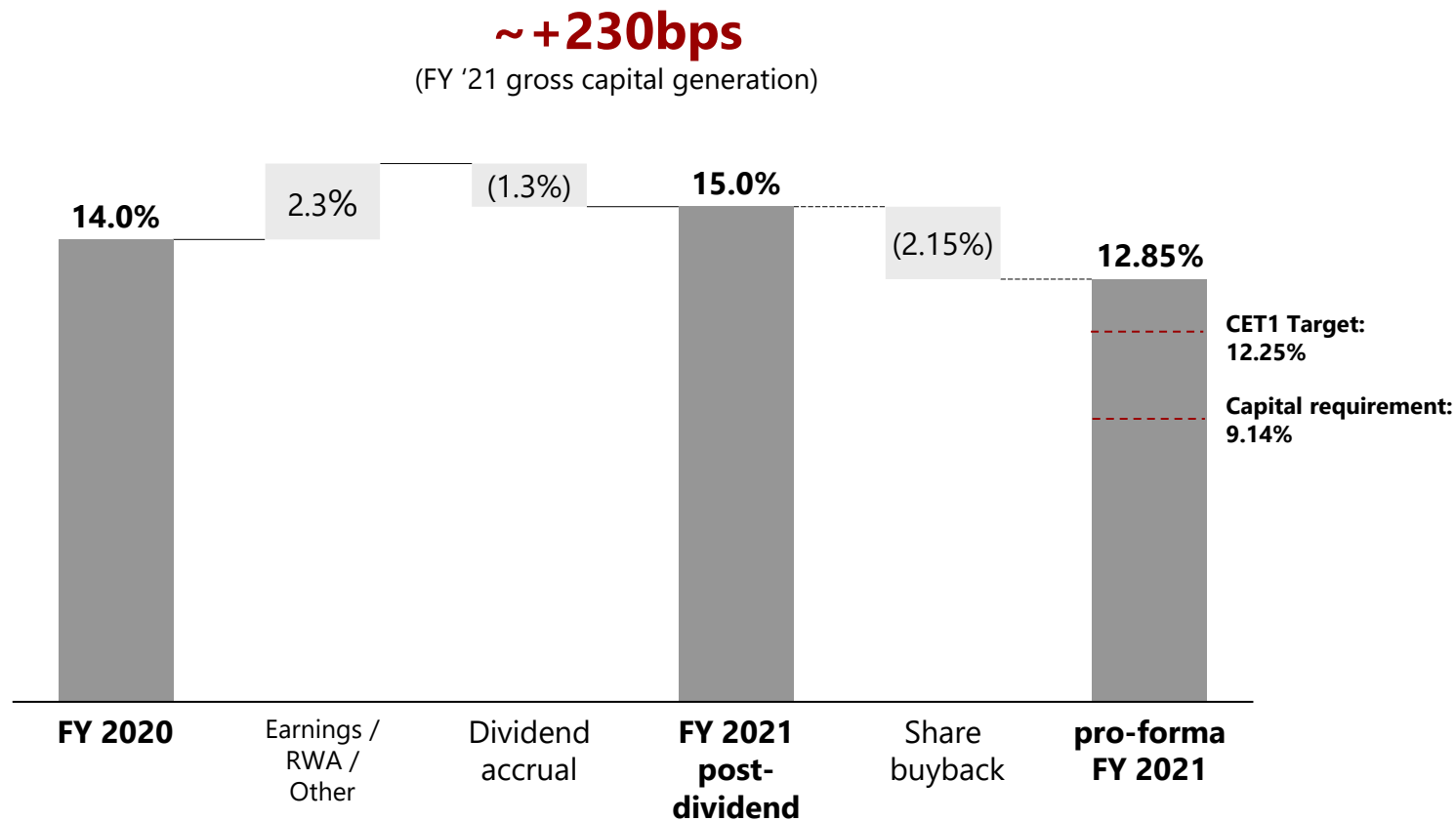


P&L € millions	2021	2020	vPY
Net interest income	938.3	915.4	3%
Net commission income	282.1	254.8	11%
Core revenues	1,220.4	1,170.3	4%
Other revenues	8.1	3.4	138%
Operating income	1,228.5	1,173.7	5%
Operating expenses	(485.3)	(519.7)	(7%)
Pre-provision profit	743.2	653.9	14%
Regulatory charges	(51.6)	(59.2)	(13%)
Risk costs	(95.0)	(224.6)	(58%)
Profit before tax	600.4	371.2	62%
Income taxes	(120.4)	(85.7)	40%
Net profit	479.9	285.2	68%
Key ratios	2021	2020	vPY
Return on Common Equity	13.6%	8.5%	5.1pts
Return on Tangible Common Equity	16.1%	10.2%	5.9pts
Net interest margin	2.27%	2.29%	(0.02pts)
Cost-income ratio	39.5%	44.3%	(4.8pts)
Risk cost ratio	0.23%	0.56%	(0.33pts)
Earnings per share (in €)	5.39	3.20	68%
Tangible book value per share (in €)	34.90	32.60	7%

Balance sheet € millions	2021	2020	vPY
Customer loans	34,963	32,129	9%
Securities and bonds	6,330	7,525	(16%)
Credit institutions and cash	13,060	10,796	21%
Other assets	1,972	2,672	(26%)
Total assets	56,325	53,122	6%
<i>thereof average interest-bearing assets</i>	41,373	39,931	4%
Customer deposits	35,160	32,415	8%
Own issues	7,379	6,475	14%
Credit institutions	7,361	7,522	(2%)
Other liabilities	2,051	2,360	(13%)
Common equity	3,636	3,419	6%
Dividend accrual	267	460	(42%)
AT1 capital	471	471	0%
Total liabilities & equity	56,325	53,122	6%

Capital & RWA € millions	2021	2020	vPY
Common equity	3,636	3,419	6%
Tangible common equity	3,101	2,867	8%
CET1 capital	3,012	2,802	7%
Risk-weighted assets	20,135	20,073	0%
CET1 ratio (post dividend)	15.0%	14.0%	1.0pts
Leverage ratio	6.0%	6.0%	0.0pts
Liquidity Coverage Ratio	239%	231%	8pts

Capital development and distribution



- > Dividend of **€3.00 per share**, or €267m proposed for 2021
- > Share buyback of up to €425m planned in 2022, subject to regulatory approvals
- > SREP: 9.14% with P2R constant at 2.0% & P2G reduced by 0.25% (1.0% to 0.75%) ... +371bps above capital requirement
- > Excess capital after planned buyback leaves dry powder for organic growth and bolt-on M&A in 2022
- > New dividend policy with payout ratio of 55% from financial year 2022 onwards

Execution of our strategy in 2021

Focusing on the things that we can control

1 GROWTH IN OUR CORE MARKETS FOCUSED ON SERVING OUR CUSTOMERS

- **Strong organic growth: +9% average customer loan growth** in 2021 across businesses
- **Completed the acquisition** of Hello bank! Austria, substantially increasing our retail brokerage market position and capabilities
- **Growing in the United States:** Signed a deal to acquire Peak Bancorp (Idaho community bank) in February 2022

2 EFFICIENCY THROUGH OPERATIONAL EXCELLENCE

- **Launched several initiatives** over the past two years which have allowed us to counter significant inflationary pressures
- We continue to **target net cost out** despite inflation ... several initiatives planned for continued improvement and simplification
- Positive operating leverage across all cycles ... Building an efficient and scalable banking platform
- **CIR in 2021 at 39.5% vs. 43% in 2020 ... 2022 target: Operating expenses ~2% net cost-out and CIR < 38%**

3 SAFE AND SECURE RISK PROFILE

- Resilient business model across all cycles with consistently strong earnings & capital generation (+230bps in 2021)
- Solid asset quality, funding and capitalization
- Increased focus on **secured and public sector lending ... ~80% of customer assets**
- Operate in developed markets with no direct exposure to Russia or Ukraine
- **Resilient balance sheet:** EBA/ECB stress test 3-year impact -198 bps on CET 1 ratio (ECB bank average of -520bps)

ESG Update

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ENVIRONMENTAL INITIATIVES

- Reducing our direct CO2 emissions ... 100% green electricity adopted, continuous footprint optimization and further initiatives planned
- Increase in share of investment funds with ESG approach (customers)
- Green bond framework defined in 2021 ... first green bond issued in August of € 500m with further issuances planned
- Annual review of industries and lending criteria
- Building capabilities to address green financing products and overall market opportunities

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SOCIAL INITIATIVES

EMPLOYEES

- Special bonus of € 300 for all employees in 2021
- Providing a stock grant equal to € 1,000 to each employee as well as introducing company stock matching program in 2022
- Greater work flexibility through home office model; a permanent feature of workplace environment

DIVERSITY

- 47 nationalities working at BAWAG Group
- Improved women quota at the Supervisory Board from 17% to 44%; Senior Leadership Team from 15% to 28%
- Ongoing support of women's mentoring program

COMMUNITIES

- Partnering with several non-profit organizations to support our local communities through donations, mentoring and community service

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GOVERNANCE

- ESG committees set up across our organization:
 - ESG committee at Supervisory Board
 - Non-Financial Risk & ESG Committee set-up at the Management Board level
 - Designated 6 cross-functional ESG officers
 - Multiple workings groups across the bank
- Ongoing integration of risk management framework and supporting policies

2022 Outlook

P&L OVERVIEW

Core revenues

FY '21: €1,220m

>4% growth

Operating expenses:

FY '21: €485m

~2% net cost-out

Regulatory charges

FY '21: €52m

<€50m expected

Risk costs

FY '21: €95m

~20bps

Profit before tax

FY '21: €600m

>€675m

RETURN TARGETS

RoTCE

FY '21: 16.1%

>17%

CIR

FY '21: 39.5%

<38%

Note: Financial and return targets are excluding any outcome of the City of Linz case. Dividend payout will be based on net profit excluding a City of Linz case impact.

2025 Targets

RETURN TARGETS

RoTCE > **17%**

CIR < **38%**

FINANCIAL TARGETS 2025

Profit before tax > **€750 million**

Earnings per share > **€7.25**

Dividend per share > **€4.00**

ESG TARGETS 2025

CO2 emission > **50% reduction**
(own scope 1 & 2 vs. 2020)

Women quota **33%**
(Supervisory Board & Senior Leadership Team respectively)

Green lending new business > **€1.6 billion**

CAPITAL DISTRIBUTION 2021- 2025

Dividends ~ **€1.4 billion**

Share buyback 2022 **up to €425 million**
subject to regulatory approval

Additional capital through 2025 ~ **€0.8 billion**

For organic growth, M&A, minority, platform investments, share buybacks and/or special dividends

Appendix: Our performance since IPO

in € million	2017	2018	2019	2020	2021
Profit before tax	500	573	604	371	600
Net income	449	437	459	285	480
RoTCE	15%	15%	16%	10%	16%
Dividends (for financial year)	58	215	230*	230	267
Diluted # of shares outstanding (average, in million)	100.0	99.6	97.9	89.1	89.1

Earnings per share (in €)	2017	2018	2019	2020	2021
	4.49	4.38	4.69	3.20	5.39

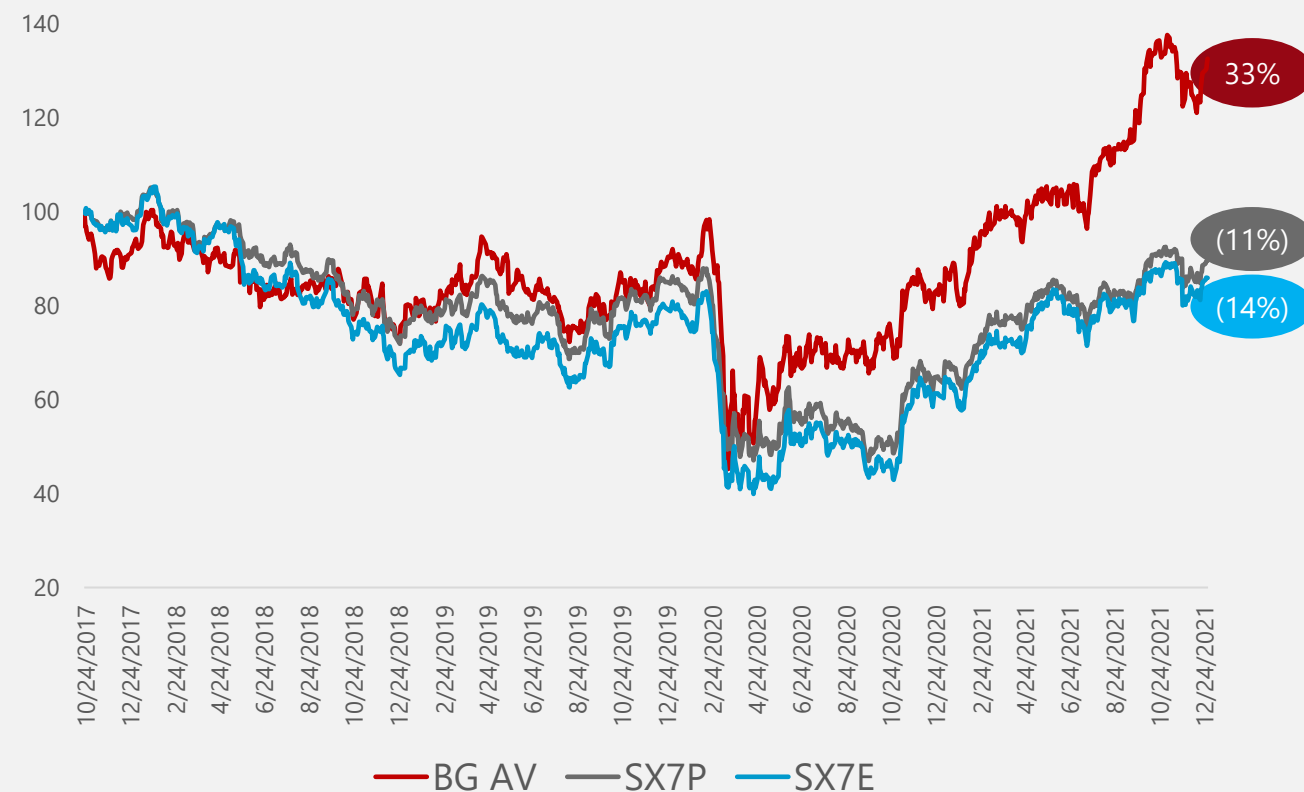
Dividends per share (in €, for financial year)	2017	2018	2019	2020	2021
	0.58	2.18	2.59*	2.59	3.00

* Distributed in 2021 due to ECB dividend ban related to the pandemic in 2020

Total shareholder return development since IPO

Indexed as of 24 October 2017;
as of 31 December 2021

BAWAG Group	33%
EuroStoxx Banks Index (SX7E)	(14%)
Stoxx 600 Banks Index (SX7P)	(11%)





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