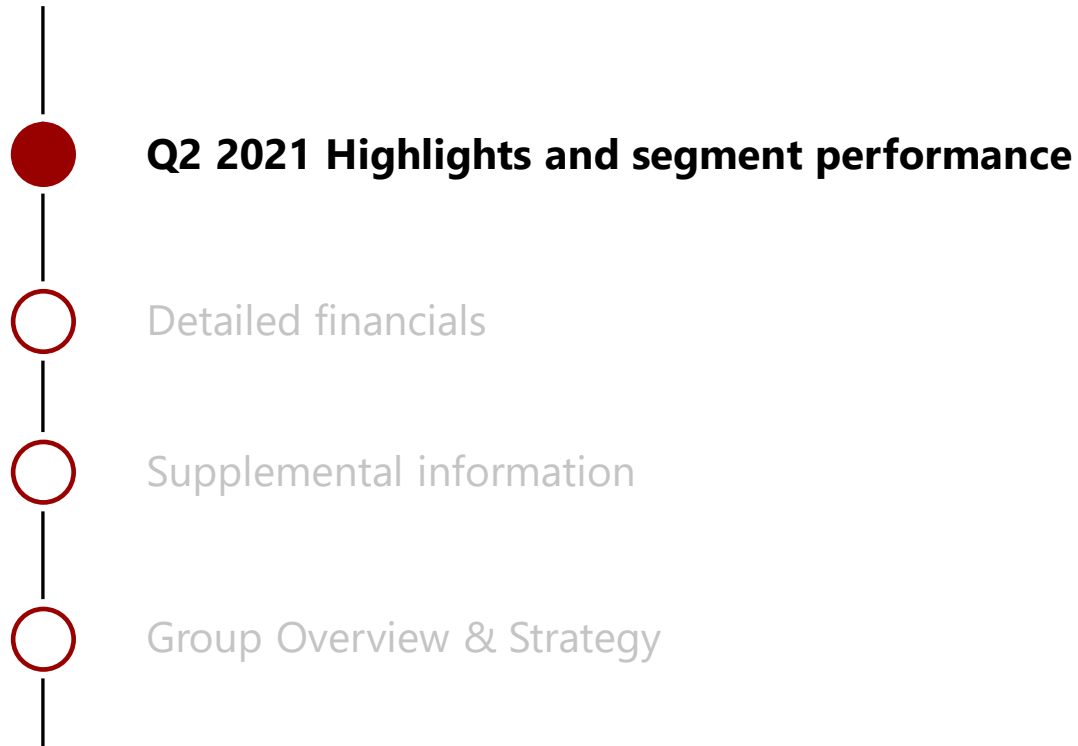


Q2 2021 Earnings

Anas Abuzaakouk, CEO
Enver Sirucic, CFO

26 July 2021



Highlights Q2 2021

EARNINGS

- **Net Profit of €119m in Q2 '21, EPS of €1.34, and RoTCE of 16.3%**
- Pre-provision profit of €181m and CIR at 40.1%
- Risk cost of €24m ... no ECL reserves released

BALANCE SHEET & CAPITAL

- Average customer loans stable vPQ and +3% vPY
- **CET1 ratio (post dividend) of 14.4%, up 40bps vYE**
- Dividend distributions ... will propose €420m dividends (€4.72 per share) to AGM on 27 August '21¹⁾ ... accrued €95m H1 '21 dividend
- Additional excess capital of €436m (post-dividend deductions) above 12.25% CET1 target

OUTLOOK

- **Targets for 2021 updated: RoTCE ~15% and CIR ~40%**
- New 4-year-plan thru 2025 will be communicated at our Investor Day on 20 September '21
- €420m dividends (€4.72 per share) will be proposed to AGM on 27 August '21¹⁾
- M&A: Signed deal to acquire Hello bank! Austria; Depfa deal expected to close in H2 '21

1) Dividend payout in early October

Financial performance

Key highlights



P&L € millions	Q2 '21	vPY	vPQ	H1 '21	vPY
Core revenues	302	6%	1%	599	4%
Operating income	303	6%	-	604	4%
Operating expenses	(121)	(3%)	-	(243)	(3%)
Pre-provision profit	181	14%	1%	361	9%
Regulatory charges	(2)	(20%)	(96%)	(56)	45%
Risk costs	(24)	(68%)	(19%)	(53)	(59%)
Profit before tax	156	93%	62%	253	55%
Net profit	119	94%	62%	193	56%

Ratios					
RoCE	13.7%	6.3pts	5.1pts	11.1%	3.7pts
RoTCE	16.3%	7.3pts	6.1pts	13.2%	4.3pts
CIR	40.1%	(3.7pts)	(0.4pts)	40.3%	(2.6pts)
Risk cost ratio	0.23%	(0.51pts)	(0.06pts)	0.26%	(0.40pts)

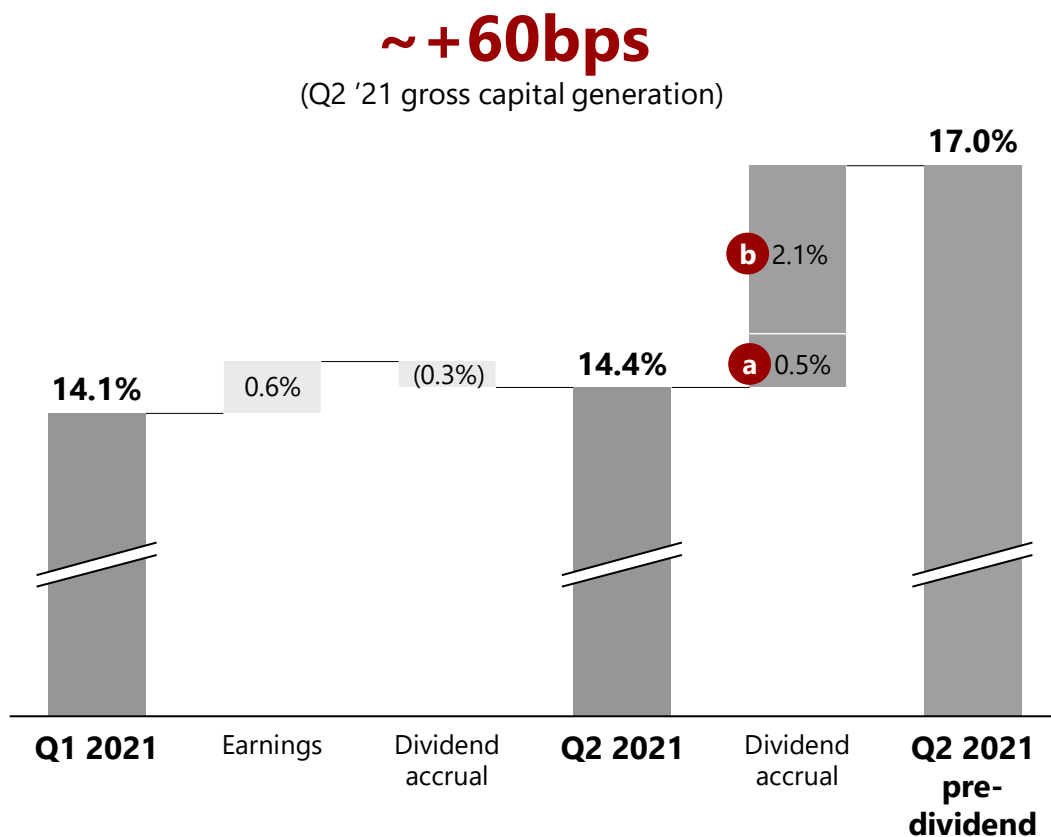
Balance Sheet & Capital € millions	Q2 '21	Q1 '21	vPQ	vYE
Total assets	54,132	52,970	2%	2%
Interest-bearing assets (average)	40,701	40,824	-	-
Customer loans (average)	32,480	32,494	-	1%
Customer deposits (average)	32,505	31,979	2%	2%
Common Equity	3,504	3,435	2%	2%
Tangible Common Equity	2,966	2,895	2%	3%
CET1 Capital	2,903	2,835	2%	4%
Risk-weighted assets	20,142	20,054	-	-
CET1 Ratio (post dividend)	14.4%	14.1%	0.3pts	0.4pts

Per share data	Q2 '21	vPY	vPQ	H1 '21	vPY
Earnings (€)	1.34	92%	61%	2.17	55%
Book value (€)	39.43	3%	2%	39.43	3%
Tangible book value (€)	33.38	5%	2%	33.38	5%
Shares outstanding (€ m)	88.86	1%	-	88.86	1%

Note: All equity, capital, ratios and per share data reflect deduction of remaining €420m earmarked dividend from 2019/2020 profits as well as €95m dividend accrual for H1 '21

Capital development ... CET1 ratio (FL)

Strong capital position



Capital distribution plans

- a** €95m dividends accrued based on dividend policy for H1 '21 earnings
- b** €420m dividends (€4.72 per share) relating to 2019/2020 profits will be proposed to AGM on 27 August '21¹⁾

Capital development

+60bps gross capital generation in Q2 '21

Excess capital

Additional excess capital €436m (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

¹⁾ Dividend payout in early October

M&A Update

Two acquisitions signed to-date in 2021 with deminimis credit risk

STRATEGIC RATIONALE

Hello bank! Austria

- Strategic acquisition of leading online retail brokerage platform in Austria with 80k customers
- Rebrand to easybank ... Integrate into existing offering to become #1 retail domestic brokerage platform in Austria
- Product factory that enhances Retail & SME offering with growth potential

DEPFA bank

- Strategic bank wind-down opportunity
- Leveraging BAWAG Group's Advisory team, existing operational capabilities, and systems to execute accelerated wind-down of covered bond focused bank
- Minimal-to-no credit risk on balance sheet

CAPITAL & FINANCIALS

- CET1 impact: Low double digit (basis points)
- Targeting >€10m pre-tax profit & RoTCE >15% post-transformation
- Primarily fee income driven business

- Capital accretive deal ... expecting Day 1 gain >€60m net of all wind-down costs
- Day 1 gain to be reinvested in accelerating BAWAG Group transformational initiatives into sustainable future profitability

SIGNING & EXPECTED CLOSING

- Signed: July 2021
- Expected closing: Q4 '21 or Q1 '22

- Signed: February 2021
- Expected closing: H2 '21

Strategic acquisitions of bolt-on retail brokerage platform and an accelerated bank wind-down creating new growth and reinvestment opportunities ... No impact to capital distribution plans

Financial performance

€ millions	Q2 '21	Q2 '20	vPY	Q1 '21	vPQ
Core revenues	225.8	213.8	6%	222.8	1%
Net interest income	163.5	166.2	(2%)	163.1	-
Net commission income	62.4	47.7	31%	59.7	5%
Operating income	227.5	215.6	6%	224.6	1%
Operating expenses	(86.8)	(90.0)	(4%)	(89.4)	(3%)
Pre-provision profit	140.8	125.6	12%	135.2	4%
Regulatory charges	(0.8)	(0.7)	14%	(30.5)	(97%)
Risk costs	(14.9)	(35.7)	(58%)	(15.4)	(3%)
Profit before tax	125.0	89.1	40%	89.3	40%
Net profit	93.8	66.8	40%	67.0	40%

Ratios

in %	Q2 '21	Q2 '20	vPY	Q1 '21	vPQ
RoCE	25.0%	18.5%	6.5pts	18.3%	6.7pts
RoTCE	29.3%	22.1%	7.2pts	21.6%	7.7pts
CIR	38.2%	41.7%	(3.5pts)	39.8%	(1.6pts)
NPL ratio	2.0%	1.8%	0.2pts	1.9%	0.1pts
Risk cost ratio	0.30%	0.78%	(0.48pts)	0.31%	(0.01pts)

Customer development

€ millions	Q2 '21	Q2 '20	vPY	Q1 '21	vPQ
Housing loans	15,181	13,475	13%	14,862	2%
Consumer and SME	5,069	5,018	1%	4,994	2%
Total assets	20,250	18,493	10%	19,856	2%
Total assets (average)	20,070	18,362	9%	19,668	2%
Risk-weighted assets	8,075	8,409	(4%)	8,091	-
Customer deposits	27,241	24,877	10%	25,790	6%
Customer deposits (average)	26,027	24,317	7%	25,405	2%

Q2 '21 net profit of €94m, up 40% vPY due to higher pre-provision profits and lower risk costs... average net asset growth +9% vPY driven by housing loans

Pre-provision profit of €141m for Q2 '21, up 12% vPY ... Core revenues up 6% and operational expenses down (4%)

Risk costs of €(15)m in Q2 '21, down (58%) vPY with no reserves released ... current payment holidays at 0.3% with 90% paying ratio on expired deferrals with average of 9-months ... 87% 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

Financial performance

€ millions	Q2 '21	Q2 '20	vPY	Q1 '21	vPQ
Core revenues	70.2	68.4	3%	69.7	1%
Net interest income	61.7	59.5	4%	61.0	1%
Net commission income	8.5	8.9	(4%)	8.7	(2%)
Operating income	75.0	68.7	9%	74.4	1%
Operating expenses	(16.7)	(20.5)	(19%)	(18.6)	(10%)
Pre-provision profit	58.2	48.2	21%	55.8	4%
Regulatory charges	(1.2)	(1.0)	20%	(6.9)	(83%)
Risk costs	(9.9)	(28.3)	(65%)	(15.1)	(34%)
Profit before tax	47.1	18.9	149%	33.8	39%
Net profit	35.3	14.2	149%	25.4	39%

Ratios

in %	Q2 '21	Q2 '20	vPY	Q1 '21	vPQ
RoCE	13.3%	5.4%	7.9pts	9.6%	3.7pts
RoTCE	16.1%	6.7%	9.4pts	11.6%	4.5pts
CIR	22.3%	29.8%	(7.5pts)	25.0%	(2.7pts)
NPL ratio	1.1%	1.1%	-	1.1%	-
Risk cost ratio	0.29%	0.81%	(0.52pts)	0.43%	(0.14pts)

Customer development

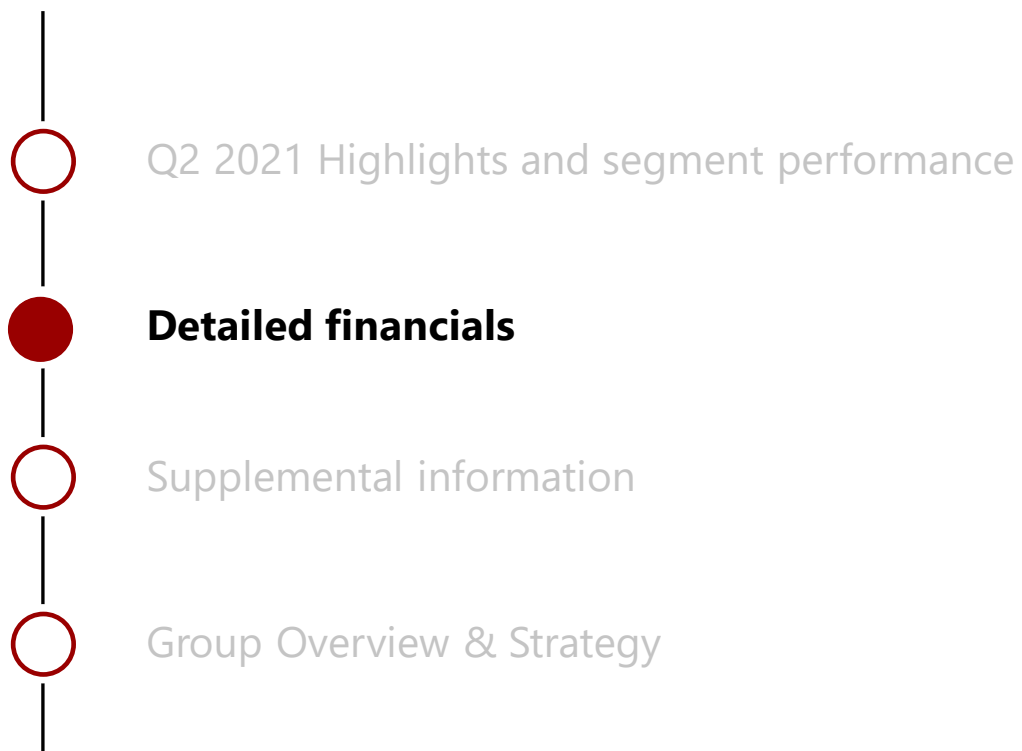
€ millions	Q2 '21	Q2 '20	vPY	Q1 '21	vPQ
Corporate lending	3,674	4,483	(18%)	4,227	(13%)
Asset backed lending	4,888	5,055	(3%)	4,955	(1%)
Public clients	4,664	4,364	7%	5,046	(8%)
Total assets	13,226	13,902	(5%)	14,228	(7%)
Total assets (average)	13,452	13,998	(4%)	13,938	(3%)
Risk-weighted assets	7,291	7,652	(5%)	7,516	(3%)
Customer deposits	5,255	4,822	9%	5,457	(4%)
Customer deposits (average)	5,305	5,146	3%	5,851	(9%)

Q2 '21 net profit of €35m, up 149% vPY due to higher pre-provision profits and lower risk costs ... average net assets down 4% vPY driven primarily by lower corporate / public sector cash advances

Pre-provision profit €58m in Q2 '21, up 21% vPY ... Operating income up 9% and operating expenses down (19%)

Risk costs of €(10)m in Q2 '21, down (65%) vPY with 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 with solid pipeline and commitments in H2 '21 ... will remain patient and continue to focus on risk-adjusted returns



P&L & key ratios

P&L € millions	Q2 '21	Q2 '20	vPY	vPQ	Key ratios	Q2 '21	Q2 '20	vPY	vPQ
Net interest income	231.6	227.5	2%	1%	Return on Common Equity	13.7%	7.4%	6.3pts	5.1pts
Net commission income	70.1	55.8	26%	4%	Return on Tangible Common Equity	16.3%	9.0%	7.3pts	6.1pts
Core revenues	301.7	283.3	6%	1%	Net interest margin	2.28%	2.26%	0.02pts	-
Other revenues	0.8	1.1	(27%)	(79%)	Cost-income ratio	40.1%	43.8%	(3.7pts)	(0.4pts)
Operating income	302.5	284.4	6%	-	Risk cost ratio	0.23%	0.74%	(0.51pts)	(0.06pts)
Operating expenses	(121.2)	(124.7)	(3%)	-	Earnings per share (in €)	1.34	0.70	92%	61%
Pre-provision profit	181.3	159.7	14%	1%	Tangible book value per share (in €)	33.38	31.91	5%	2%
Regulatory charges	(2.0)	(2.5)	(20%)	(96%)					
Risk costs	(23.8)	(74.6)	(68%)	(19%)					
Profit before tax	156.2	81.0	93%	62%					
Income taxes	(37.0)	(19.4)	91%	61%					
Net profit	119.1	61.3	94%	62%					

Net interest income up 1% vPQ; up +2% vPY ... stable net interest margin at 2.28%

NCI +4% vPQ ... further recovery taking hold after easing of lockdowns during Q2 '21

Risk costs of €(24)m in Q2 '21 ... no reserves released

Balance sheet

Growth in customer loans

Balance sheet € millions	Q2 '21	Q4 '20	Delta
Customer loans	32,371	32,004	1%
Securities and bonds	6,628	7,525	(12%)
Credit institutions and cash	13,104	10,921	20%
Other assets	2,029	2,671	(24%)
Total assets	54,132	53,122	2%
<i>thereof average interest-bearing assets</i>	40,701	40,850	-
Customer deposits	33,034	32,415	2%
Own issues	7,149	6,475	10%
Credit institutions	7,493	7,522	-
Other liabilities	1,962	2,356	(17%)
Common equity	3,504	3,419	2%
Dividend accrual	515	460	12%
AT1 capital & Minorities	475	475	-
Total liabilities & equity	54,132	53,122	2%

Capital & RWA € millions	Q2 '21	Q4 '20	Delta
Common equity	3,504	3,419	2%
Tangible common equity	2,966	2,867	3%
CET1 capital	2,903	2,802	4%
Risk-weighted assets	20,142	20,073	-
CET1 ratio (post dividend)	14.4%	14.0%	0.4pts
Leverage ratio	6.1%	6.0%	0.1pts
Liquidity Coverage Ratio	265%	231%	34pts

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

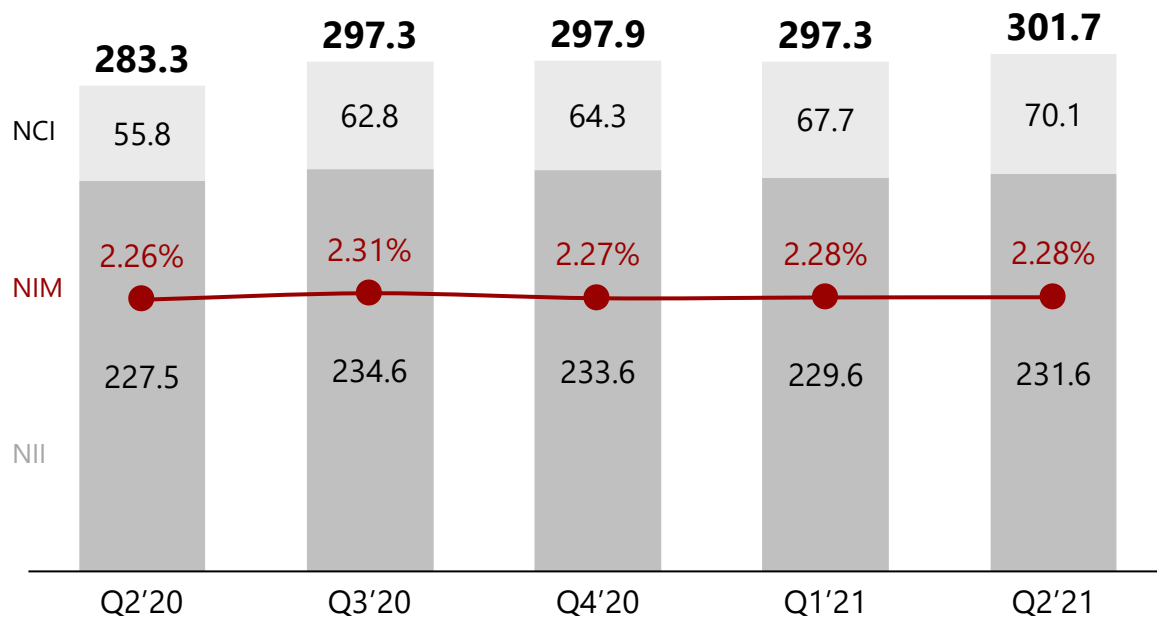
Issued €500m 20yr mortgage covered bond at MS+4bps in Q1 '21 and €500m 10yr mortgage covered bond at MS-1bp in May '21

Tangible Common Equity +3% vYE and CET1 ratio at 14.4% (+40bps) post deduction of €420m earmarked dividend (for 2019 and 2020) and €95m dividend accrual (for H1 '21)

P&L details – core revenues

Solid core revenues in Q2 '21 ... NCI continues recovery

€ million



Average customer loans | Average interest-bearing assets | € billions

Quarter	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
Average customer loans	31.5	31.5	32.3	32.5	32.5
Average interest-bearing assets	40.4	40.4	40.9	40.8	40.7

Net interest income (NII) up 1% vPQ ... net interest margin (NIM) at 2.28% in Q2 '21

- Stable NIM at 2.28% with continued 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 4% vPQ

- Ongoing recovery in Q2 '21 with stronger advisory business (securities & insurance)
- Still subdued activity in selected business areas compared to pre-pandemic levels

Outlook for 2021

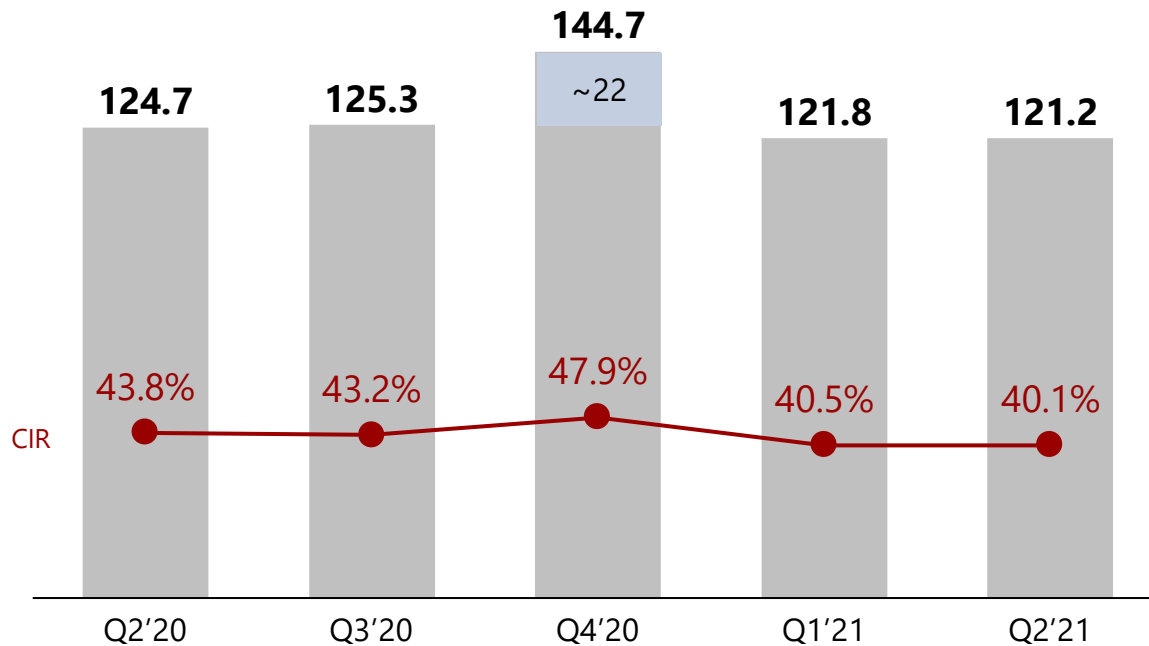
- Expect core revenues growing ~2% in 2021

P&L details – operating expenses

Costs targets on track

€ million

- Core operating expenses
- Restructuring charges



**CIR at 40.1% in Q2'21 down (3.7pts) vPY ...
H1 '21 CIR at 40.3% (down 2.6pts vPY)**

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

Adapting to post COVID-19 world ... multiple initiatives focused on greater scale, greater digital engagement, and continued rollout of simplification roadmap across the Group

Outlook for 2021

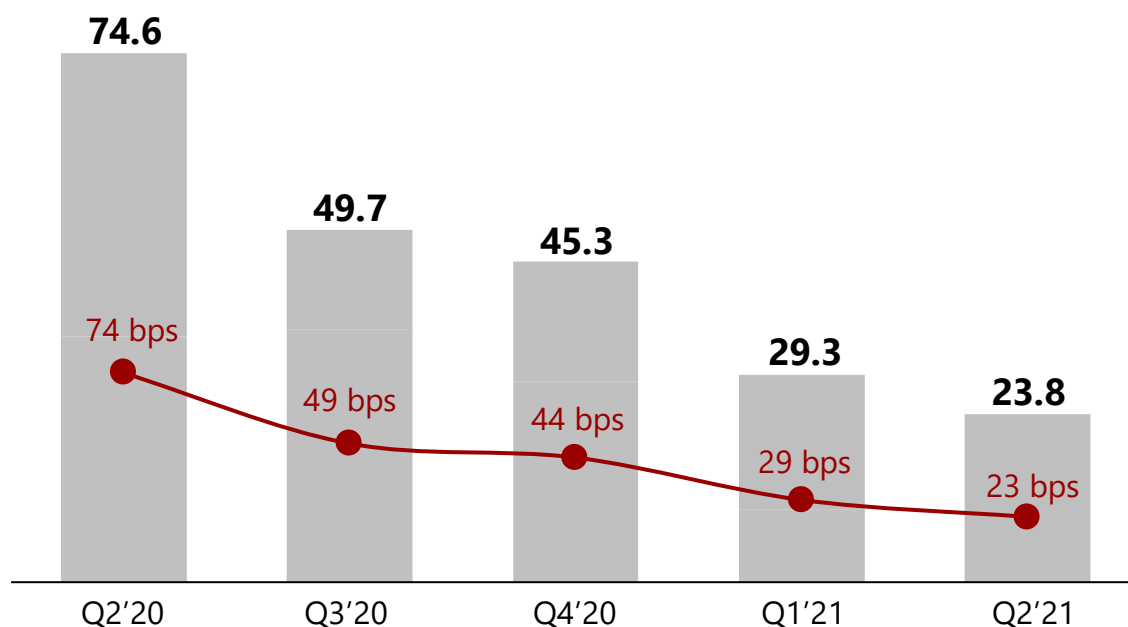
- Operating expenses expected below €485m in 2021
- Targeting CIR ~40% in 2021

P&L details – risk costs

Strong underlying asset quality

€ million

—●— Risk costs / average interest-bearing assets



ECL Management overlay (in €m)

-	9	38	52	70
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NPL ratio (as reported and excluding CoL)

1.5%	1.5%	1.5%	1.5%	1.5%
1.1%	1.1%	1.1%	1.1%	1.1%

Q2 '21 risk costs €24m ... risk cost ratio at 23bps

- Strong asset quality performance ... continued improving underlying trend
- Normal risk cost run-rate in Retail & SME ~€15m
- No ECL reserves released ... ECL management overlay stands at €70m in Q2 '21 (vs. €52m in Q1 '21)

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 ... 80% of customer loans is secured or public sector lending

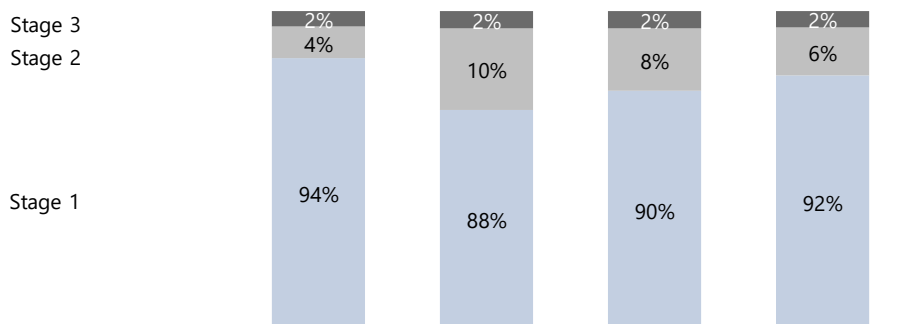
Outlook for 2021

- Expected total risk costs under €100m in 2021 ... no ECL reserve releases included in outlook

Details on reserves

Continuing to remain prudent despite improved economic outlook

IFRS 9 Migration- Customer Segment Assets

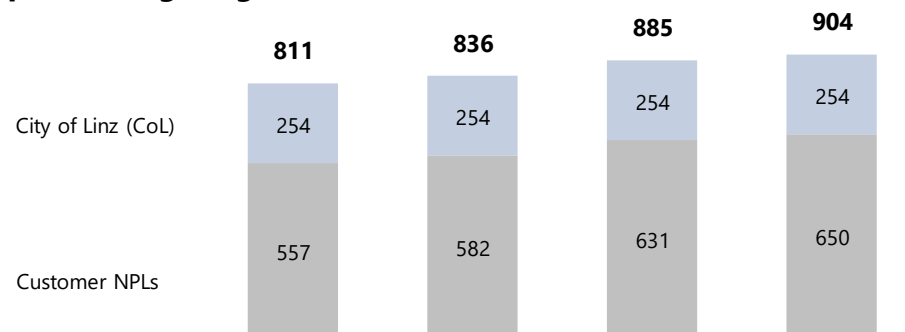


€ billions	Q4 '19	Q2 '20	Q4 '20	Q2 '21
Customer Segments	31.3	32.4	33.2	33.5
less Public Sector	3.4	4.4	4.9	4.7
Asset base	27.9	28.0	28.3	28.8

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

€ million	Q4 '19	Q2 '20	Q4 '20	Q2 '21
Stage 1	39	67	67	67
Stage 2	17	56	64	80
Stage 3	205	226	271	276
Total Reserves	262	349	402	423
Total Reserve Ratio %	0.94%	1.25%	1.42%	1.47%

Non-performing stage 3 loans, in €m



	Q4 '19	Q2 '20	Q4 '20	Q2 '21
NPL ratio excl. CoL (%)	1.1%	1.0%	1.1%	1.1%
NPL cash coverage excl. CoL	37%	39%	46%	45%
NPL ratio (%)	1.7%	1.5%	1.5%	1.5%
NPL cash coverage	32%	36%	62%	61%

Key developments

NPL ratio (excluding City of Linz) flat at 1.1% ... cash coverage of 45%

Total reserves of €423m, up €21m vYE '20 (+5%) ... total reserve ratio at 1.47%

Total ECL of €147m, up €17m (+13%) vYE '20 ... of which €70m (48%) comprised of management overlay ... monitoring economic recovery H2 '21

Stage 2 assets continue to decline (6% of portfolio) approaching pre-COVID levels ... have not executed any routine retail NPL sales since Q2 '20

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

2021 Outlook

OUTLOOK 2021

Core revenues
FY '20: €1,170m **~2% growth**

Other income
FY '20: €3m **€0m expected**

Operating expenses:
FY '20: €520m **Below €485m**

Regulatory charges
FY '20: €59m **~€60m expected**

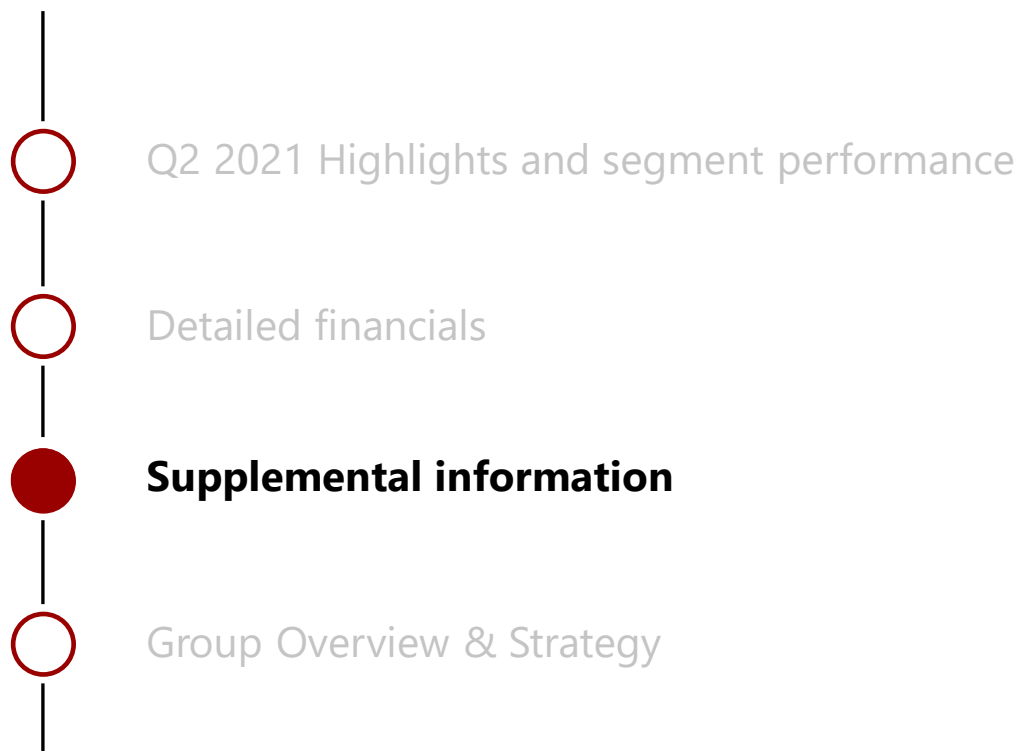
Risk costs
FY '20: €225m **Below €100m**

TARGETS

2021 **RoTCE** **CIR**
~15% **~40%**

**New Targets & 4-year Plan through 2025 will
be presented at the Investor Day on
20 September '21**

Note: Excluding any potential impacts from City of Linz legal ruling

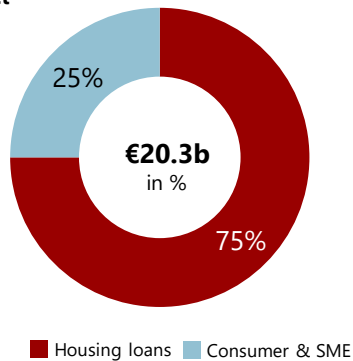


Customer businesses €33.5 billion

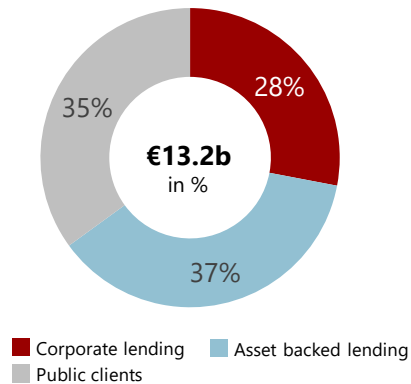
As of June 2021

RETAIL & SME

By product



CORPORATES & PUBLIC



CUSTOMER BUSINESSES

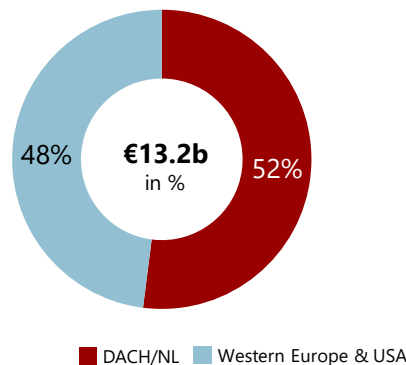
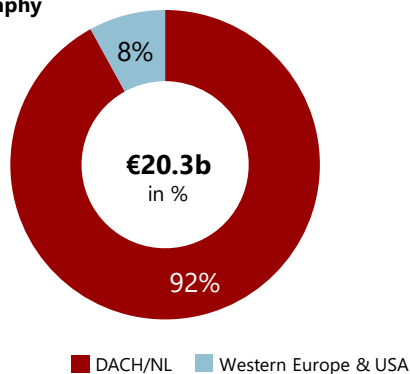
€33.5 billion of which ...

80%
Secured or public
sector lending

76%
Lending in
DACH/NL

24%
Western Europe &
USA

By geography



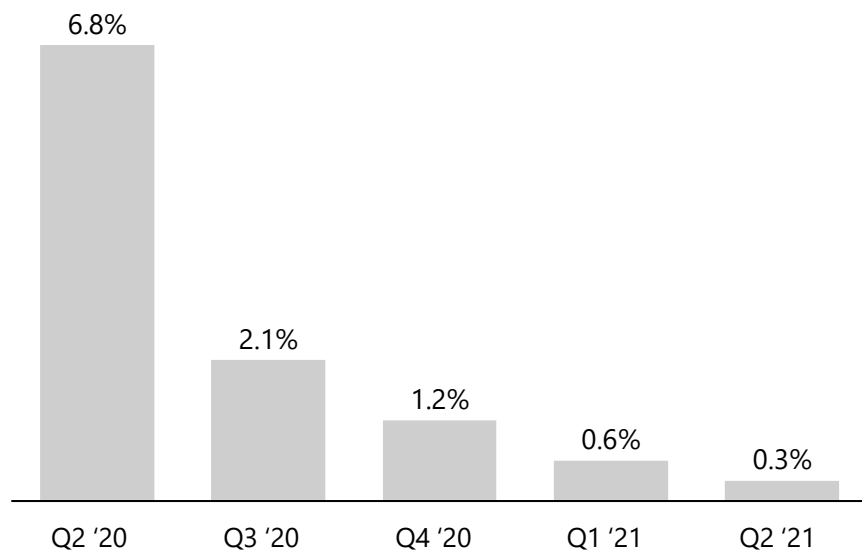
Retail & SME

Portfolio overview of €20.3b of customer loans and leases

Payment deferral overview

	Assets Q2 '21 (€bn)	NPL ratio			Reserve development			Reserve ratio			Payment holiday		paying ratio (expired deferrals)	average time on payments (expired deferrals, in months)
		Q4 '19	Q4 '20	Q2 '21	Q4 '19	Q4 '20	Q2 '21	Q4 '19	Q4 '20	Q2 '21	31.12.2020	30.06.2021		
Housing Loans	15.2	1.8%	1.5%	1.3%	76	95	91	0.88%	0.65%	0.60%	1.0%	0.2%	91%	9
Consumer & SME	5.1	1.9%	2.8%	3.4%	100	187	204	2.39%	3.79%	4.02%	1.7%	0.7%	88%	9
Total Retail & SME	20.2	1.9%	1.9%	2.0%	176	281	295	0.96%	1.46%	1.46%	1.2%	0.3%	90%	9

Payment Holidays Trend Development



Key developments

Highly collateralized Retail & SME business (86%) ... primarily mortgages

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

Total reserve build +€14m (+5%) vs YE '20 and stable reserve ratio at 1.46%

90% of expired payment deferrals are current (paying again) with average payment period of 9 months

87% 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

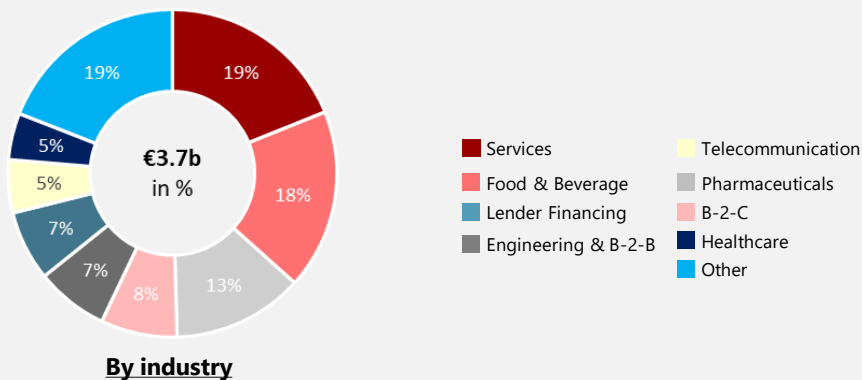


Portfolio overview of €13.2 billion of customer loans ... whereof €4.7b in public sector

Payment deferral overview

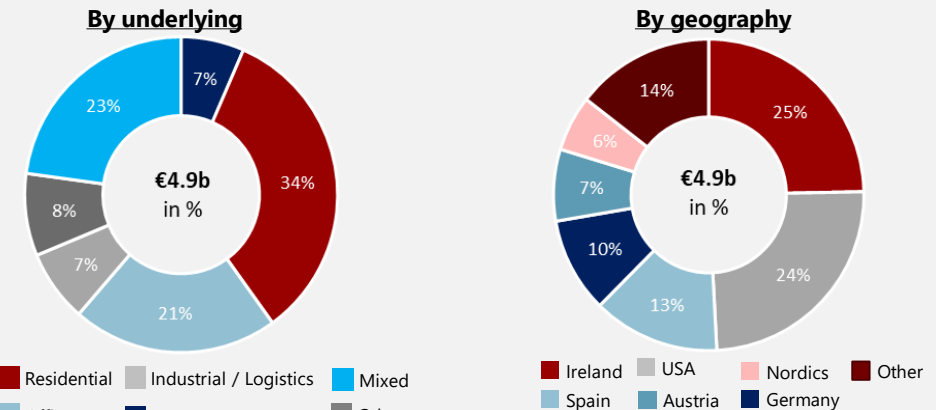
	Assets Q2 '21 (€b)	NPL ratio			Reserve development			Reserve ratio			Payment holiday		paying ratio (expired deferrals)	average time on payments (expired deferrals, in months)
		Q4 '19	Q4 '20	Q2 '21	Q4 '19	Q4 '20	Q2 '21	Q4 '19	Q4 '20	Q2 '21	31.12.2020	30.06.2021		
Total Corporates and Public	13.2	1.0%	1.2%	1.1%	77	115	126	0.58%	0.82%	0.95%	0.2%	0.1%	100%	9
Corporate & Asset Backed Lending	8.6	1.4%	1.8%	1.7%	76	114	125	0.78%	1.27%	1.47%	0.4%	0.1%	100%	9

CORPORATE LENDING ... €3.7b; (13%) vPQ



- 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 €16m (down by ~ 86% vs YE'19)

ASSET BACKED LENDING ... €4.9b; (1%) vPQ



Underwriting overview

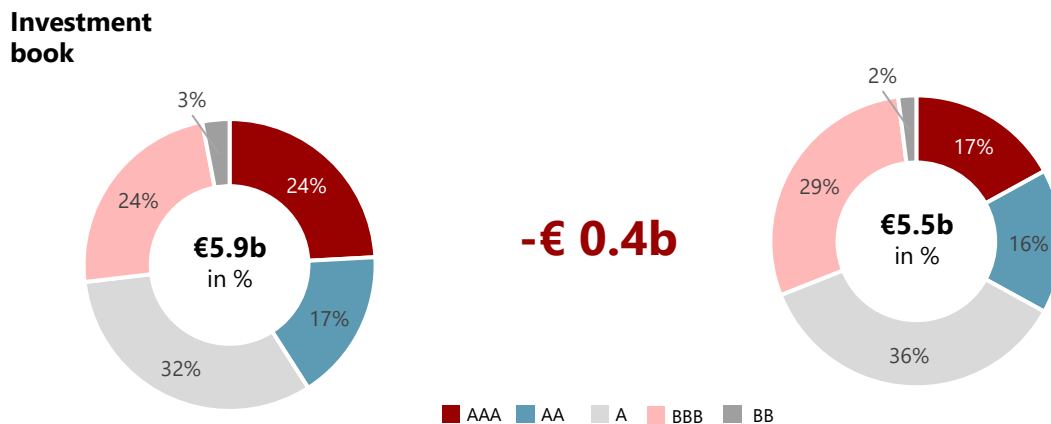
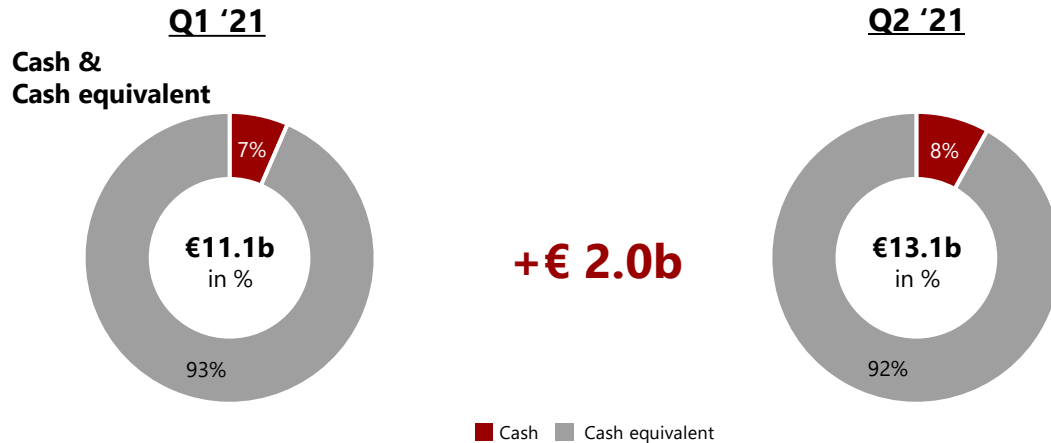
Historically disciplined underwriting:

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

Comments

- Resilient portfolio performance through lockdowns with continued 2Q '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



As of Q2 '21, cash and cash equivalents (mainly money at central banks) at €13.1b ... 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
- 98% portfolio investment grade, with 70% A or higher
- Weighted average life of 4.0 years
- 300 positions, average size ~€17m

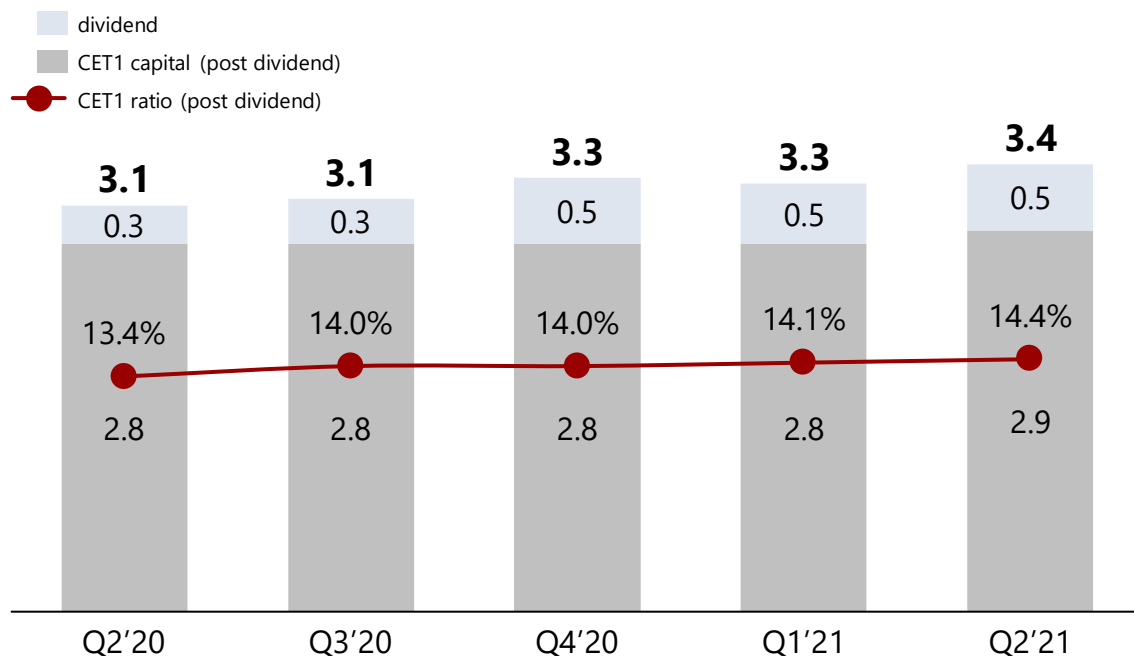
Regulatory Capital

Strong capital position

€ billion



CET1 Capital and ratios



RWA € billions	Tier 1 ratio	Total capital ratio	Leverage ratio
20.8	20.2	20.1	20.1
14.8%	16.3%	16.3%	16.5%
17.0%	19.6%	19.6%	19.8%
5.9%	6.4%	6.0%	6.1%

Note: All ratios post dividend accrual 1) Dividend payout in early October

Capital distribution plans:

- €95m dividends accrued based on dividend policy for H1 '21 earnings
- €420m dividends (€4.72 per share) relating to 2019/2020 profits will be proposed to AGM on 27 August 2021¹⁾

Capital development:

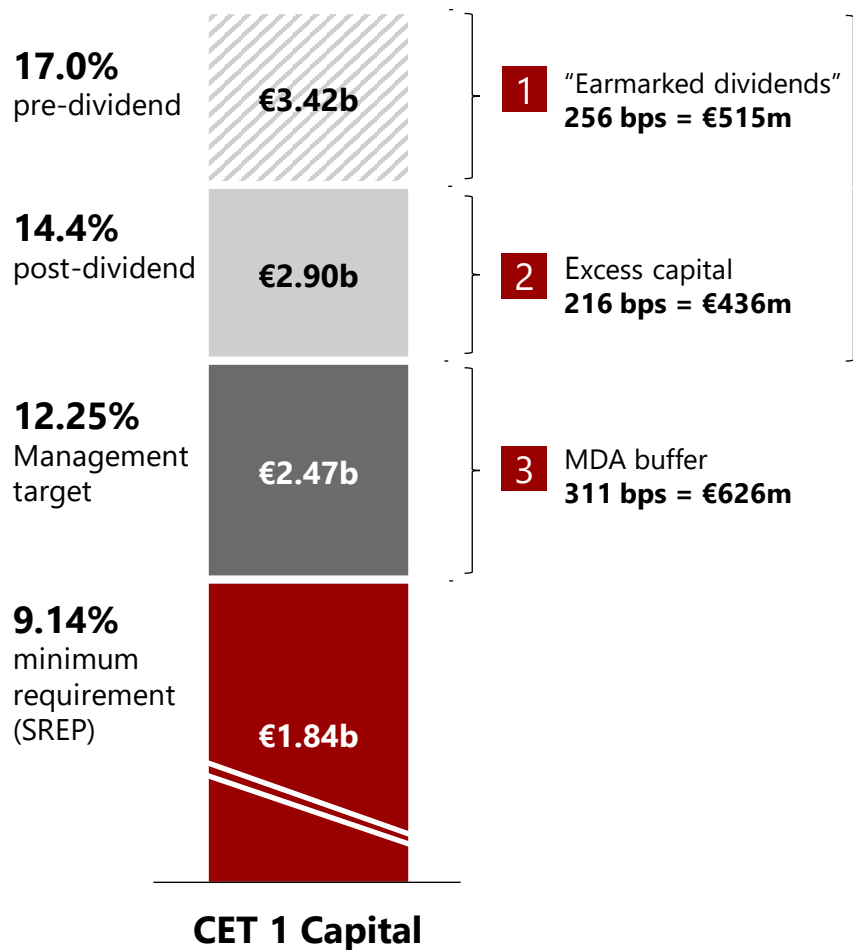
- Tier1 capital ratio increased to 16.8% and Total Capital ratio to 20.0% in Q2 '21
- Target CET1 ratio of 12.25% is ~310bps above MDA trigger of 9.14%
- Current CET1 ratio 528bps above MDA trigger of 9.14%

Other:

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

Capital distribution update

Consistent average annual capital generation through earnings **+220bps** since 2017



~480 bps = €955m Total Excess capital

- 1** Dividends of **€515m** deducted from CET1 capital ...
 - **€420m** dividends relating to 2019/2020 profits
 - **€95m** dividends accrued for H1 '21 earnings
- 2** In addition **€436m** excess capital versus CET1 target 12.25% ... earmarked for organic growth, M&A and/or share buybacks
- 3** CET1 target 12.25% represents **+311bps** (€626m) buffer to SREP 9.14%

Capital distribution plans:

- €95m dividends accrued based on dividend policy for H1 '21 earnings
- €420m dividends (€4.72 per share) relating to 2019/2020 profits will be proposed to the AGM on 27 August 2021 (dividend payout in early October)

- > Receivable of €254m on balance sheet as of 30 June 2021
- > Receivable fully provisioned in CET1 through prudential filter in 2020, i.e. no impact on capital regardless of outcome of lawsuit
- > Future dividend payments will be based on a net **profit excluding CoL impact** in case of a further write down of the receivable becoming necessary
- > Latest update from May '21: BAWAG filed appeal against second instance ruling ... final decision of contractual validity being decided by the Austrian Supreme Court
- > Decision of Supreme Court is only an interim decision regarding validity of contract ... as basis for further litigation on the payment claims each party raised

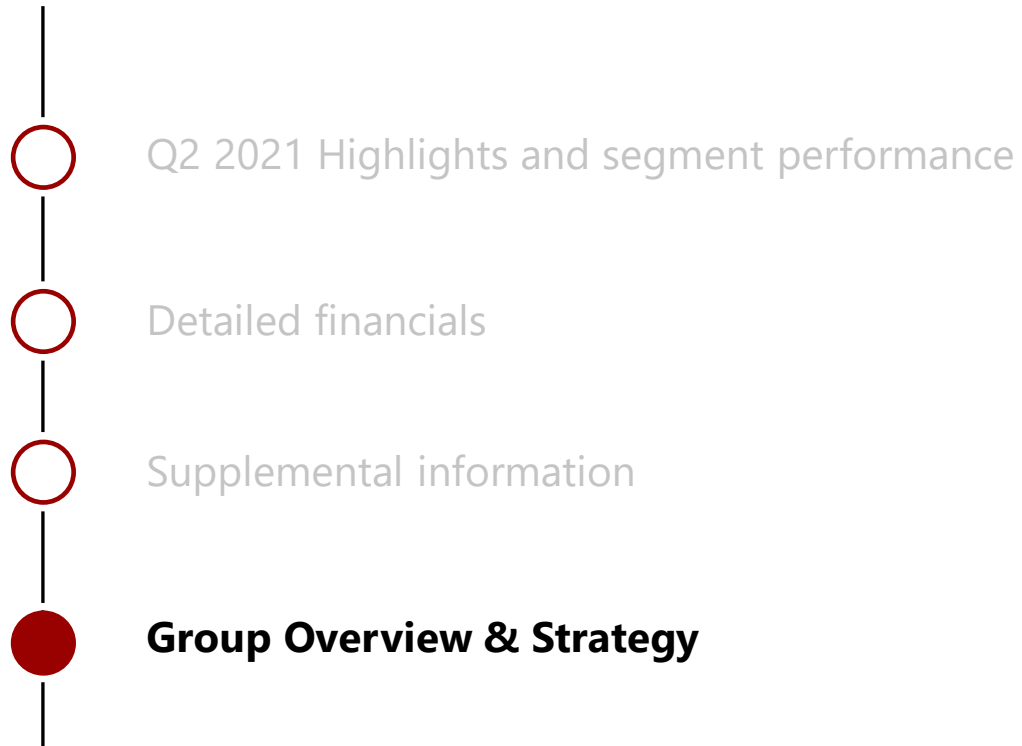
Scenario Analysis

for potential outcomes of interim decision of Supreme Court

	<u>Valid contract</u>	<u>Invalid contract</u>
Net profit	Receivable remains valued @60%	(€254)m gross receivable, ~(-€190)m net impact
Dividend	No impact	No impact¹⁾
CET1 Capital	Up to +60bps increase of CET1 ratio	No impact

> Next step litigation on claims each party raised (i.e. damages in case of BAWAG)

1) Dividend payout would be based on net profit excluding City of Linz impact



COMPANY PROFILE

One of Austria's leading banking groups with **2.3 million customers across DACH/NL region**

2020 results: €285m 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 73% in H1 '21

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*	~15%	~40%

New Targets & 4-year Plan through 2025 to be presented at Investor Day on 20 September '21

OUR STRATEGY



* Excluding any potential impacts from City of Linz legal ruling

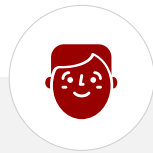
Strategy

4 pillars of our growth strategy



Growing in our core markets

- Our foundation is Austria with focus on DACH/NL region and developed markets
- Grow profitably into current account market share entitlement in Austria and address significant market opportunity in retail products across DACH/NL region
- Organic growth drivers ... Partnerships & platforms, enhancing digital engagement and growing share of wallet of 2.3 million customers
- Inorganic growth drivers ... pursuing earnings-accretive M&A meeting our Group RoTCE targets of at least 15%



Focus on Customer Centricity

- Build multi-channel and multi-brand franchise from branches-to-partners-to-platforms-to-digital products
- Physical network focused on high-touch and high-quality advisory
- Leverage technology to simplify processes and reduce complexity
- Enhance analytical capabilities to improve customer experience
- New partnerships and lending platforms to provide 24/7 customer access



Drive efficiency through operational excellence

- Our DNA is to focus on the things we control through “self-help” management
- Simplify, standardize, and automate product offerings across all channels
- Create simple end-to-end processes across the Bank
- Continuously optimize our processes, footprint, and technology infrastructure
- Embrace various forms of technological change and invest judiciously in technology



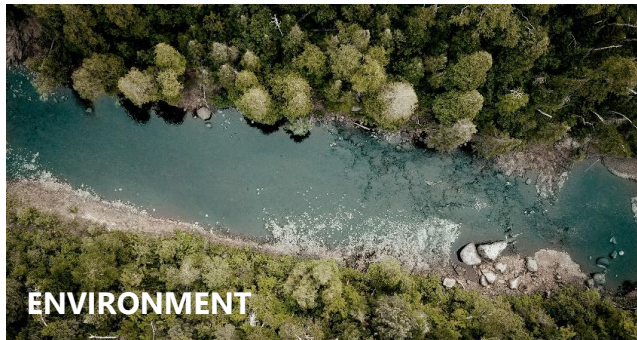
Maintaining a safe and secure risk profile

- Maintain fortress balance sheet .. strong capital position, stable retail deposits and low risk profile
- Focus on mature, developed and sustainable markets
- Applying conservative and disciplined underwriting in markets we understand with focus on secured lending
- Proactively manage and mitigate non-financial risk

Committed to responsible, sustainable and profitable growth considering ESG

ESG embedded into our strategic roadmap

Committed to responsible, sustainable and profitable growth



- Reduce own Scope 1 and Scope 2 CO2 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
- Newly formed ESG committee at the Supervisory Board level, will be established during Q3 '21
- Disclosure will be continuously enhanced

For further details see: <https://www.bawaggroup.com/BAWAGGROUP/IR/EN/ES>

Bank transformation

Focusing on things we control and driving operational excellence

KEY METRICS

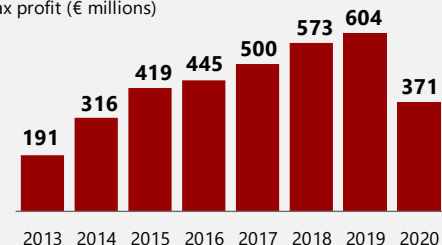
	Private company				Public company			
	2013	2014	2015	2016	2017	2018	2019	2020
RoTCE	11%	15%	17%	18%	15%	15%	16%	10%
C/I ratio	68%	54%	48%	46%	47%	44%	43%	44%
CET1 (FL) post dividend	9.4%	12.2%	12.3%	13.6%	13.5%	14.5%	13.2%	14.0%
NPL ratio	2.5%	2.0%	1.9%	1.7%	1.8%	1.7%	1.7%	1.5%
Assets (€b)	36.6	34.9	35.7	39.7	46.1	44.7	45.7	53.1

PILLARS OF OUR TRANSFORMATION

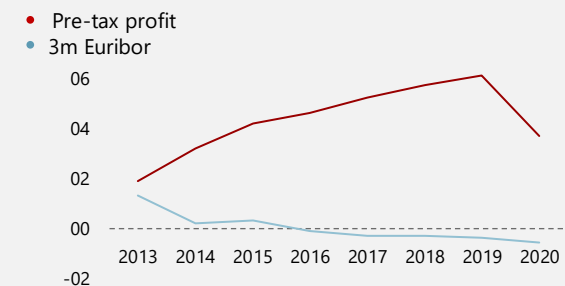
- ✓ Transformed business to address prolonged negative interest rate environment
- ✓ Structurally fixed cost base
- ✓ Focus on simple core products
- ✓ Focus on core markets ... exited CEE and non-core assets
- ✓ Discontinued trading activities
- ✓ Significantly increased profitability despite declining / negative rates
- ✓ More than doubled CET1 ratio
- ✓ Completed 9 acquisitions in DACH region from 2015 thru 2020 ... two new deals signed in 2021

Increased profitability ...

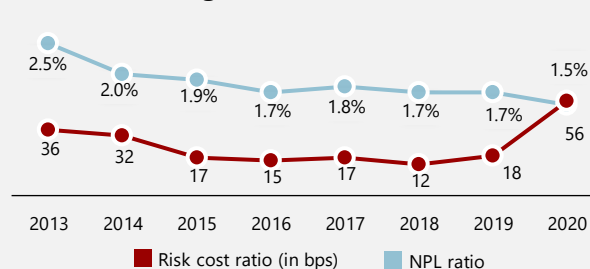
Pre-tax profit (€ millions)



... without relying on interest rates











... maintaining fortress balance sheet



Proven M&A track record

Experienced with bolt-on acquisitions to build out customer franchise

	2021	Hello bank! Austria	Signed deal to acquire Hello bank!, closing expected Q4 '21 / Q1 '22	
	2021	DEPFA Bank plc	Signed deal to acquire DEPFA Bank plc, closing expected in H2 '21	
	2019	 Health AG ³⁾	€0.1b assets,	3k customers
	2019	 Zahnärztekasse AG	€1b factoring volume	
	2019	 BFL ^o DIE IT-FINANZIERER	€0.6b assets	50k customers
	2018	 Deutscher Ring ^u ²⁾ Bausparkasse AG	€0.5b assets	85k customers
	2017	 SÜDWESTBANK	€7.4b assets	100k customers
	2017	 PayLife /  IX commercial card issuing business	1.7m cards	>500k customers
	2016	 start • bausparkasse	€2b assets	500k customers
	2016	 IMMO-BANK	€1.6b assets	5k customers
	2015	 VB LEASING ¹⁾ LIKE IT. LEASE IT.	€0.7b assets	50k customers

1) rebranded: easyleasing 2) rebranded: start:bausparkasse 3) rebranded: Health Coevo AG

Key M&A targets

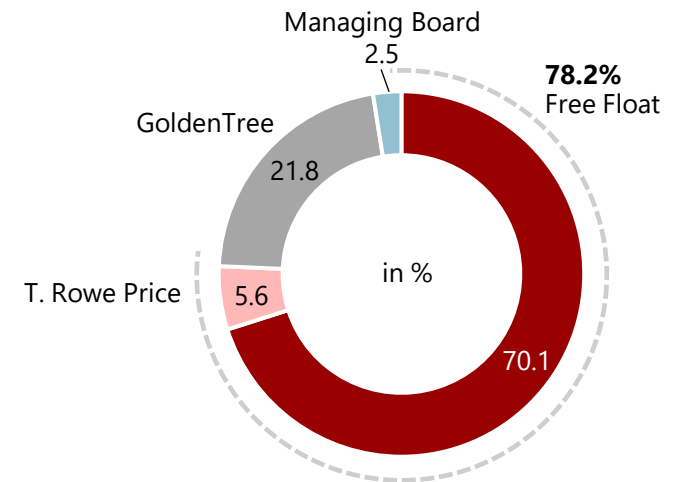
- Continued focus on companies within the DACH/NL region and developed markets
- Assessing banks, specialty finance companies, performing loan portfolios, complimentary financial service companies and FinTechs
- Primary focus on core Retail & SME Banking (Mortgages, Consumer Lending, SME, Product Factories) and Specialty Finance (Leasing, Factoring)
- Targeting companies requiring operational turnaround through simplification, standardization and technology enhancement
- Also targeting wind-down / run-off opportunities to leverage restructuring advisory unit in both M&A and advisory capacity

Investor relations calendar

UPCOMING ROADSHOWS AND CONFERENCES

26 July	BAWAG Group Q2 '21 Earnings Release
20 Sep	BAWAG Group Investor Day
22 Sep	BAML conference
23 Sep	18 th Bernstein Strategic Decision Conference
28 Oct	BAWAG Group Q3 '21 Earnings Release
mid Nov	United States roadshow
22 – 25 Nov	Citi Pan-Asia conference

SHAREHOLDER STRUCTURE



Number of shares: 89,142,237; Shares outstanding as of 26 July 2021: 88,855,047



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Annex – Definitions and abbreviations

B/S leverage

Total assets / IFRS equity

Book value per share

Common equity (excluding AT1 capital and dividends) / number of shares outstanding

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

Earnings per share (EPS)

Net profit / weighted average number of shares outstanding (diluted)

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

Reserve ratio

Total reserves / Asset volume of customer segments excluding public lending

Return on common equity (RoCE)

Net profit / average IFRS common equity and deducted dividend accruals

Return on tangible common equity (RoTCE)

Net profit / average IFRS tangible common equity and deducted dividend accruals;

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