BAWAG Group
Preliminary FY 2022 Credit update

13 February 2023

BAWAG GROUP – WHO WE ARE

Multi-brand and multi-channel commercial bank

WE ARE …

… a multi-brand and multi-channel commercial bank with approximately **2.1 million customers**

OUR VIEW

Commercial banking is becoming more commoditized … Focus on simplification, standardization, transparency and ease-of-use for the benefit of customers

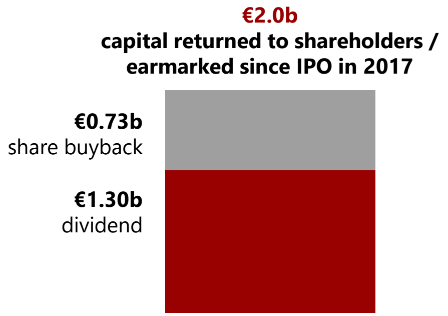
OUR STRATEGY

1 Growth in core markets focused on serving our customers

2 Efficiency through operational excellence

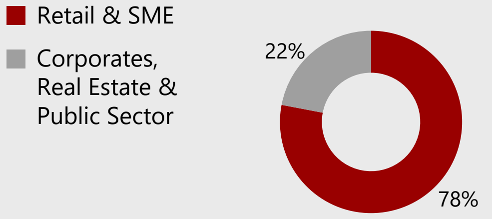
3 Safe and secure risk profile

CREATING SHAREHOLDER VALUE



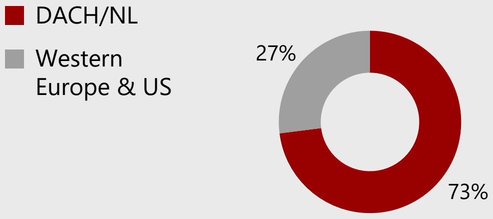
A RETAIL-FOCUSED BANK

Core revenues

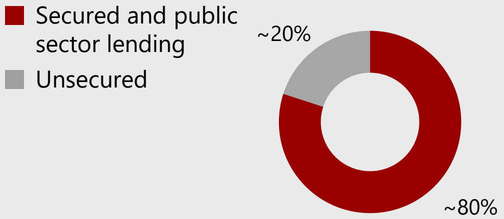


CORE MARKETS

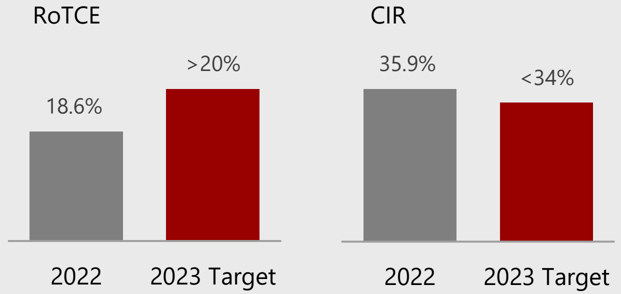
Austria, Germany, Switzerland, Netherland (DACH/NL region), Western Europe and the United States



FOCUS ON SECURED LENDING



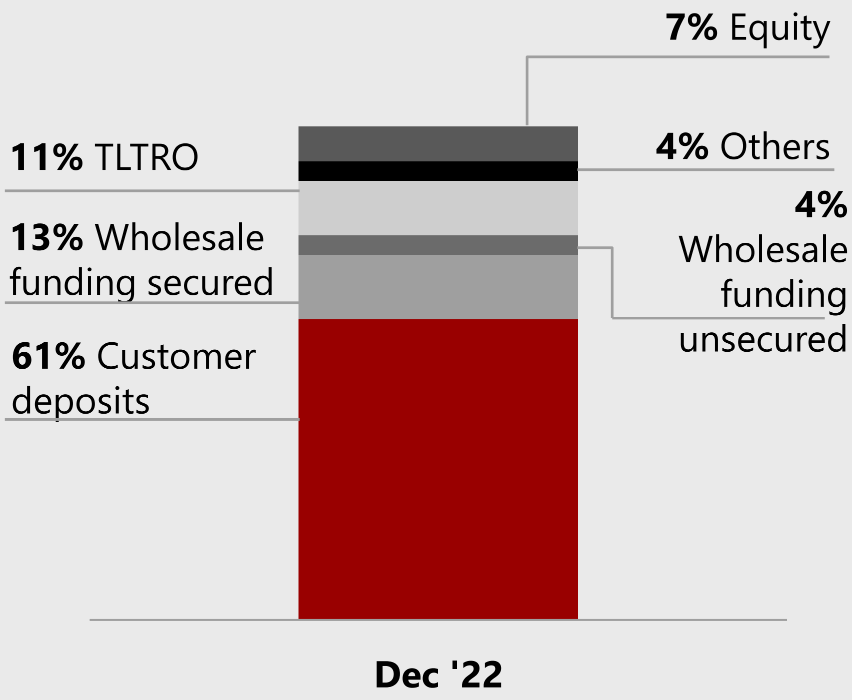
ONE OF THE MOST PROFITABLE AND EFFICIENT EUROPEAN BANK



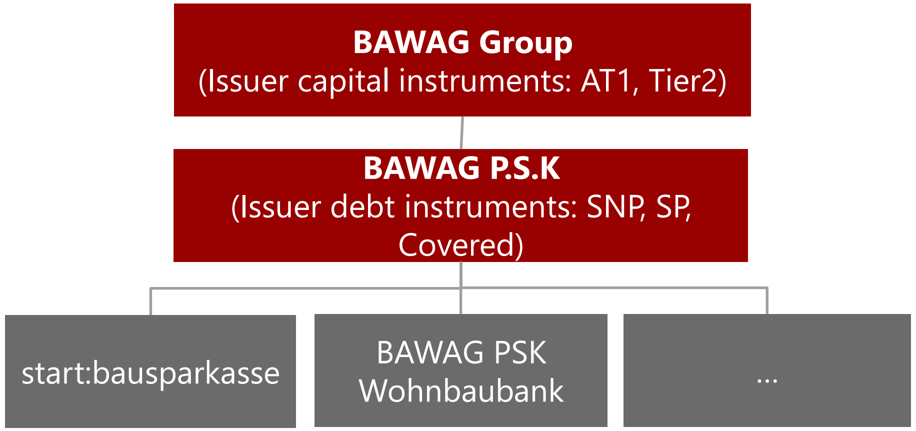
OUR FUNDING STRATEGY

Our stable customer deposit base continues to be cornerstone of funding

Supplement our customer deposits with diversified wholesale funding



Issuing entities



HIGHLIGHTS 2022

EARNINGS

Q4 ’22: Net profit of €132m, EPS of €1.51, and RoTCE of 19.6%

Adjusted FY 2022 (excluding City of Linz): Net profit of €509m, EPS of €5.81, and RoTCE of 18.6%

Reported FY 2022: Net profit of €318m, EPS of €3.64, and RoTCE of 11.6%; includes €254m City of Linz write-off (€190m after tax)

Pre-provision profit of €849m (+14% vPY) and CIR at 35.9%

All 2022 targets achieved

BALANCE SHEET & CAPITAL

Average customer loans (1%) vPQ and +4% vPY

CET1 ratio at 13.5% after deducting €305m dividend accrual … DPS of €3.70 to be proposed to AGM … Targeted payment on April 06, 2023

Excess capital of €261m versus CET1 target of 12.25%

Fortress balance sheet … NPL ratio 0.9% with management overlay €100m equals ~1x annual risk costs

- **CET1 ratio at 13.5% … DPS of €3.70**
- **Excess capital of €261m**

OUTLOOK

Excess Capital: Maintaining dry powder for potential opportunities in coming quarters … any potential buyback will be under 100bps of CET1% (subject to regulatory approval)

Bank positioned for rising interest rates …
Net interest income >€1.2b in 2023

Accelerating 2025 financial targets to 2023:
Profit before tax > €825m, EPS > €7.50,
DPS > €4.10 … excluding any potential buyback

Return targets 2023 & beyond:
RoTCE >20% and CIR < 34%

- **Accelerating 2025 financials targets**
- **Return targets:**
  RoTCE >20% & CIR <34%

FINANCIAL PERFORMANCE 2022

P&L | € millions	**2022** reported	**2022** adjusted	**vPY**	**Q4 '22**	**vPY**	**vPQ** adjusted
Core revenues	1,330.4	1,330.4	9.0%	344.7	9.2%	2.9%
Operating income	1,324.0	1,324.0	7.8%	330.9	4.2%	(1.6%)
Operating expenses	(474.8)	(474.8)	(2.2%)	(118.1)	(3.0%)	0.1%
Pre-provision profit	**849.2**	**849.2**	**14.3%**	**212.8**	**8.6%**	**(2.5%)**
Regulatory charges	(48.8)	(48.8)	(5.4%)	0.1	(98.9%)	(102.9%)
Risk costs	(376.3)	(122.0)	28.4%	(36.2)	78.3%	2.5%
Profit before tax	426.8	681.0	13.4%	177.3	**(4.8%)**	**(2.0%)**
Net profit	**318.3**	**508.8**	**6.0%**	**131.9**	**(19.5%)**	**(0.4%)**
Ratios						
RoCE	9.8%	15.6%	2.0pts	16.4%	(1.7pts)	0.2pts
RoTCE	11.6%	18.6%	2.5pts	19.6%	(1.7pts)	0.3pts
Net interest margin	2.33%	2.33%	0.06pts	2.43%	0.17pts	0.12pts
CIR	35.9%	35.9%	(3.6pts)	35.7%	(2.6pts)	0.6pts
Risk cost ratio	0.86%	0.28%	0.05pts	0.33%	0.14pts	0.01pts
Earnings per share (€)	3.64	5.81	7.9%	1.51	(18.1%)	1.1%

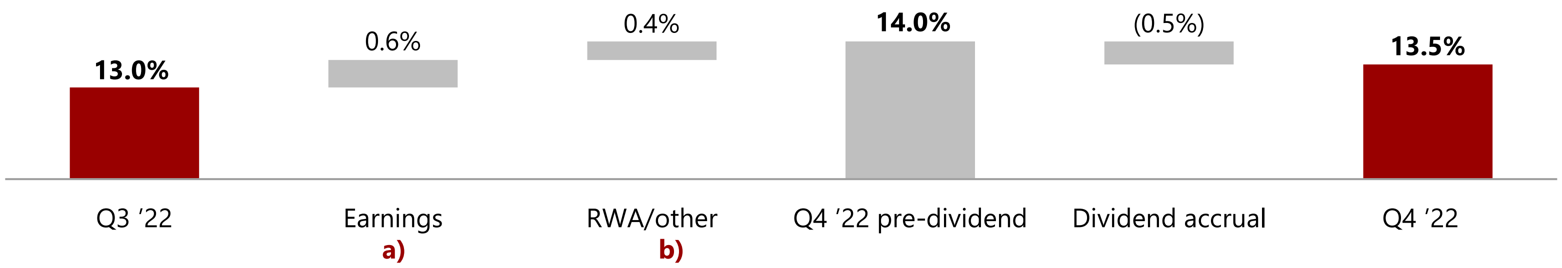
Balance Sheet & Capital | € millions	**Q4 '22**	**Q3 '22**	**vPQ**	**vPY**
Total assets	56 523	55 997	1%	-
Interest-bearing assets (average)	44 046	44 733	(2%)	3%
Customer loans (average)	36 417	36 804	(1%)	4%
Customer deposits (average)	33 496	34 219	(2%)	(1%)
Common Equity	3 215	3 207	-	(12%)
Tangible Common Equity	2 693	2 678	1%	(13%)
CET1 Capital	2 793	2 764	1%	(7%)
Risk-weighted assets	20 664	21 343	(3%)	3%
CET1 Ratio (post dividend)	**13.5%**	**13.0%**	**0.5pts**	**(1.5pts)**

Per share data	**Q4 '22**	**Q3 '22**	**vPQ**	**vPY**
Book value (€)	39.14	37.57	4%	(4%)
Tangible book value (€)	32.78	31.38	4%	(6%)
Shares outstanding (€ m)	82.15	85.34	(4%)	(8%)

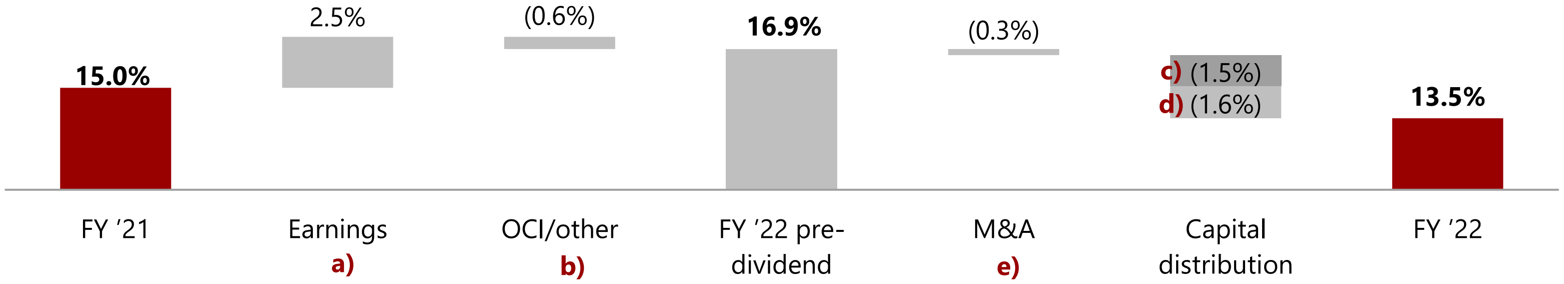
Note: All equity, capital, ratios and per share data reflect deduction of €305m dividend accrual. "Adjusted" view excludes write-off of City of Linz receivable of €254m (€190m after tax).

CAPITAL DEVELOPMENT

QUARTERLY CAPITAL DEVELOPMENT



FULL YEAR CAPITAL DEVELOPMENT



CAPITAL DEVELOPMENT

a) Gross capital generation ~+60bps in Q4 '22 and ~+250bps FY '22

b) Q4 '22: Primarily related to lower RWA

FY '22 : increase in RWA from business growth with negative OCI impact from widening credit spreads

M&A and CAPITAL DISTRIBUTION

c) Proposed dividend to AGM of €3.70 per share (€305m)

d) Share buyback of €325m completed in 2022

e) Portfolio acquisition in Q2 '22 (consumer loans & bonds)

EXCESS CAPITAL

- CET1 ratio 13.5% post dividend accrual of €305m
- Excess capital of €261m above management target of 12.25%
- Peak Bancorp (Idaho First Bank) ... CET1 impact 25-30bps[1)]
- Maintain dry powder for potential M&A in coming quarters
- Any potential buyback will be under 100bps of CET1%[2)]

1) shareholder approved, pending regulatory approval; 2) subject to regulatory approval

RETAIL & SME

Financial performance

€ millions	2022	vPY	Q4 '22	Q3 '22	vPY	vPQ
Core revenues	1 027.0	13%	271.3	255.8	17%	6%
Net interest income	750.2	14%	204.0	190.5	21%	7%
Net commission income	276.8	10%	67.3	65.3	4%	3%
Operating income	1 031.5	12%	272.4	257.6	16%	6%
Operating expenses	(342.7)	(3%)	(85.3)	(85.5)	(3%)	-
Pre-provision profit	**688.8**	**22%**	**187.1**	**172.1**	**28%**	**9%**
Regulatory charges	(18.4)	(14%)	1.5	(1.4)	NM	NM
Risk costs	(80.6)	34%	(21.8)	(23.4)	52%	(7%)
Profit before tax	**589.8**	**22%**	**166.8**	**147.3**	**17%**	**13%**
Net profit	**442.4**	**22%**	**125.1**	**110.5**	**17%**	**13%**

Ratios

in %	2022	vPY	Q4 '22	Q3 '22	vPY	vPQ
RoCE	29.2%	5.7pts	32.2%	28.3%	5.4pts	3.9pts
RoTCE	34.3%	6.9pts	38.1%	33.3%	7.1pts	4.8pts
CIR	33.2%	(5.2pts)	31.3%	33.2%	(6.2pts)	(1.9pts)
NPL ratio	1.6%	(0.3pts)	1.6%	1.9%	(0.3pts)	(0.3pts)
Risk cost ratio	0.37%	0.1pts	0.39%	0.42%	0.1pts	-

Customer development

€ millions	2022	vPY	Q4 '22	Q3 '22	vPY	vPQ
Housing loans	15 972	1%	15 972	16 160	1%	(1%)
Consumer and SME	6 403	20%	6 403	6 348	20%	1%
Total assets	**22 375**	**6%**	**22 375**	22 508	**6%**	**(1%)**
Total assets (average)	**22 065**	**8%**	**22 461**	22 488	**7%**	**-**
Risk-weighted assets	**9 587**	**18%**	**9 587**	9 500	**18%**	**1%**
Customer deposits	**27 825**	**(4%)**	**27 825**	28 075	**(4%)**	**(1%)**
Customer deposits (average)	**27 979**	**4%**	**27 767**	27 823	**-**	**-**

DEVELOPMENTS in Q4 '22

Q4 '22 net profit of €125m, up 17% vPY due to higher pre-provision profits … average net asset growth +7% vPY driven by consumer loans and housing loans

Pre-provision profit of €187m for Q4 '22, up 28% vPY … Core revenues up 17% and operating expenses down (3%)

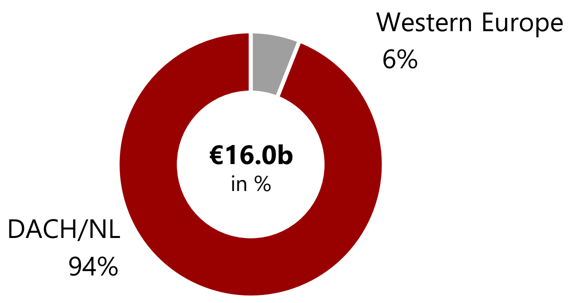
Risk costs of €(22)m in Q4 '22, up 52% vPY … €(14)m core run-rate with addition of Sberbank consumer loan portfolio in Q2 '22… Added €(8)m management overlay to address overall macro uncertainty

Continuing to execute on various operational and strategic initiatives to drive efficiency and disciplined profitable growth across our Retail & SME franchise

Subdued loan growth given overall cautious consumer sentiment and significant movement in rates

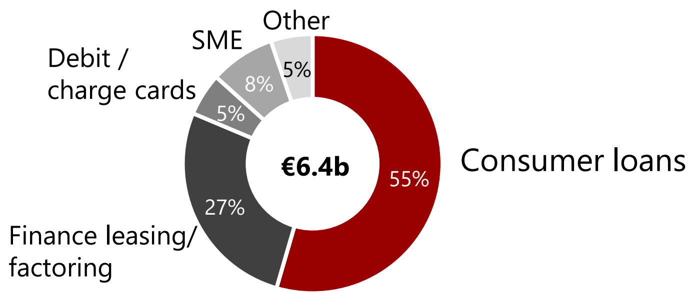
RETAIL & SME

HOUSING LOANS



- 24% state or insurance guaranteed
- Weighted average LTV 63% (non-guaranteed loans)
- Weighted average LTV at origination ~70% since 2020
- De minimis historical losses
- Significant affordability buffer and customer equity in established markets at underwriting

CONSUMER & SME



- Consumer Loans: Default rates continue to track well below pre-pandemic levels (AT)
- Finance leasing/Factoring: Primarily cars, movables
- New business subdued as credit tightening remains in place, cost inflation adjustments for all new underwriting
- Delinquencies remain below pre-pandemic levels, stable low loss rates

RISK MANAGEMENT FRAMEWORK

Tightened credit box in Q1 '22 after having taken similar measures during the pandemic

Further tightened to account for high inflation impacting customer ability to pay in 2022

Cost inflation in core markets expected to pressure repayment rates

Government support measures in core markets to address increased energy prices … further measures in discussion

CORPORATES, REAL ESTATE & PUBLIC SECTOR

Financial performance

€ millions	2022	vPY	Q4 '22	Q3 '22	vPY	vPQ
Core revenues	296.6	1%	74.3	77.4	(6%)	(4%)
Net interest income	262.9	2%	66.4	67.5	(6%)	(2%)
Net commission income	33.7	(1%)	7.9	9.9	(8%)	(20%)
Operating income	313.6	-	71.2	77.5	(16%)	(8%)
Operating expenses	(71.5)	3%	(17.1)	(17.8)	3%	(4%)
Pre-provision profit	**242.2**	**-**	**54.1**	**59.7**	**(21%)**	**(9%)**
Regulatory charges	(12.0)	15%	(0.8)	(1.2)	(27%)	(33%)
Risk costs	(36.2)	25%	(13.2)	(11.4)	NM	NM
Profit before tax	**194.0**	**(5%)**	**40.2**	**47.1**	**(42%)**	**(15%)**
Net profit	**145.6**	**(5%)**	**30.2**	**35.4**	**(42%)**	**(15%)**

Ratios

in %	2022	vPY	Q4 '22	Q3 '22	vPY	vPQ
RoCE	14.3%	0.8pts	12.2%	13.3%	(5.4pts)	(1.1pts)
RoTCE	17.8%	1.3pts	15.2%	16.4%	(6.2pts)	(1.2pts)
CIR	22.8%	0.6pts	24.0%	23.0%	4.4pts	1.0pts
NPL ratio	0.7%	(0.1pts)	0.7%	0.7%	(0.1pts)	-
Risk cost ratio	0.24%	-	0.35%	0.29%	0.4pts	0.1pts

Customer development

€ millions	2022	vPY	Q4 '22	Q3 '22	vPY	vPQ
Corporates	3 771	(7%)	3 771	4 085	(7%)	(8%)
Real Estate	6 067	6%	6 067	6 607	6%	(8%)
Public Sector	4 178	(9%)	4 178	4 246	(9%)	(2%)
Short-term / money market lending	487	(7%)	487	487	(7%)	-
Total assets	**14 503**	**(3%)**	**14 503**	15 425	**(3%)**	**(6%)**
Total assets (average)	**15 275**	**8%**	**15 086**	15 485	**0%**	**(3%)**
Risk-weighted assets	**7 502**	**(5%)**	**7 502**	8 287	**(5%)**	**(9%)**
Customer deposits	**5 907**	**3%**	**5 907**	5 551	**3%**	**6%**
Customer deposits (average)	**5 475**	**1%**	**5 278**	6 015	**(5%)**	**(12%)**

DEVELOPMENTS in Q4 '22

Q4 '22 net profit of €30m, down 42% vPY due to €10m incremental risk costs from management overlay … average net asset flat vPY with different trends in asset mix

Pre-provision profit of €54m in Q4 '22, down (21%) vPY … Operating income down (16%)

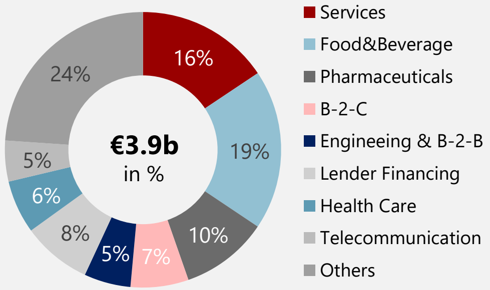
Risk costs of €(13)m, of which €(10)m increase of the management overlay during the quarter to address overall macro uncertainty

Maintaining disciplined and conservative underwriting with solid pipeline and commitments in 2023 … will remain patient and continue to focus on risk-adjusted returns

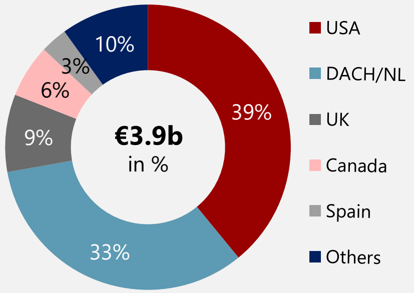
Corporates, Real Estate & Public Sector

CORPORATES*

By industry



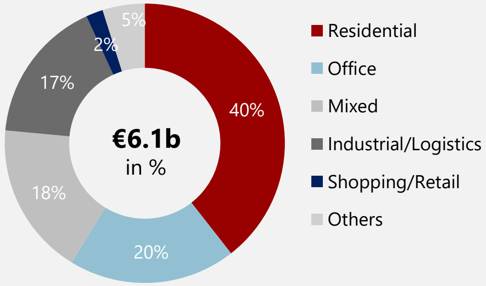
By geography

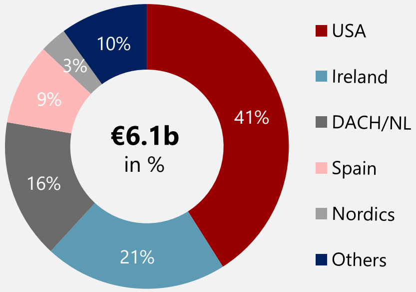


- Portfolio average net leverage <4.0x
- NPL ratio 1.5%
- No exposure to Russia and Ukraine
- DACH/NL 33% exposure

REAL ESTATE

By underlying

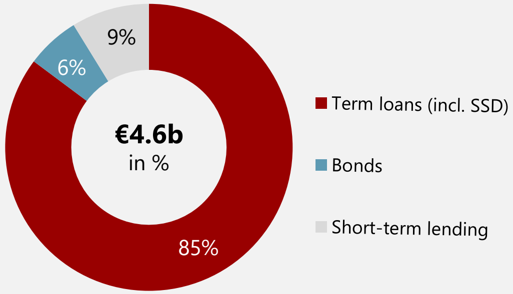




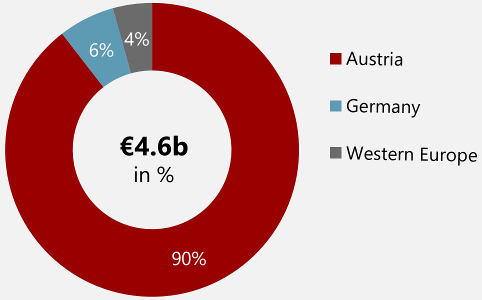
- Weighted average portfolio LTV <60%
- NPL ratio 0.8%
- Collateral backing portfolio is granular with ~40% of pool being direct residential

PUBLIC SECTOR*

By funding & type



By geography



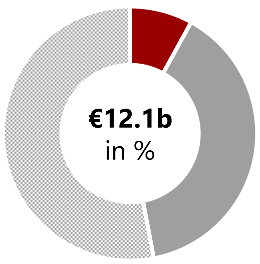
- Portfolio comprised of 60% AAA or AA entities
- No non-performing loans

* Includes short-term lending / money market of €487m, of which €85m in Corporates and €402m in Public Sector

INVESTMENT BOOK AND CASH

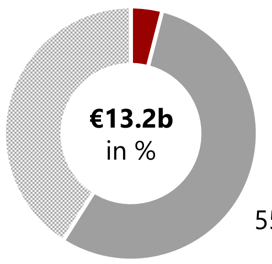
CASH & CASH EQUIVALENT

Q3 '22



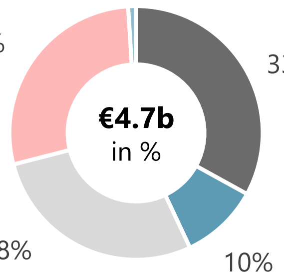
+€1.1b

Q4 '22

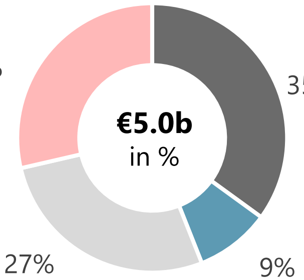


Cash | Cash equivalent excl. TLTRO | TLTRO

INVESTMENT BOOK



+€0.3b



AAA | AA | A | BBB | BB

As of Q4 '22, cash and cash equivalents (mainly money at central banks) at €13.2b … TLTRO III of €5.4b (paid back €1.0b in Q4 '22 and further €2.0b in January '23)

Securities portfolio "under-invested" … Higher credit spreads provide opportunity to build-up our securities portfolio as we have been under-invested for the past few years

Focus on low credit risk, high liquidity, shorter duration and solid diversification in terms of geography and issuers:

- 100% portfolio investment grade, with 71% A or higher
- Weighted average life of ~4 years
- ~300 positions, average size ~€17m
- No non-performing assets
- No exposure to Russia and Ukraine

P&L & KEY RATIOS

P&L | € millions	2022 reported	2022 adjusted	vPY	Q4 '22	Q3 '22 adjusted
Net interest income	1 021.1	1 021.1	9%	269.7	260.0
Net commission income	309.3	309.3	10%	75.0	75.0
Core revenues	**1 330.4**	**1 330.4**	**9%**	**344.7**	**335.0**
Other revenues	(6.4)	(6.4)	(179%)	(13.8)	1.3
Operating income	**1 324.0**	**1 324.0**	**8%**	**330.9**	**336.3**
Operating expenses	**(474.8)**	**(474.8)**	**(2%)**	**(118.1)**	**(118.0)**
Pre-provision profit	**849.2**	**849.2**	**14%**	**212.8**	**218.3**
Regulatory charges	(48.8)	(48.8)	(5%)	0.1	(3.4)
Risk costs	(376.3)	(122.0)	28%	(36.2)	(35.3)
Profit before tax	**426.8**	**681.0**	**13%**	**177.3**	**180.9**
Income taxes	(108.2)	(171.9)	43%	(45.4)	(48.3)
Net profit	**318.3**	**508.8**	**6%**	**131.9**	**132.4**

Key ratios	2022 reported	2022 adjusted	vPY	Q4 '22	Q3 '22 adjusted
Return on Common Equity	9.8%	15.6%	2.0pts	16.4%	16.2%
Return on Tangible Common Equity	11.6%	18.6%	2.5pts	19.6%	19.3%
Net interest margin	2.33%	2.33%	0.06pts	2.43%	2.31%
Cost-income ratio	35.9%	35.9%	(3.6pts)	35.7%	35.1%
Risk cost ratio	0.86%	0.28%	0.05pts	0.33%	0.32%
Earnings per share (in €)	3.64	5.81	8%	1.51	1.49
Tangible book value per share (in €)	32.78	32.78	(6%)	32.78	31.38

DEVELOPMENTS in Q4 '22

Net interest income up 4% vPQ … net interest margin (NIM) at 2.43% in Q4 '22

Net commission income stable at €75m … up 3% vPY reflecting acquisition of Hello bank! Austria in Q4 '21 (rebranded to easybank), while overall business impacted by current market environment

Cost-income ratio of 35.7% in Q4 '22 … ongoing disciplined cost control despite inflationary headwinds

Risk costs of €(36)m in Q4 '22, of which €(18)m resulting from increasing management overlay … Core run-rate in line with strong credit performance, low NPL levels and continued low delinquencies … management overlay stands at €100m

BALANCE SHEET

Balance sheet | € millions	2022	Q3 '22	2021	vPY	vPQ
Customer loans	35 763	36 705	34 963	2%	(3%)
Securities and bonds	6 066	5 816	6 330	(4%)	4%
Credit institutions and cash	13 175	12 108	13 060	1%	9%
Other assets	1 519	1 368	1 972	(23%)	11%
Total assets	**56 523**	**55 997**	**56 325**	**-**	**1%**
thereof average interest-bearing assets	43 852	44 733	41 373	6%	(2%)
Customer deposits	34 293	33 992	35 161	(2%)	1%
Own issues	10 236	8 817	7 378	39%	16%
Credit institutions	6 344	7 130	7 361	(14%)	(11%)
Other liabilities	1 659	2 013	2 051	(19%)	(18%)
Common equity	3 215	3 207	3 636	(12%)	-
Dividend accrual	305	207	267	14%	47%
Buyback	-	155			(100%)
AT1 capital	471	477	471	-	-
Total liabilities & equity	**56 523**	**55 997**	**56 325**	**-**	**1%**

Capital & RWA | € millions	2022	Q3 '22	2021	vPY	vPQ
Common equity	3 215	3 207	3 636	(12%)	0%
Tangible common equity	2 693	2 678	3 101	(13%)	1%
CET1 capital	2 793	2 764	3 012	(7%)	1%
Risk-weighted assets	20 664	21 343	20 135	3%	(3%)
CET1 ratio (post dividend)	13.5%	13.0%	15.0%	(1.5pts)	0.5pts
Liquidity Coverage Ratio	225%	202%	239%	(14pts)	23pts

DEVELOPMENTS in Q4 '22

Average interest-bearing assets down 2% and risk-weighted assets down 3% vPQ

Customer relatively stable in Q4 '22

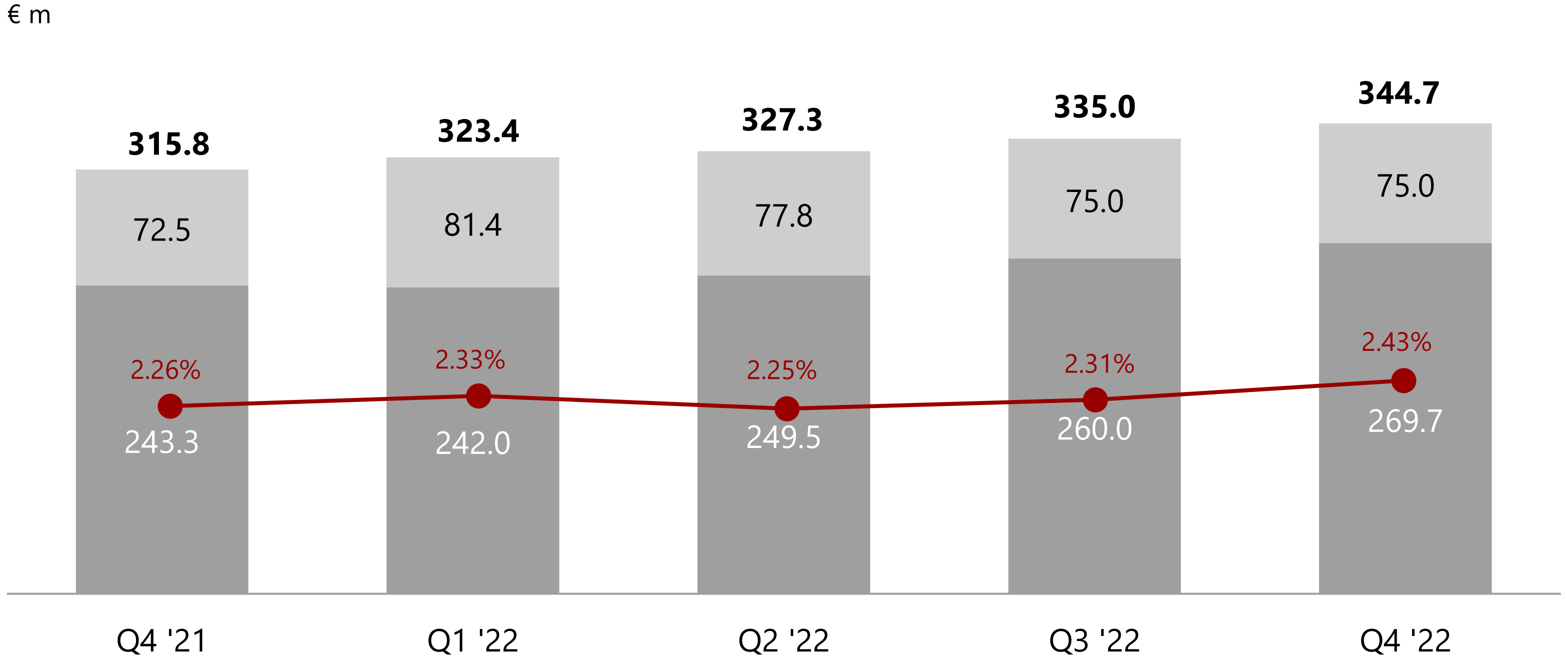
€1.0b TLTRO paid back in Q4 '22 … further €2.0b paid back in Jan '23

Share buyback of €325m in total completed in Q4 '22

CET1 ratio at 13.5% post deduction of €305m dividend accrual for FY 2022

CORE REVENUES

Continued increase in Q4 ’22



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

35.0	35.0	36.8	36.8	36.4
42.6	42.1	44.5	44.7	44.0

NCI NII NIM

Net interest income (NII) up 4% vPQ … net interest margin (NIM) at 2.43% in Q4’22

- Average customer loans down (1%) vPQ and up 4% vPY in Q4 ’22
- Subdued loan growth from cautious consumer sentiment and re-pricing of loans given rising interest rates
- Bank positioned for rising interest rate environment … Started in Q4 and will continue in quarters ahead

Net commission income (NCI) up 3% vPY and flat vPQ

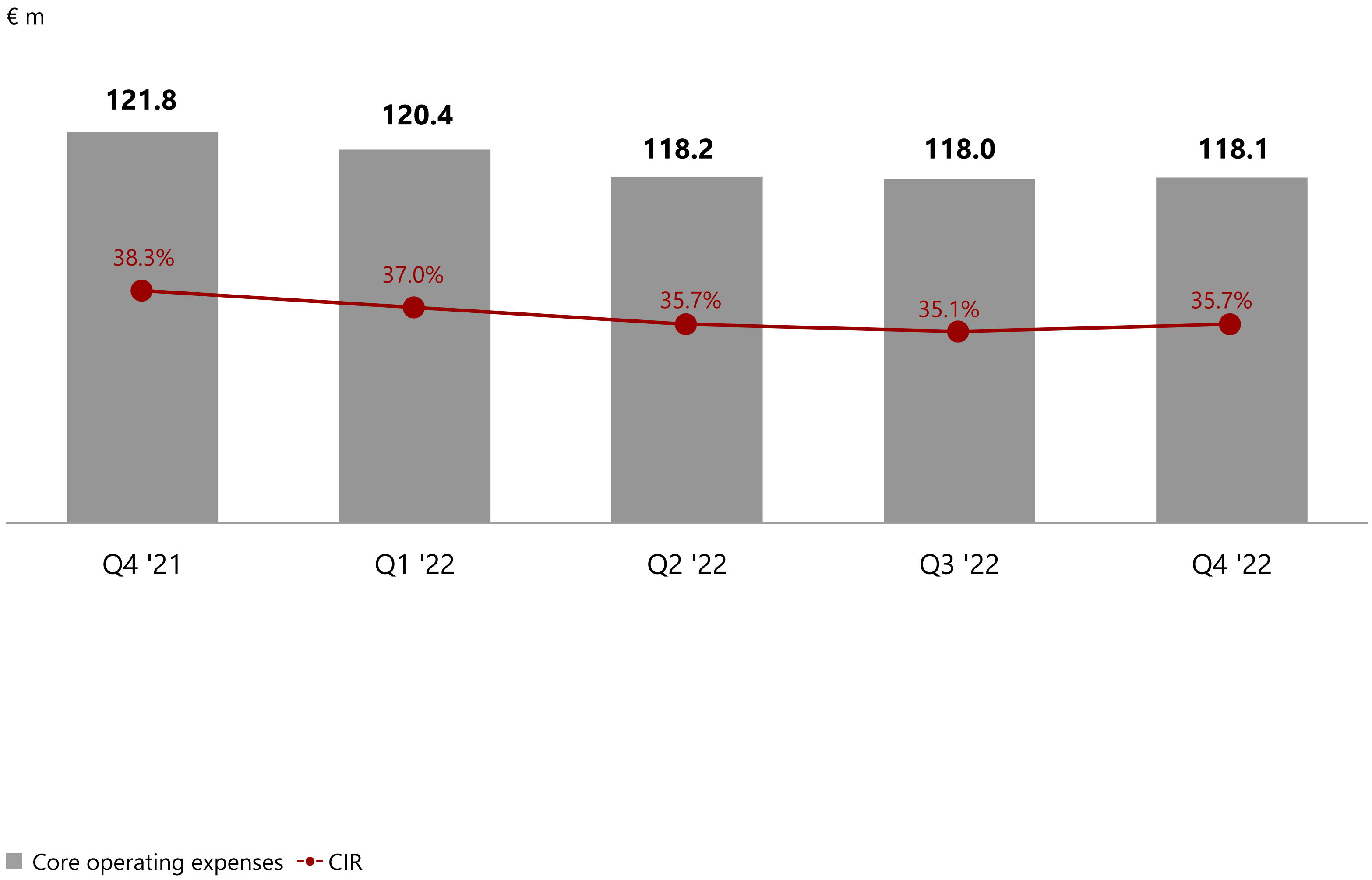
- Lower advisory business due to volatile market environment continued in Q4 ’22

Outlook for 2023

- Expect core revenues growth of >12% in 2023
- Net interest income expected to increase to >€1.2b … peak NII expected in Q2/Q3 ’23 based on current interest rate environment
- Expecting overall subdued customer loan growth in 2023

OPERATING EXPENSES

Continued efficiency measures countering inflationary pressures



CIR at 35.7% in Q4 ′22 down (2.6pts) vPY

- Significant inflationary pressure offset by several operational initiatives launched over the past two years
- Focused on absolute cost-out target (despite inflationary headwinds) and proactive cost management
- Executed multiple initiatives focused on greater scale, greater digital engagement, and continued rollout of simplification roadmap across the Group …
  - … physical footprint reduced by >20% during 2022
  - … combination of TechOps to streamline processes
  - … ongoing centralization of functions and Group oversight

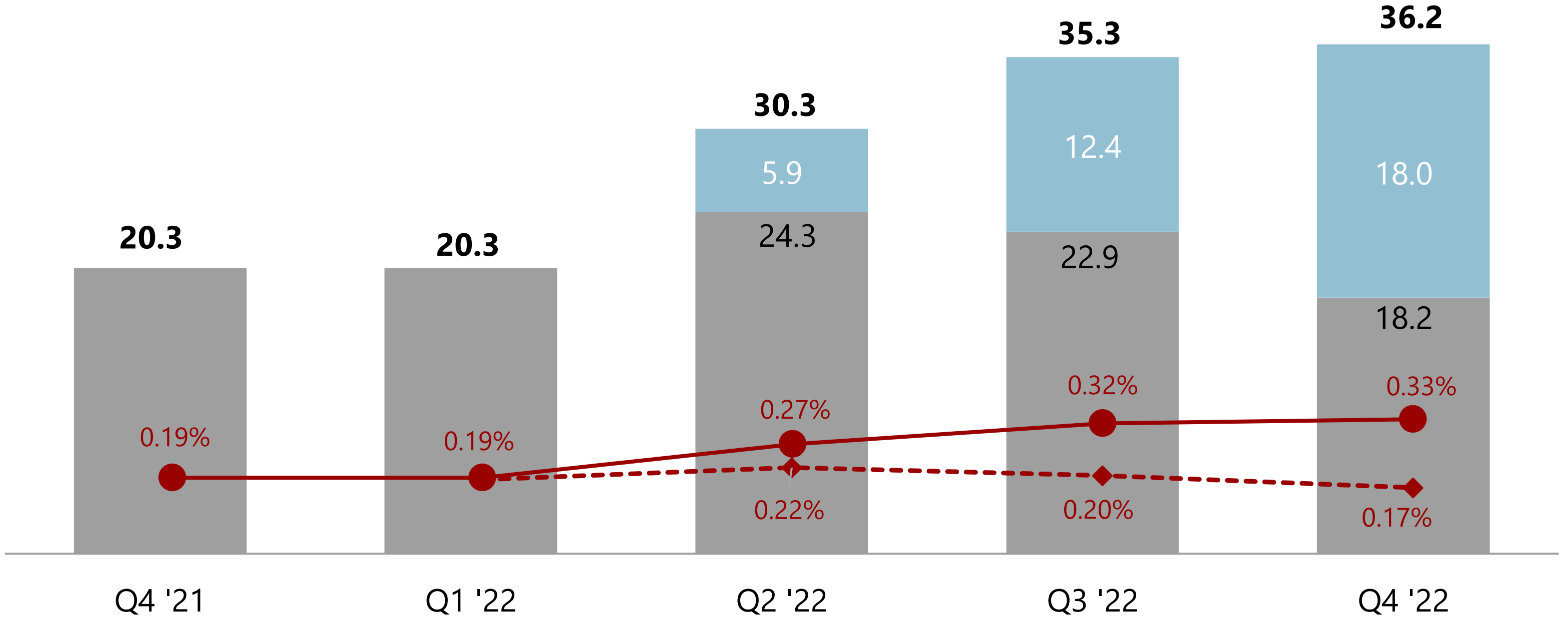
Outlook for 2023

- Expecting ~2% operating cost increase with a CIR of <34% in 2023

RISK COSTS

Applying prudent approach while closely monitoring macro environment

€ m … excluding the write-off of City of Linz receivable in Q3 '22



ECL Management overlay (in € m)

61	64	70	82	100

NPL ratio

1.4%	1.5%	1.4%	1.0%	0.9%

ECL management overlay · Risk costs/average interest-bearing assets · Risk costs-management overlay/average interest-bearing assets

Q4 '22 risk costs €36.2m and 17bps underlying risk cost ratio

- Ongoing strong credit performance … NPL ratio of 0.9%
- Risk cost run-rate in Retail & SME ~€14m … includes portfolio acquisition in Q2 '22
- ECL management overlay stands at €100m in Q4 '22 … up €18m vPQ and €39m vPY

Maintain safe & secure balance sheet

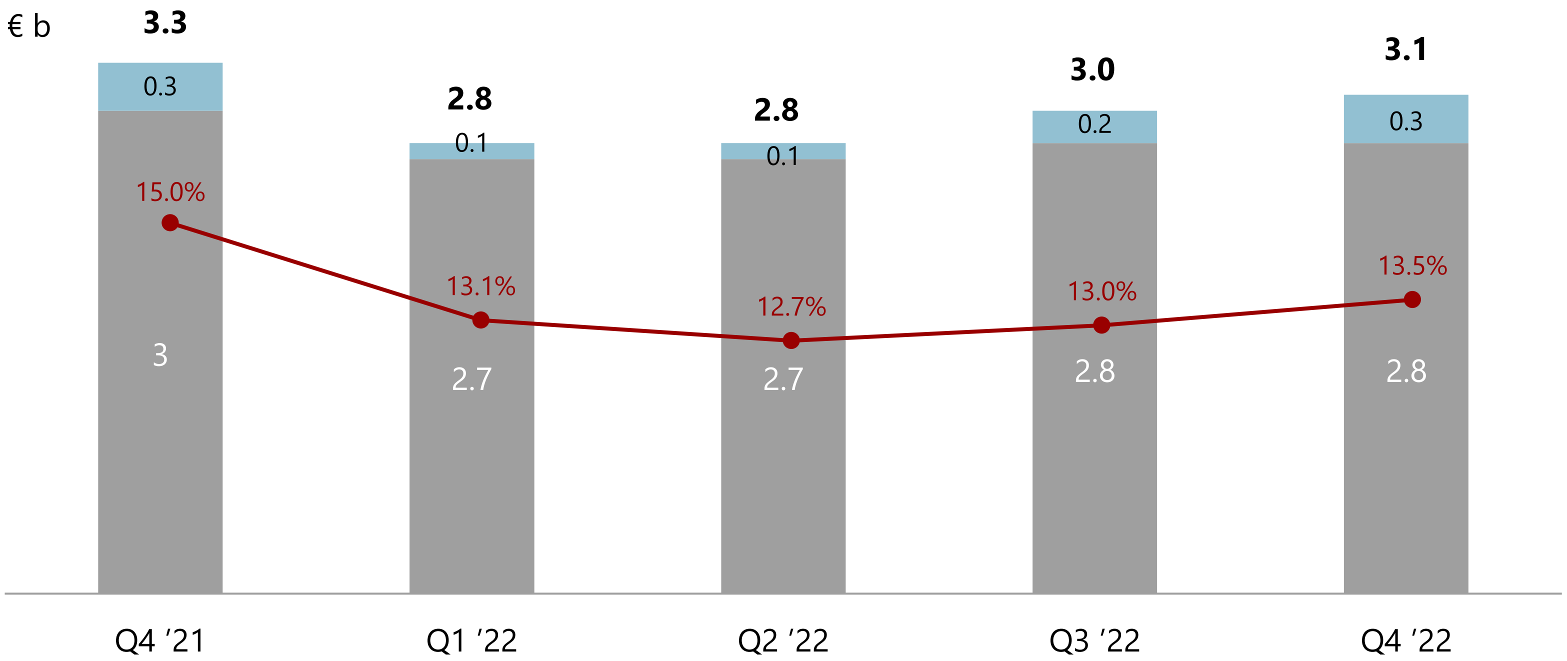
- Focused on developed and mature markets … 73% DACH/NL region & 27% Western Europe/United States
- Conservative underwriting with a focus on secured lending … ~80% of customer loans is secured or public sector lending
- No direct exposure to Russia or Ukraine and de minimis secondary exposures

Outlook for 2023

- Expect underlying risk cost ratio 20-25bps in 2023 … assumes no release of management overlay

REGULATORY CAPITAL

Strong capital position



RWA | € b | **Tier 1 ratio** | **Total capital ratio** | **Leverage ratio**

20.1	20.5	21.3	21.3	20.7
17.3%	15.3%	14.8%	15.1%	15.5%
20.4%	18.4%	17.7%	18.0%	18.5%
6.0%	5.6%	5.6%	5.7%	5.6%

Dividend CET1 capital (post dividend) CET1 ratio (post dividend)

Note: All capital ratios post dividend accrual and deducting €325m buyback in 2022

Capital distribution plans:

- €305m dividend proposed for FY '22 to AGM on 31 March 2023
- Share buyback of €325m completed in 2022

Capital development:

- Q4 '22 Tier1 capital ratio 15.5% and Total Capital ratio 18.5%
- Capital requirement of 9.18% CET1 at year-end 2022 … P2R of 2.0% and P2G of 0.75% … capital requirement for 2023: 9.43% CET1
- Target CET1 ratio of 12.25% is 282bps above new MDA trigger of 9.43% (from January '23)
- Increase in domestic buffers to 1.4% for 2024

MREL

MREL Strategy

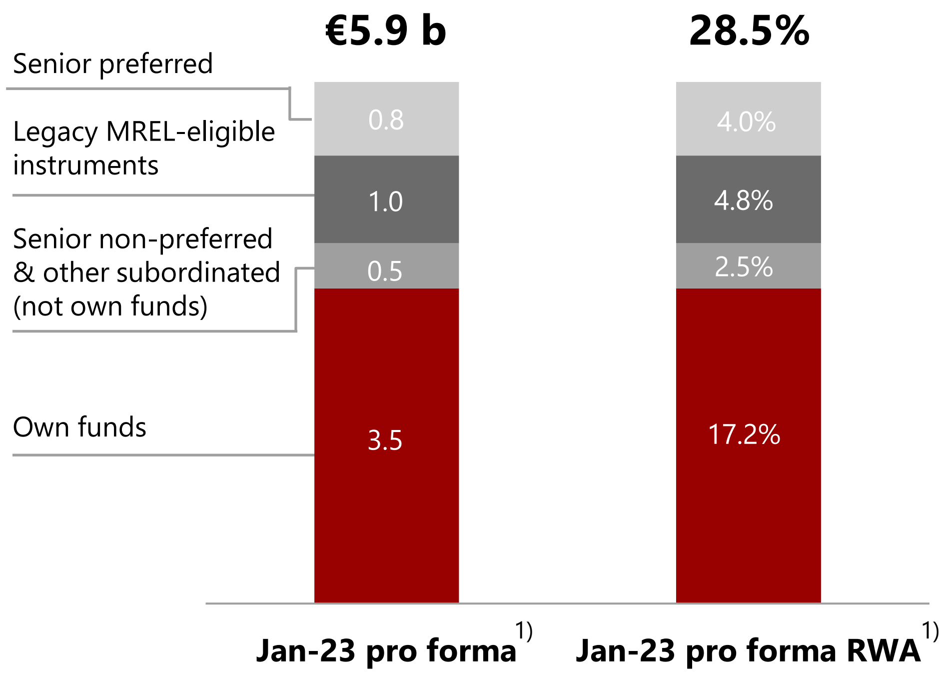
MREL decision received in Jan ’22 fully reflecting CRR2/BRRD2 with final requirements from 1 January 2024:

- Requirement applicable at BAWAG P.S.K. level (consolidated)
- Currently no subordination requirement
- 2022 interim target of c. 22% met

Our MREL issuance plans:

- €500 m SNP successfully issued in Aug-19
- €500 m SP issued in Jan-23 and CHF300 m SP issued in Q4 2022
- Further issuance planned in coming years to replace maturities, meet MREL requirement and build buffer

MREL instruments



MREL requirement

1) Dec-22 MREL instruments of €5.4 b (26.1%) plus €500 m senior preferred issued on 18 January 2023

Funding & Liquidity

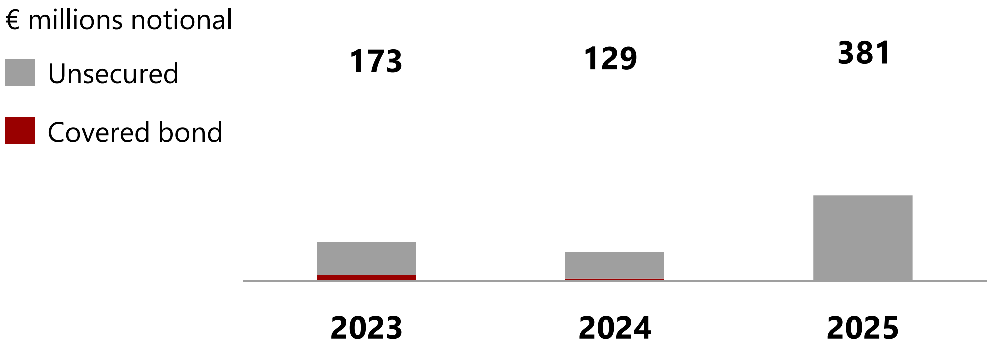
Liquidity

Liquidity coverage ratio	**225%**
Liquidity buffer	**€11.7b**
Liquidity buffer including other marketable securities	**€15.0b**

Issuance plans 2023 and beyond

- Frequent covered bond issuer
- Increasing focus on senior issuance
- At least one Green bond benchmark per year

Comfortable maturity profile

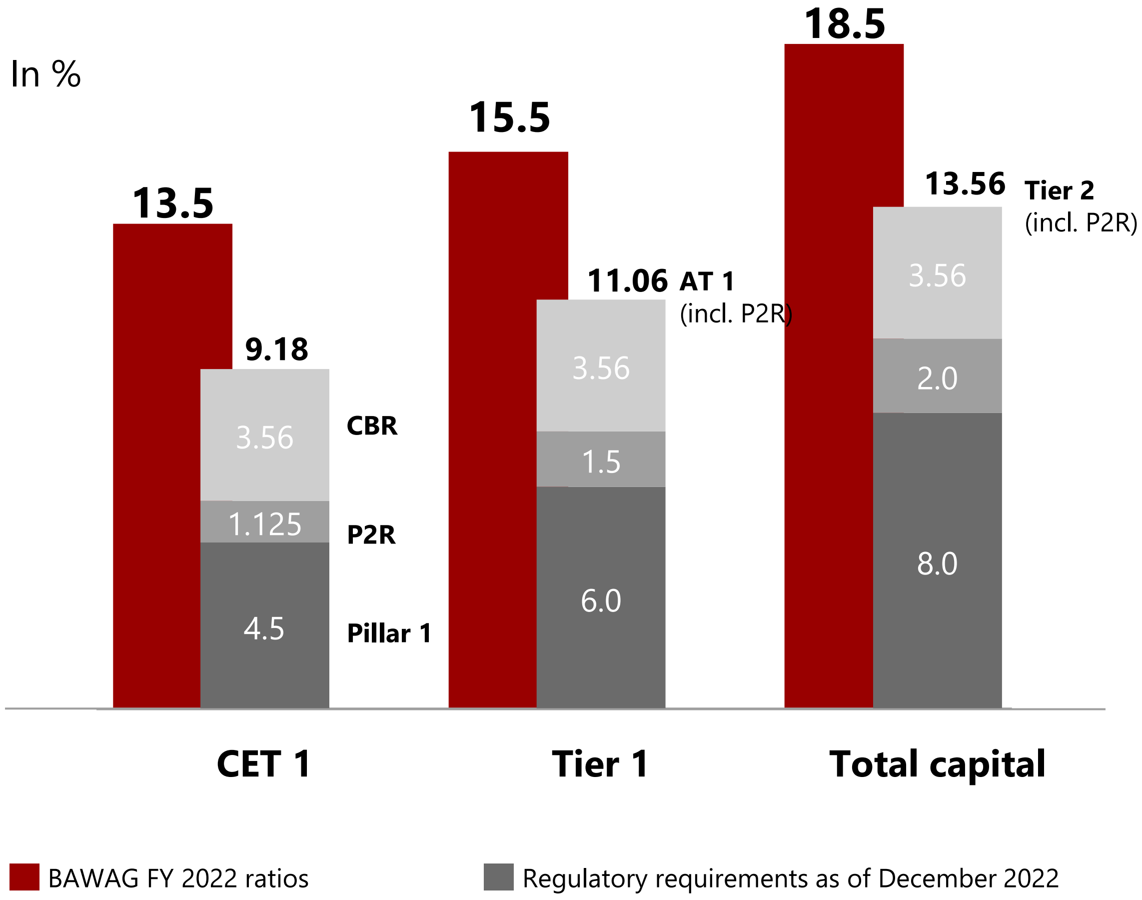


- Covered bonds continue to be an important capital market funding source … €8.2b executed since 2020 … 16 benchmark bonds outstanding with up to €1.25b issue size and maturities up to 2041
- Increasing focus on senior issuance since 2022 … ~€0.8b senior instruments already executed in Q4 2022 and Jan-23. Further issuance planned in coming years to replace maturities, meet MREL requirement and build buffer
- Currently optimal capital stack of AT1 and tier 2 … next call date in March '24 for €400m Tier 2
- 4 Green bond issues since 2021 … at least one Green bond benchmark per year planned

… and solid market access

Q1'21: €500m	20y Cov.Bond
Q2'21: €500m	10y Cov.Bond
Q3'21: €500m	8y Cov.Bond (Green)
Q1'22: €500m	10y Cov.Bond
Q2'22: €750m	6.3y Cov.Bond
Q2'22: €750m	7.75y Cov.Bond
Q3'22: €1.25b	10y Cov. Bond
Q4'22: 125m	CHF 3y SP (Green)
Q4'22: 175m	CHF 5y SP (Green)
Q4'22: €750m	4.5y Cov.Bond
Q1'23: €800m	6y Cov.Bond
Q1'23: €500m	4y SP (Green)
Q1'23: 140m	CHF 3.9y Cov.Bond

Strong capital position



P2R 2.00%

- 1.125% of P2R is to be met with CET1 … remaining 88bps filled with AT1/T2

P2G 0.75%

Combined buffer requirement

CBR increase of 25 bps for 2023 and further 15bps for 2024

	2022	Jan 2023
Systemic risk buffer	0.50%	0.50%
OSII buffer[2]	0.50%	0.75%
Countercyclical capital buffer1)	0.06%	0.06%
Capital conversation buffer	2.50%	2.50%
Systemic risk buffer	1.00%	1.00%

1) Based on exposure as of December 2022

2023 **OUTLOOK** AND **TARGETS**

P&L OUTLOOK

Net interest income FY ’22: €1,021m	**>€1.2b**
Core revenues FY ’22: €1,330m	**>12% growth**
Operating expenses FY ’22: €475m	**~2% increase**
Risk cost ratio FY ’22: 19bps (underlying)	**20-25bps**

2023 FINANCIAL TARGETS

Profit before tax	**>€825m**
Earnings per share	**>€7.50**
Dividend per share	**>€4.10**

2023 & BEYOND RETURN TARGETS

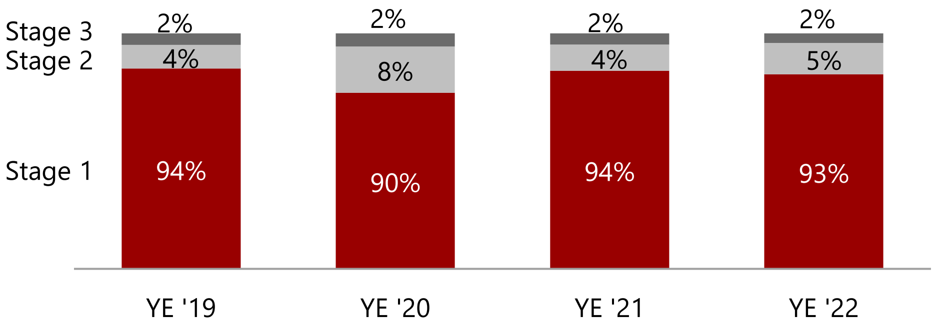
Return on tangible common equity	**>20%**
Cost-income ratio	**<34%**

Supplemental pages

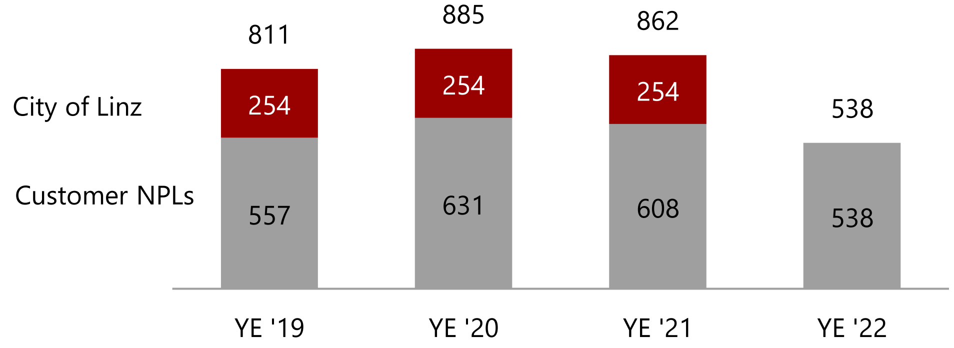
DETAILS ON RESERVES

Continuing to remain prudent in current environment

IFRS 9 MIGRATION- CUSTOMER SEGMENT ASSETS



NON-PERFORMING STAGE 3 LOANS, IN €m



	YE '19	YE '20	YE '21	YE '22
NPL ratio excl. CoL (%)	1.1%	1.1%	1.0%	0.9%
NPL cash coverage excl. CoL	37.0%	46.2%	46.4%	52.3%
NPL ratio (%)	1.7%	1.5%	1.4%	0.9%

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

€ m

	YE '19	YE '20	YE '21	YE '22
Stage 1	39	67	37	47
Stage 2	17	64	102	133
Stage 3	205	271	276	263
Total Reserves	**262**	**402**	**414**	**442**
Total Reserve Ratio %	**0.94%**	**1.42%**	**1.34%**	**1.37%**

KEY DEVELOPMENTS

Customer asset NPLs down 12% vPY while total reserves +7% vPY

NPL ratio at 0.9%, cash coverage of 52%

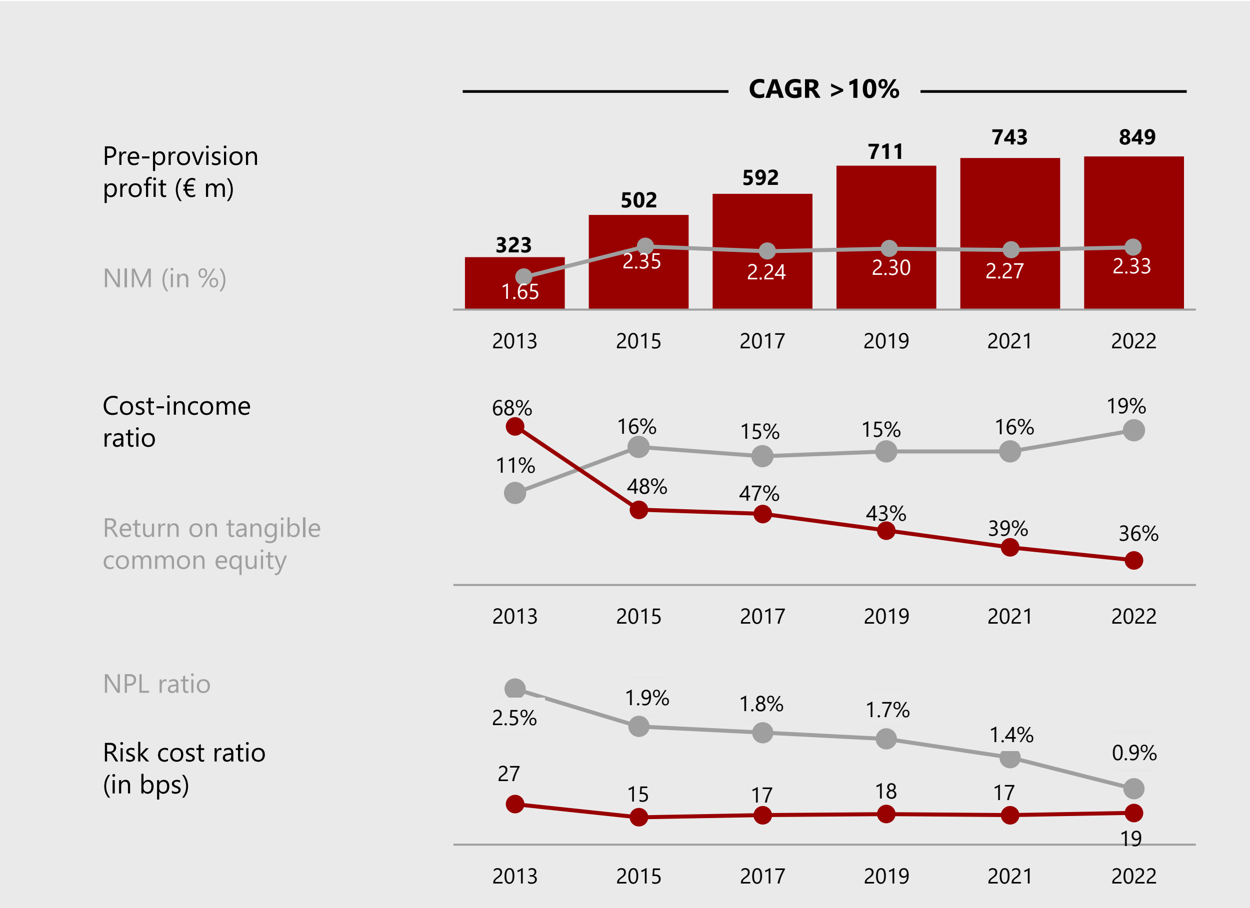
Stage 1/2/3 asset split at pre-COVID levels

Total reserves of €442m … reserve ratio increased by 43% to 1.37% vs. YE ’19 despite improving overall asset quality

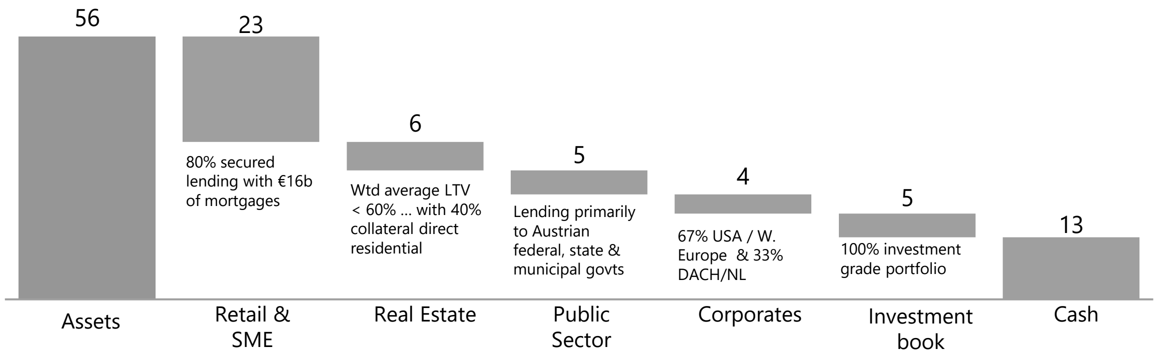
Total ECL €179m, of which €100m (56%) comprised of management overlay … equal ~1x annual risk costs

OUR TRANSFORMATION

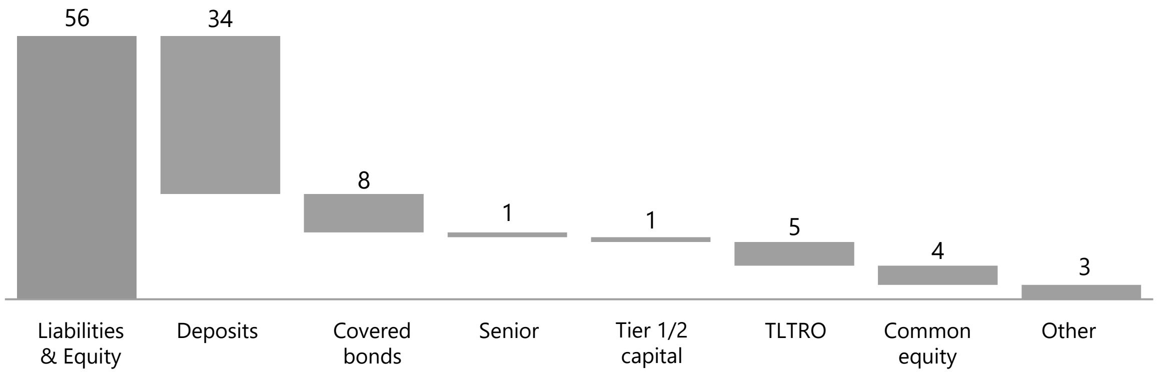
Ranking among the most profitable and efficient European banks with further ambitions



SOLID ASSET QUALITY AND DISCIPLINED UNDERWRITING



FUNDING, CAPITAL AND EARNINGS



Note: 2022 RoTCE, and Risk Cost Ratio adjusted for write-off of City of Linz receivable of €254m (€190m after tax); 2020 Risk cost ratio adjusted for ~€100m ECL macro-provision; 2021 and 2022 excl. management overlay

OUR **BUSINESS PRINCIPLES** AND **CULTURE**

The foundation for executing on our strategy

- **CULTURE:** Our company values and culture are defined by accountability, meritocracy, and embracing change
- **SIMPLIFICATION:** We simplified our business model by focusing on core products, processes and technology
- **CORE MARKETS:** We focus on mature, developed and stable markets with strong macroeconomic fundamentals and reliable legal systems
- **RISK MANAGEMENT:** We focus on risk-adjusted returns, conservative-disciplined underwriting, and proactive risk management
- **CONSISTENT TECHNOLOGY INVESTMENT:** We believe that technology is a transformation enabler and competitive differentiator
- **DATA-DRIVEN:** We believe in constant measurement, data analysis, and being data-driven in how we run the business

Leadership and embracing change

Actions speak louder than words

We value integrity, character, and work ethic

Experienced Senior Leadership Team (SLT) that led transformation over the past decade …

SLT with average 14 years working experience at BAWAG

Accountability, meritocracy and inclusion

Our greatest asset is our human capital

Investing in developing and empowering our people

Assessments are merit and character based

50 nationalities working across the Group

BAWAG Group

Simple and flat organization

Simplification and continuous improvement mindset embedded in our DNA

Less hierarchy, less bureaucracy, less disjointed analysis

Streamlined decision making, while also rooting out inefficiencies and silo-mindset

Simplified banding structure across the group

Management, both fiduciaries & shareholders

Not only fiduciaries of the bank, we are also owners

Incentives are directly tied to real Financial & ESG targets

Focused on long-term franchise value creation

3.6% shares owned by Senior Leadership Team (3.2% Management Board)

OUR STRATEGY HAS BEEN UNCHANGED SINCE 2012

ESG underpins our strategy driving responsible, sustainable and profitable growth

1 GROWTH IN CORE MARKETS FOCUSED ON SERVING OUR CUSTOMERS

Core markets: Austria, Germany, Switzerland, Netherlands (DACH/NL region), Western Europe and the United States

- Criteria for core markets: Fiscal position (single A or better sovereign rating), legal infrastructure, and political environment
- 24/7 banking access through multi-channel and multi-brand commercial banking platform
- Customer value proposition: "Providing simple, transparent and affordable financial products and services our customers need"

2 EFFICIENCY THROUGH OPERATIONAL EXCELLENCE

Our DNA is to focus on the things we can control through "self help" management

- Greater need to simplify business structure, products, and processes
- Technology is an enabler and differentiator

3 SAFE AND SECURE RISK PROFILE

We believe in maintaining a fortress balance sheet through strong capital position, stable customer funding and low risk profile

- Conservative and disciplined underwriting in markets we understand with focus on secured lending
- Proactively manage non-financial risks …no capital markets activities, no trading activities, no exposure to high-risk AML countries

EXECUTION SINCE IPO IN 2017

7
M&A deals completed

+32%
Revenue growth

-11pts
CIR

75%
Retail & SME products digitized

220bps
Average gross capital generation

0.9%
NPL ratio … 80bps reduction

M&A: STRATEGIC OPTIONALITY

M&A TARGETS & UNDERWRITING CRITERIA

MARKETS

- Focus on core markets … DACH/NL region, Western Europe and USA

FINANCIALS

- Underwrite to RoTCE >20%
- Solid balance sheet … no credit or compliance issues
- Pre-funded restructuring … underwrite deals to ensure P&L accretive Day 1

CUSTOMER FRANCHISE

- Focus towards Retail & SME
- Bolt-on acquisitions
- Product factories
- Specialty finance
- Universal banks

PLATFORMS

- Platforms and minority investments to support customer acquisition and asset originations

EFFICIENCY

- Operational turn-around
- Run-off / wind-down businesses leveraging our operational capabilities

DEAL SIZE

- Open to all size deals that meet our target return thresholds and franchise enhancing

M&A HISTORY: TRANSFORMING BUSINESSES THRHOUGH OPERATIONAL TURNAROUND … RoTCE ~3% to >17%

2015

VB LEASING[1] LIKE IT. LEASE IT.
€0.7 billion ASSETS
50K customers
AUTO LEASING

2016

IMMO-BANK
€1.6 billion ASSETS
5K customers
HOUSING

start bausparkasse
€2 billion ASSETS
440K customers
BUILDING SOCIETY

2017

PayLife SIX
1.7 million CARDS
>**500K** customers
CARD ISSUING BUSINESS

SÜDWESTBANK
€7.4 billion ASSETS
100K customers
UNIVERSAL BANK

2018

Deutscher Ring Bausparkasse AG[2]
€0.5 billion ASSETS
85K customers
BUILDING SOCIETY

2019

BFL DIE IT-FINANZIERER
€0.6 billion ASSETS
50K customers
IT & EQUIPMENT LEASING

Health AG[3]
Zahnärztekasse AG
€0.1 billion ASSETS
€1 billion FACTORING VOLUME
3K customers
FACTORING BUSINESS

2021

DEPFA BANK PLC
DEPFA bank plc
WIND-DOWN opportunity

Hello bank! Austria
80K customers
RETAIL BROKERAGE BUSINESS

2022

PEAK BANCORP INC
Signed deal to acquire Peak Bancorp, holding company of Idaho First Bank in Feb 2022; subject to regulatory approval

10K customers
COMMUNITY BANK

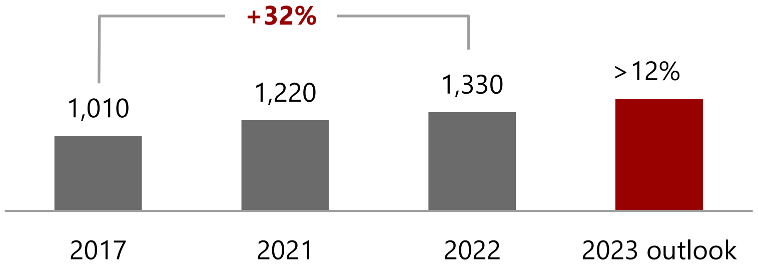
1) rebranded: easyleasing 2) rebranded: start:bausparkasse 3) rebranded: Health Coevo AG

TAKING STOCK SINCE OUR IPO …

Consistent execution and delivery

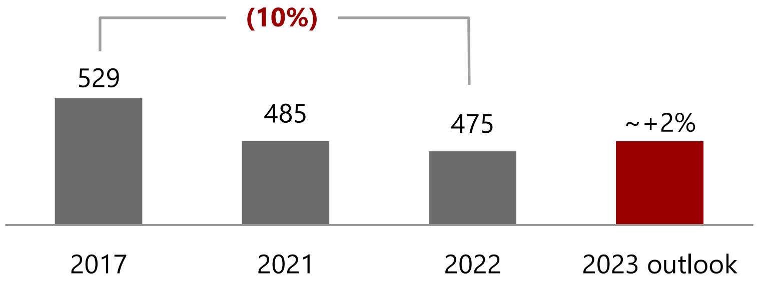
GROWING CORE REVENUES …

Core revenues (in € millions)



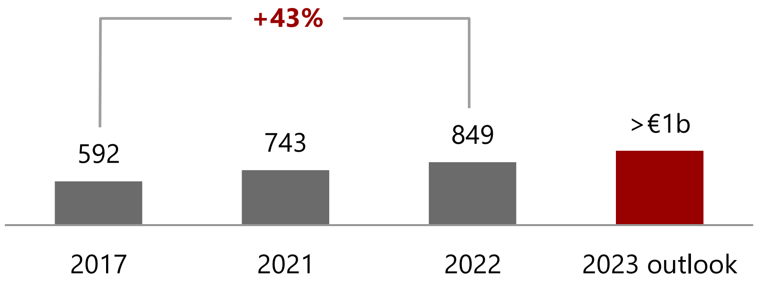
… WHILE IMPROVING COST BASE

Operating expenses (in € millions)



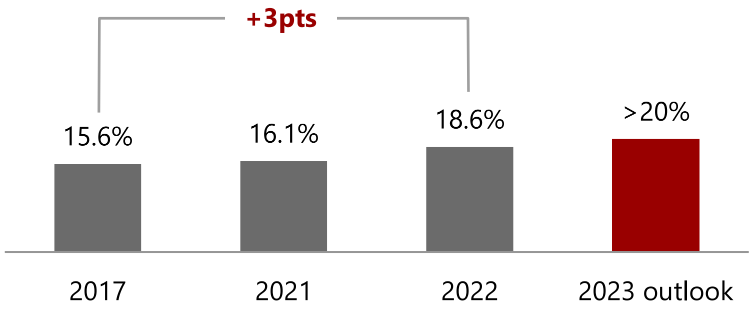
HIGH PROFITABLE BUSINESS MODEL

Pre-provision profit (in € millions)



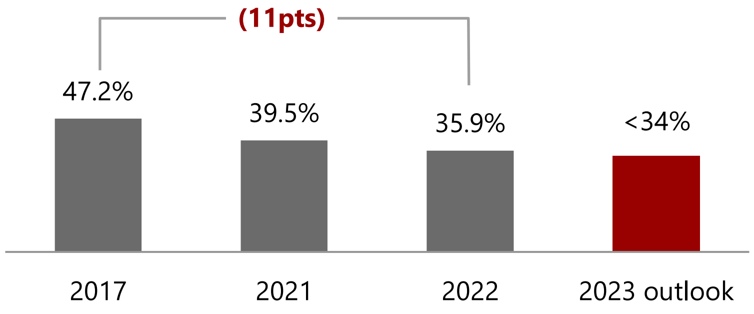
HIGHER RETURN LEVELS …

RoTCE



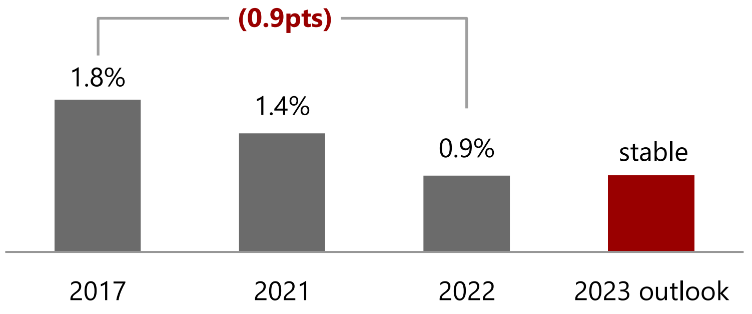
… WITH INCREASED EFFICIENCY

Cost-income ratio



… AND HIGH ASSET QUALITY

NPL ratio



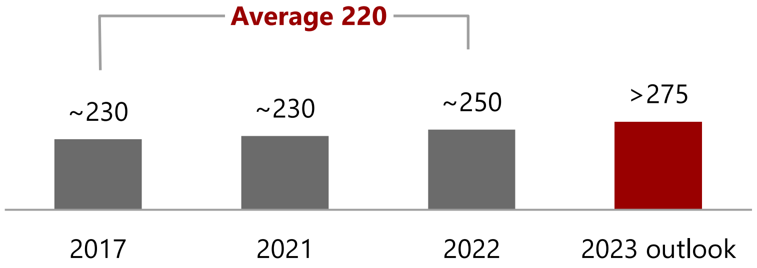
Note: 2022 RoTCE adjusted

CAPITAL GENERATION and **DISTRIBUTION**

A sustainable and balanced return to our shareholders

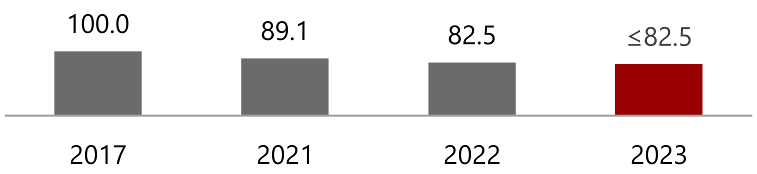
STRONG CAPITAL GENERATION POWER

Gross capital generation (in bps)



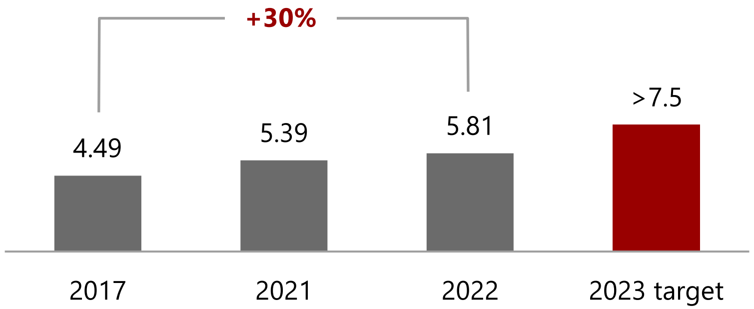
LOWER SHARE COUNT FOLLOWING BUYBACKS

Number of shares (in millions)



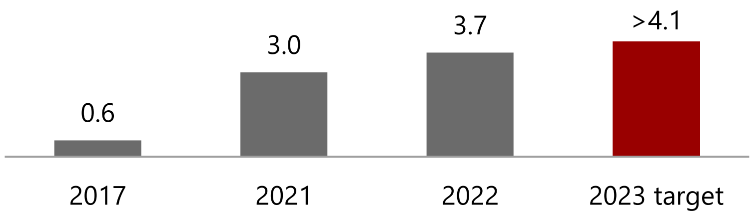
STEADY INCREASE IN EARNINGS

Earnings per share (in €)

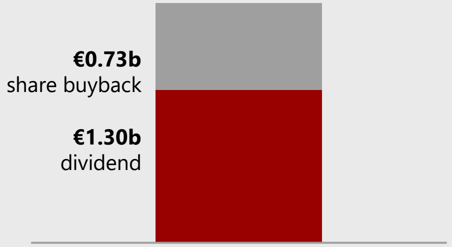


€14.6 ACCUMULATED DPS SINCE IPO

Dividend per share for respective financial year (in €)



€ 2.0b capital returned / earmarked since IPO…



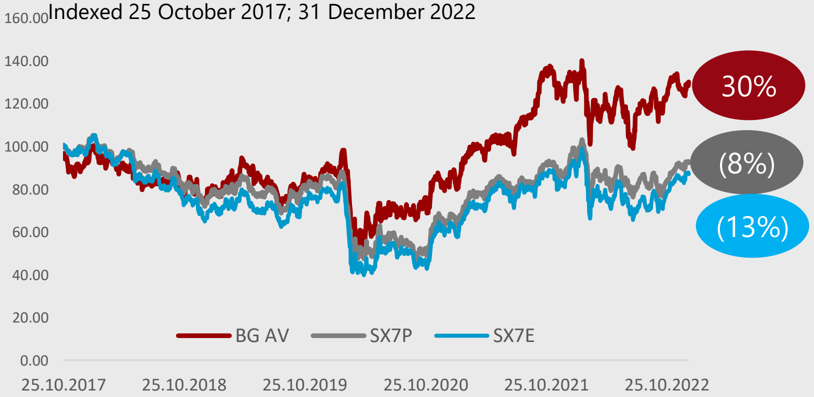
… and invested in GROWTH

7

M&A deals completed since IPO

Total shareholder return development since IPO

Indexed 25 October 2017; 31 December 2022



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Definitions

Adjusted
excluding the write-off of the City of Linz receivable

B/S leverage
Total assets / IFRS equity

Book value per share
Common equity (excluding AT1 capital, dividends and buyback of €325m (1.1.2022)) / number of shares outstanding

Common Equity Tier 1 capital (CET1)
Including interim profit and deducting earmarked dividends and 2022 buyback of €325m (1.1.2022)

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 and buyback of €325m (1.1.2022)

Earnings per share (EPS)
Net profit / weighted average number of shares outstanding (diluted)

FL … Fully-loaded

Leverage ratio
Tier 1 capital (including interim profit, dividend accruals, buyback of €325m (1.1.2022) / total exposure (CRR definition)

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

Pre-provision profit
Operating income less operating expenses (excluding regulatory charges)

Reserve ratio
Total reserves / asset volume of customer segments excluding public sector lending

Return on common equity (RoCE)
Net profit / average IFRS common equity and deducted dividend accruals and buyback of €325m (1.1.2022)

Return on tangible common equity (RoTCE)
Net profit / average IFRS tangible common equity and deducted dividend accruals and buyback of €325m (1.1.2022)

Risk cost ratio
Provisions and loan-loss provisions, impairment losses and operational risk (risk costs) / average interest-bearing assets

Tangible book value / share
Common equity reduced by the carrying amount of intangible assets / 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

Notes:

Targets and forecast numbers
Including share buyback in 2022; excluding any potential implications from City of Linz case