



BAWAG Group

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**

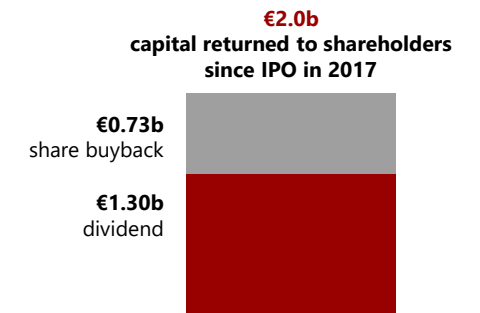
OUR VIEW

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

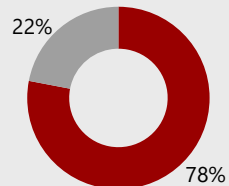
CREATING SHAREHOLDER VALUE



A RETAIL-FOCUSED BANK

Core revenues

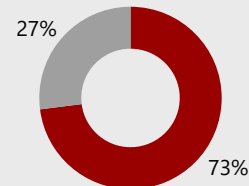
- Retail & SME
- Corporates, Real Estate & Public Sector



CORE MARKETS

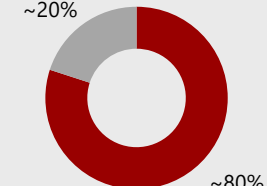
Austria, Germany, Switzerland, Netherland (DACH/NL region), Western Europe and the United States

- DACH/NL
- Western Europe & US

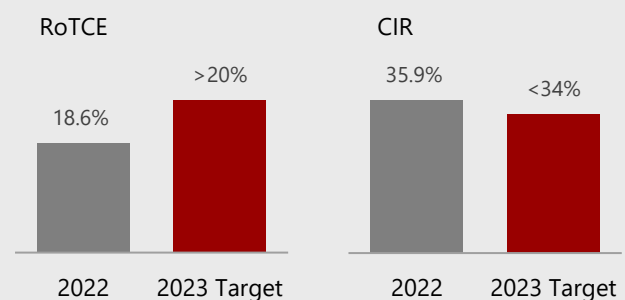


FOCUS ON SECURED LENDING

- Secured and public sector lending
- Unsecured



ONE OF THE MOST PROFITABLE AND EFFICIENT EUROPEAN BANK

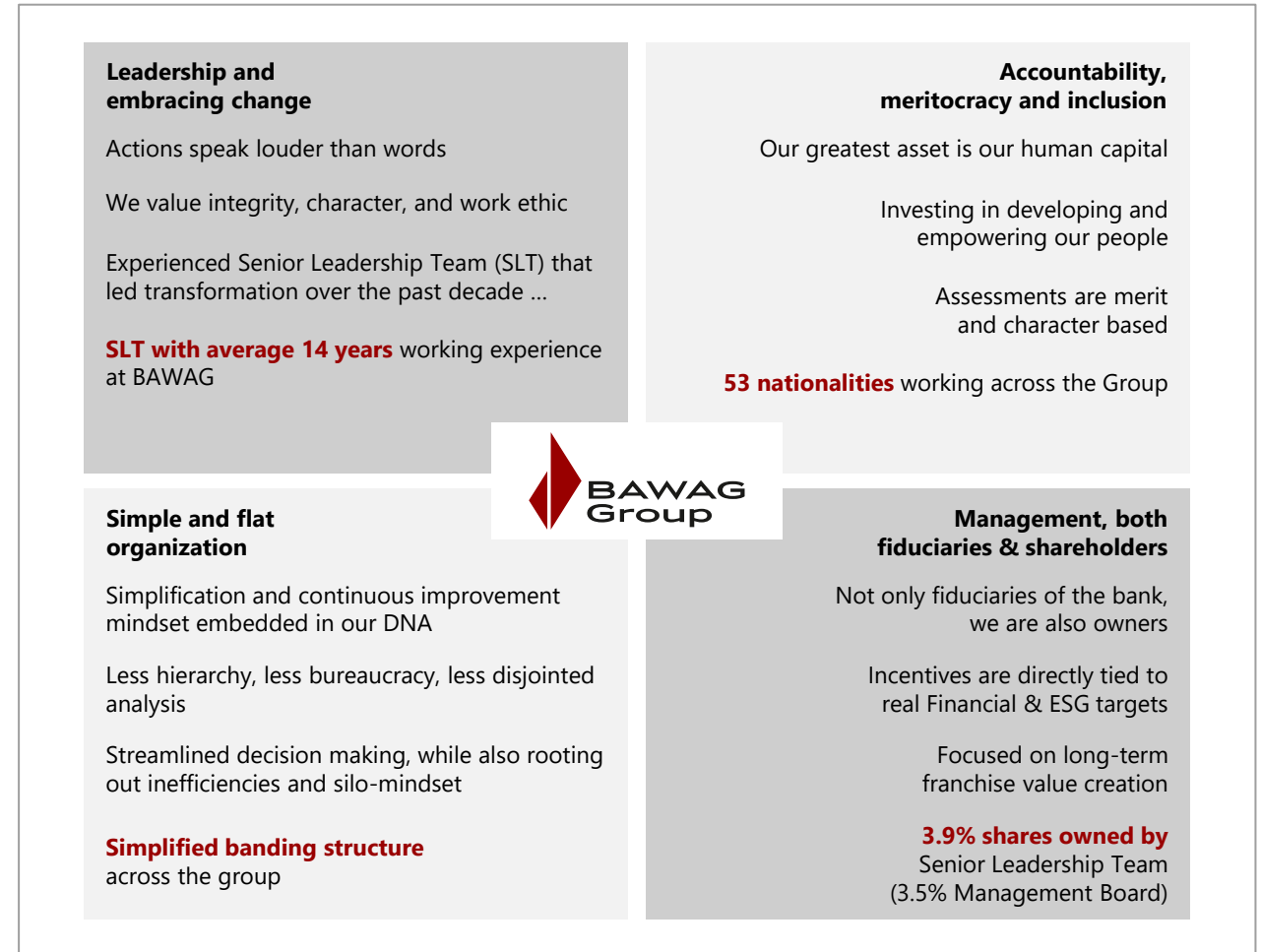


Numbers based on FY 2022

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



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

Numbers based on FY 2022

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

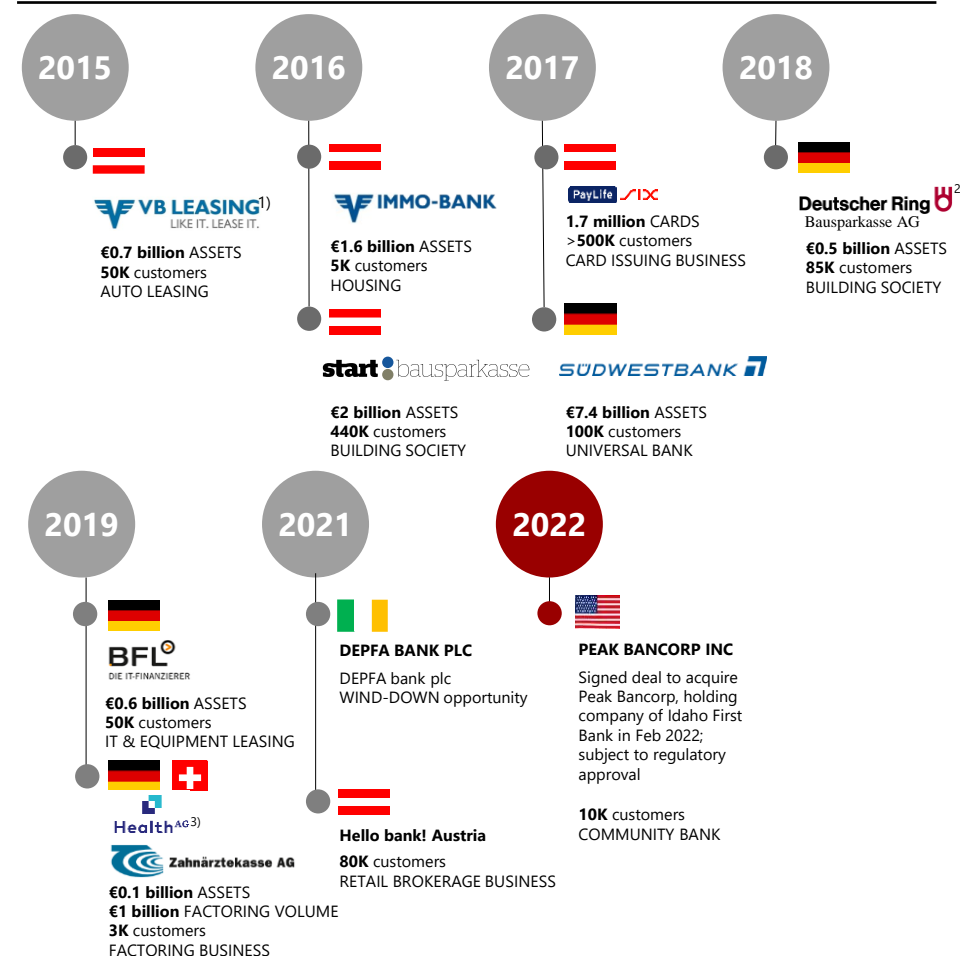
- Operational turn-around
- Run-off / wind-down businesses leveraging our operational capabilities

DEAL SIZE

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

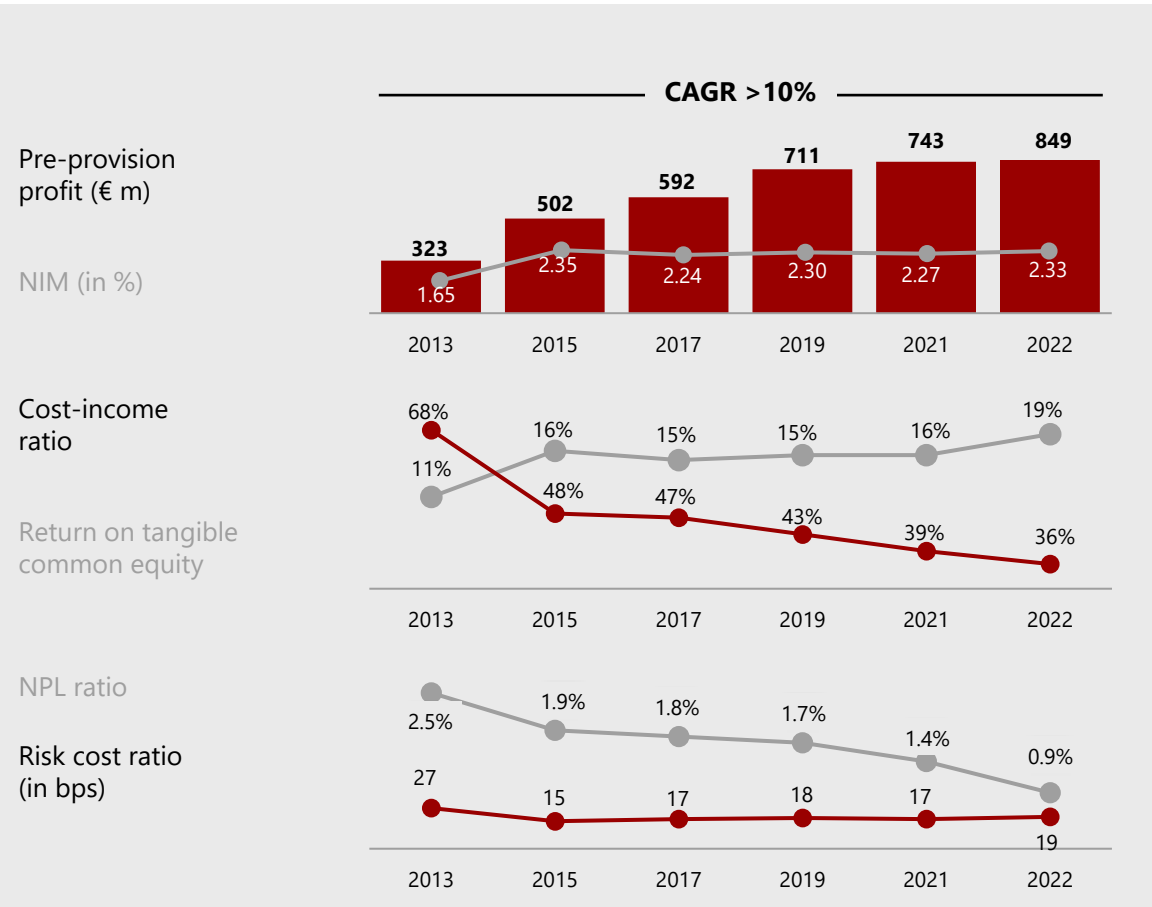
1) rebranded: easyleasing 2) rebranded: start:bausparkasse 3) rebranded: Health Coevo AG

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

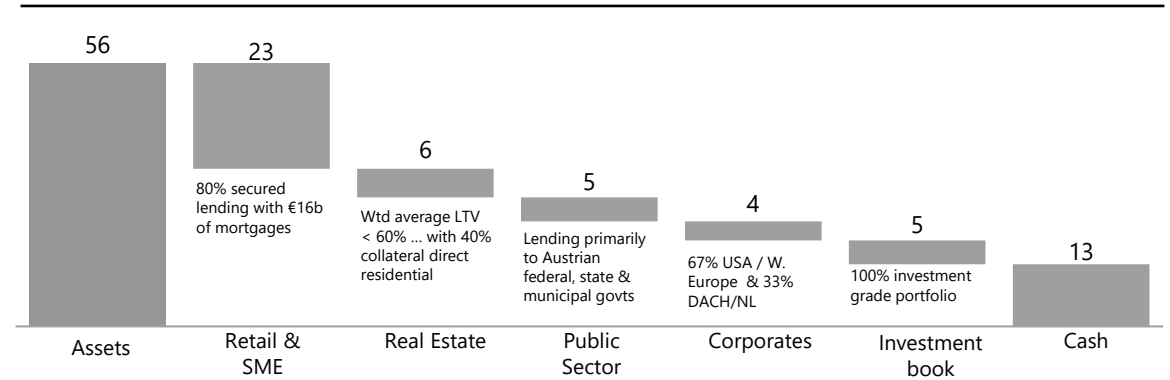


OUR TRANSFORMATION

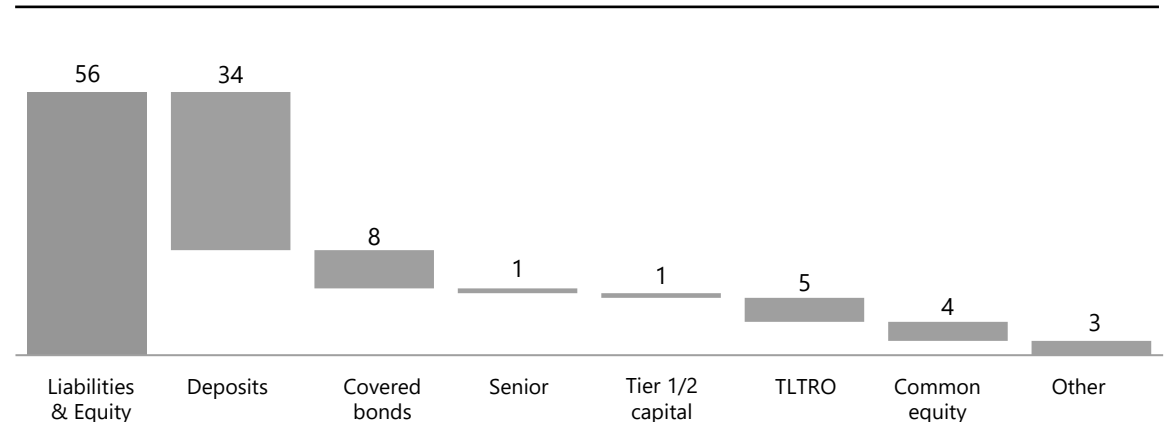
Ranking among the most profitable and efficient European banks with further ambitions



SOLID ASSET QUALITY AND DISCIPLINED UNDERWRITING



FUNDING, CAPITAL AND EARNINGS



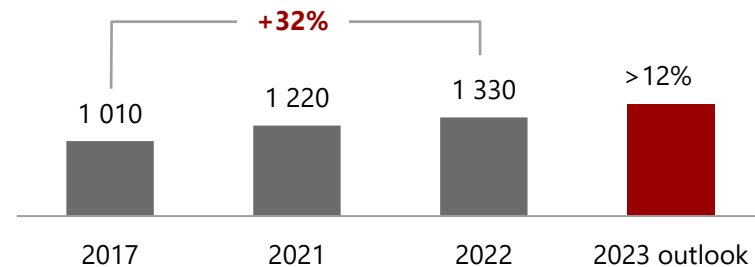
Note: 2022 RoTCE, and Risk Cost Ratio adjusted for write-off of City of Linz receivable of €254m (€190m after tax); 2020 Risk cost ratio adjusted for ~€100m ECL macro-provision; 2021 and 2022 excl. management overlay ; numbers based on FY 2022

TAKING STOCK SINCE OUR IPO ...

Consistent execution and delivery

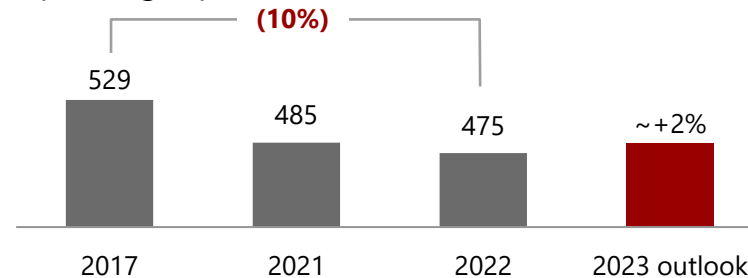
GROWING CORE REVENUES ...

Core revenues (in € millions)



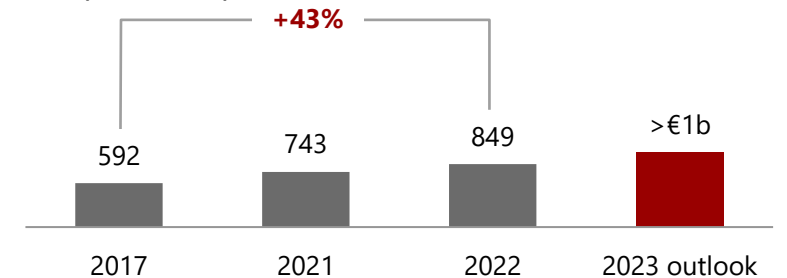
... WHILE IMPROVING COST BASE

Operating expenses (in € millions)



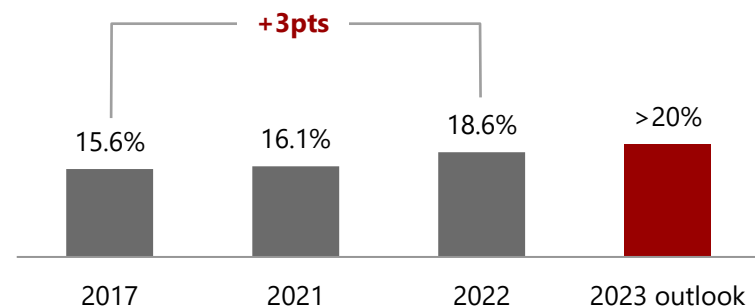
HIGH PROFITABLE BUSINESS MODEL

Pre-provision profit (in € millions)



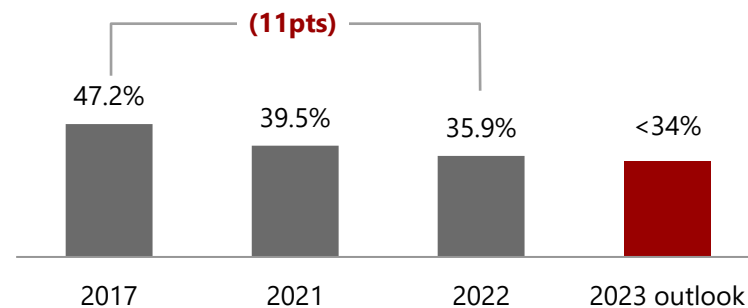
HIGHER RETURN LEVELS ...

RoTCE



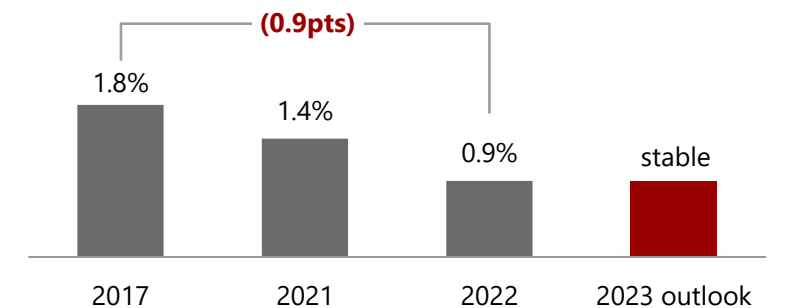
... WITH INCREASED EFFICIENCY

Cost-income ratio



... AND HIGH ASSET QUALITY

NPL ratio



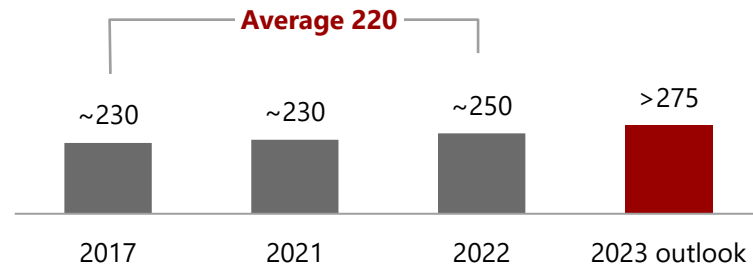
Note: 2022 RoTCE adjusted

CAPITAL GENERATION and DISTRIBUTION

A sustainable and balanced return to our shareholders

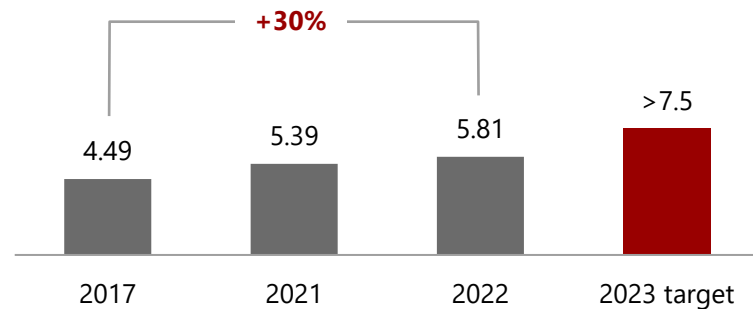
STRONG CAPITAL GENERATION POWER

Gross capital generation (in bps)



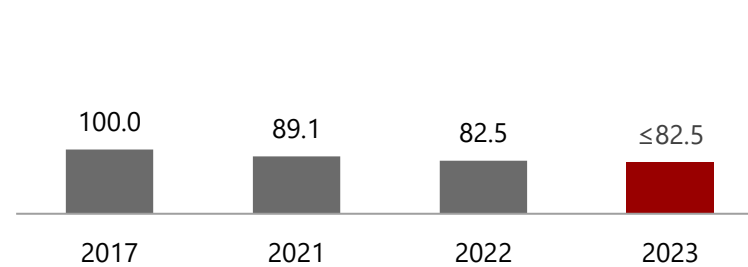
STEADY INCREASE IN EARNINGS

Earnings per share (in €)



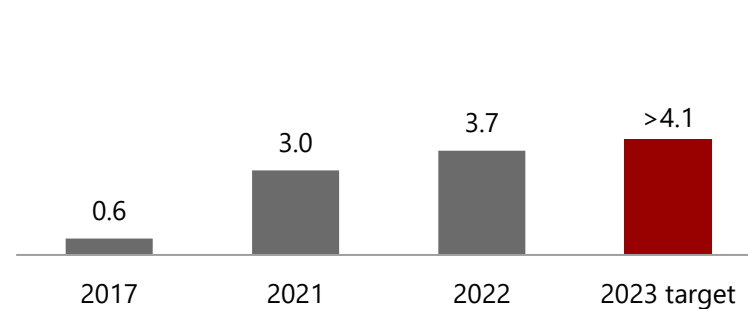
LOWER SHARE COUNT FOLLOWING BUYBACKS

Number of shares (in millions)

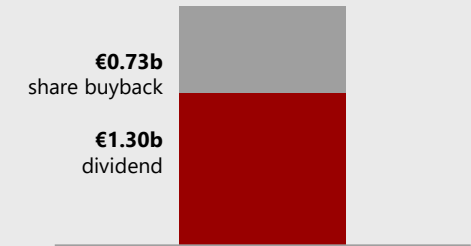


€14.6 ACCUMULATED DPS SINCE IPO

Dividend per share for respective financial year (in €)



€ 2.0b capital returned since IPO...



... and invested in GROWTH

7

M&A deals completed since IPO

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%



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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 (January 1, 2022)

Return on tangible common equity (RoTCE)

Net profit/average IFRS tangible common equity and deducted dividend accruals and buyback of €325m (January 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