

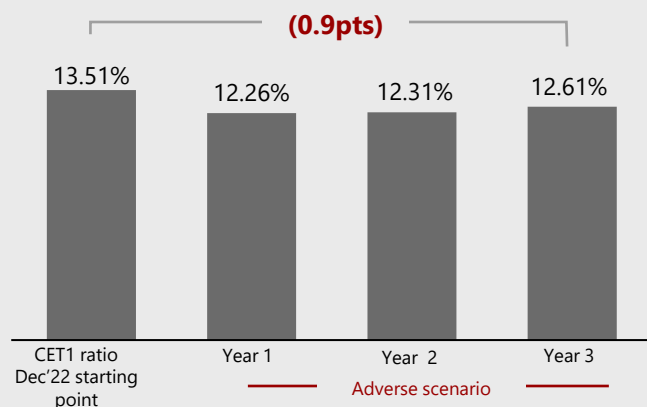
BAWAG GROUP STRESS TEST RESULT

July 28th, 2023

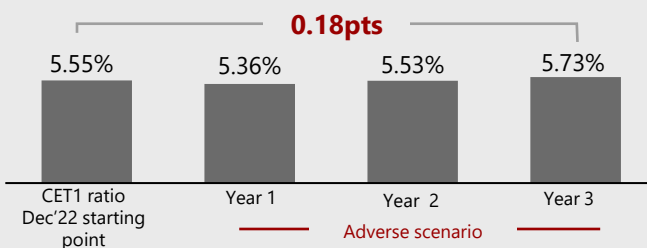
RESILIENT PORTFOLIO

ECB stress test results validate strength of underwriting and conservative balance sheet

CET1 RATIO ... 3-Year CET1 impact of -90bps



LEVERAGE RATIO



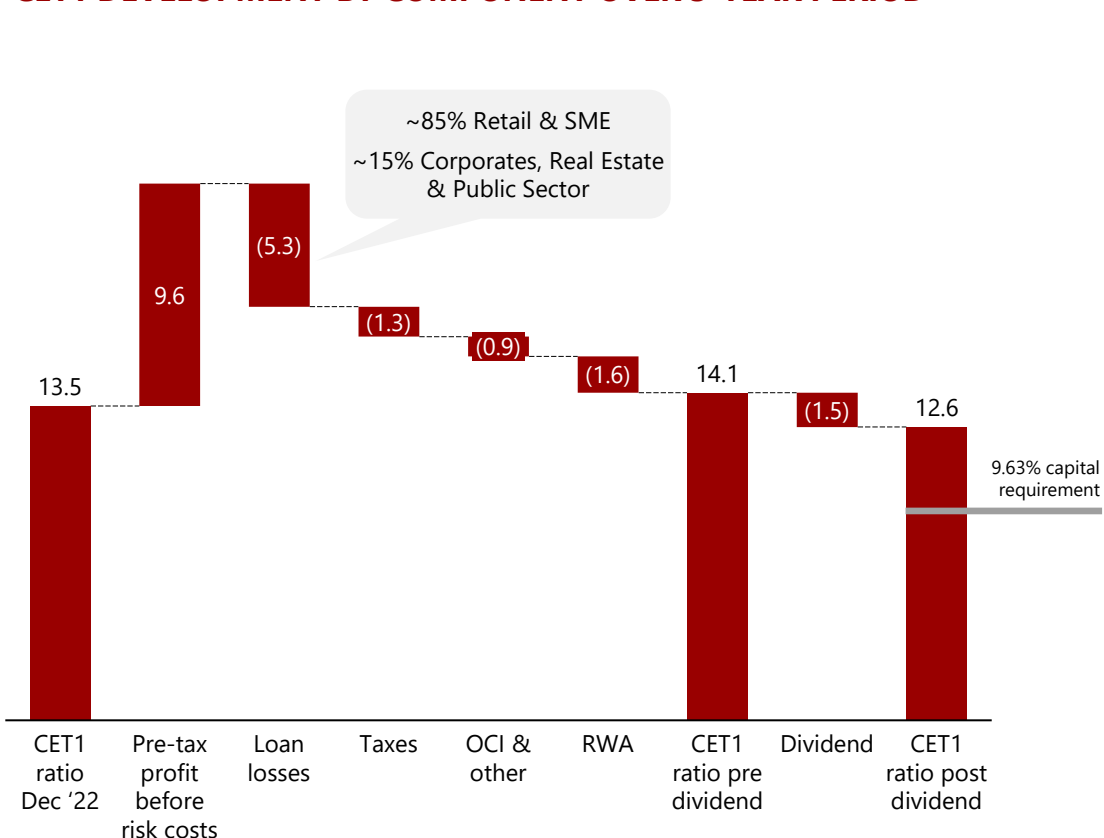
Key drivers for solid stress test results in adverse scenario

- ✓ Further improvement vs. the 2021 exercise ... CET1 impact improved from previously -198bps to -90bps over the 3-year period (max. CET1 drawdown 126bps vs. 213bps in 2021)
- ✓ Profit making in all years ... reflecting our resilient and highly profitable business model with a strong topline profitability in the current market environment
- ✓ CET1 ratio above management target of >12.25% at all times
- ✓ >€300 million dividends distributed over 3-year period ... based on our dividend policy
- ✓ Solid asset quality with 3-year cumulative loss rate <2% of total exposure
- ✓ Cumulative Commercial Real estate losses <€100 million (1.6%) over 3-year period which could be fully covered by ECL management overlay
- ✓ Improved market risk position ... pro-active de-risking since 2021
 - ✓ reduced OCI credit spread sensitivity by ~50%, compensating for harsher stress ... cumulative impact of (0.6%) over 3-year period under adverse scenario
 - ✓ Bond books broadly hedged against interest rate risk

DETAILED ANALYSIS

No year of loss making in adverse scenario

CET1 DEVELOPMENT BY COMPONENT OVER 3-YEAR PERIOD



DEVELOPMENT OF LOAN LOSSES ACROSS PORTFOLIO

Main portfolios	Exposure (in €b)	Assets	based on exposure	
			Average annual historic loss rate*	Average annual loss rate stress test adverse scenario
1 Housing loans	16.4	16.0	0.05%	0.27%
2 Consumer & SME	10.0	6.4	0.71%	2.56%
Retail & SME	26.4	22.4	0.28%	1.12%
3 Real-Estate	6.8	6.1	0.12%	0.53%
Corporates	4.2	3.9	0.18%	0.53%
Public Sector	5.4	4.6	0.00%	0.07%
Corporates, Real Estate and Public Sector	15.6	14.5	0.10%	0.38%

* For 2019-HY 2023; excluding management overlay

- Housing loans ... biggest exposure in Austria and Netherlands**
Harsh assumptions with decrease of prices for residential real estate of (31%) in Austria and (32%) in Netherlands ... mitigated by portfolio collateralization
- Consumer & SME ... ~3.5x annual historic loss rate despite severe scenario assumptions with**
... GDP (5%) in Austria and (6%) in Germany cumulative over 3 years
... Inflation +18% in Austria and +19% in German over 3 years
... Unemployment doubling versus year-end 2022 ... going up to 10% in Austria and to 7% in Germany
- Real-Estate:**
Modeled -30% stress in CRE values with additional benchmarking effect results in equivalent of >50% valuation reduction impact ... collateralization levels, structural protections providing resilience

ANNEX: ASSUMPTIONS

	Stress test 2021				Stress test 2023				Delta 2021-2023
	Adverse 2021 - Real GDP growth (%)				Adverse 2023 - Real GDP growth (%)				
	2021	2022	2023	cumulative	2023	2024	2025	cumulative	
Austria	(1.3)	(1.7)	0.1	(2.9)	(3.4)	(4.0)	2.1	(5.3)	(2.5)
Germany	(2.7)	(0.5)	(0.7)	(3.9)	(5.2)	(4.3)	3.1	(6.4)	(2.6)
Netherlands	(1.3)	(2.3)	(0.6)	(4.3)	(2.2)	(3.6)	0.3	(5.4)	(1.1)
Austria	(1.3)	(1.7)	0.1	(2.9)	(3.4)	(4.0)	2.1	(5.3)	(2.5)
Euro Area	(1.5)	(1.9)	(0.2)	(3.6)	(3.4)	(4.1)	1.6	(5.9)	(2.2)
European Union	(1.5)	(1.9)	(0.2)	(3.6)	(3.5)	(4.2)	1.6	(6.0)	(2.4)
United Kingdom	(3.6)	(0.4)	(0.1)	(4.1)	(4.8)	(4.7)	1.0	(8.3)	(4.2)
United States	(3.4)	(0.5)	0.2	(3.7)	(5.7)	0.1	1.1	(4.6)	(0.9)
Rest of the World	0.1	1.1	3.1	4.4	(4.1)	(1.0)	1.3	(3.9)	(8.3)

	Adverse 2021 - Residential real estate prices (%)				Adverse 2023 - Residential real estate prices (%)				Delta 2021-2023
	2021	2022	2023	cumulative	2023	2024	2025	cumulative	
	Austria	(2.2)	(13.2)	(10.0)	(23.6)	(11.4)	(20.3)	(2.6)	
Germany	(2.9)	(10.1)	(6.6)	(18.5)	(9.4)	(15.9)	(2.5)	(25.8)	(7.3)
Netherlands	(4.4)	(9.8)	(5.5)	(18.5)	(13.5)	(19.8)	(2.6)	(32.4)	(13.9)
Austria	(2.2)	(13.2)	(10.0)	(23.6)	(11.4)	(20.3)	(2.6)	(31.2)	(7.6)
Euro Area	(3.9)	(8.2)	(4.5)	(15.7)	(7.1)	(12.8)	(1.7)	(20.4)	(4.7)
European Union	(3.9)	(8.4)	(4.7)	(16.1)	(7.6)	(12.9)	(1.9)	(21.1)	(5.0)
United Kingdom	(12.9)	(8.9)	(3.3)	(23.3)	(12.3)	(7.6)	(3.4)	(21.7)	1.6
United States	(12.9)	(8.9)	(3.3)	(23.3)	(12.3)	(7.6)	(3.4)	(21.7)	1.6

	Adverse 2021 - Commercial real estate prices (%)				Adverse 2023 - Commercial real estate prices (%)				Delta 2021-2023
	2021	2022	2023	cumulative	2023	2024	2025	cumulative	
	Austria	(13.1)	(9.0)	(3.3)	(23.5)	(16.8)	(12.1)	(4.6)	
Germany	(17.3)	(12.6)	(4.8)	(31.2)	(18.6)	(13.7)	(5.3)	(33.4)	(2.2)
Netherlands	(20.2)	(15.2)	(6.0)	(36.4)	(19.1)	(14.2)	(5.5)	(34.4)	2.0
Austria	(13.1)	(9.0)	(3.3)	(23.5)	(16.8)	(12.1)	(4.6)	(30.2)	(6.7)
Euro Area	(17.2)	(12.5)	(4.7)	(30.9)	(16.1)	(11.5)	(4.3)	(28.9)	2.0
European Union	(17.4)	(12.6)	(4.8)	(31.2)	(16.3)	(11.7)	(4.4)	(29.3)	1.9
United Kingdom	(17.0)	(14.0)	(5.0)	(32.2)	(16.0)	(11.0)	(4.0)	(28.2)	4.0
United States	(17.0)	(14.0)	(5.0)	(32.2)	(16.0)	(11.0)	(4.0)	(28.2)	4.0

	Adverse 2021 - Unemployment rate (%)					Adverse 2023 - Unemployment rate (%)					Delta 2021-2023
	2020	2021	2022	2023	cumulative	2022	2023	2024	2025	Delta	
	Austria	5.3	7.4	8.3	9.0	3.6	4.8	7.0	9.4	9.8	
Germany	4.2	6.0	7.0	8.4	4.2	3.0	4.6	6.3	7.1	4.1	(0.7)
Netherlands	4.0	7.0	9.5	10.0	6.0	3.6	4.9	8.1	9.3	5.7	(1.4)
Austria	5.3	7.4	8.3	9.0	3.6	4.8	7.0	9.4	9.8	4.9	1.1
Euro Area	8.0	10.4	11.5	12.4	4.5	6.7	8.1	10.6	12.4	5.7	(0.9)
European Union	7.4	10.0	11.2	12.1	4.7	6.1	7.6	10.4	12.2	6.1	(0.8)
United Kingdom	5.4	8.0	8.6	8.9	3.5	3.8	6.3	11.0	10.6	6.8	2.4
United States	8.9	9.5	9.7	9.8	0.9	3.7	5.7	7.5	6.7	3.0	(2.2)

More severe stress test assumptions in 2023 than in 2021:

- GDP contraction in our core markets more pronounced than in 2021 ... Austria with cumulative impact of (5.3%)
- Residential real estate prices assumed to fall by cumulative 31% in Austria ... 7pts more than in 2021
- Commercial real estate prices assumed to decline by ~ (30%) cumulative
- Unemployment assumed to double in Austria from 4.8% to 9.8% ... +1.1 pts more than in 2021