

BAWAG GROUP

July 2024

BAWAG GROUP

Multi-brand and multi-channel commercial bank ... what we stand for

WE ARE ...

... a multi-brand and multi-channel bank
... with a history dating back to 1883 in Austria
... focusing on mass retail business in the DACH/NL region
... with 2.1 million customers

WE AIM TO ...

... to provide our customers with simple, transparent, and affordable financial products and services they need and that promote their financial health.







WE FOCUS ON ...

... on simplification, standardization, transparency and ease-of-use for the benefit of customers

OUR STRATEGIC PILLARS

- I. Growth in core markets focused on serving our customers
- II. Efficiency through operational excellence
- III. Safe and secure risk profile

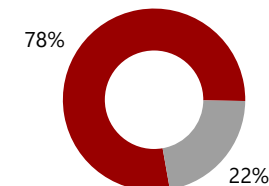
PRODUCT OFFERING ALIGNED TO CUSTOMER NEEDS

- | | | |
|--|---|---|
|  Current accounts, Credit cards |  Lending |  Leasing and Factoring |
|  Savings products (Deposits) |  Investments |  Insurance |

A RETAIL-FOCUSED BANK

Core revenues, FY 2023

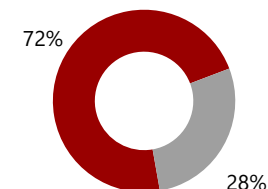
- Retail & SME
- Corporates, Real Estate & Public Sector



FOCUS ON DEVELOPED AND MATURE MARKETS

Customer assets, FY 2023*

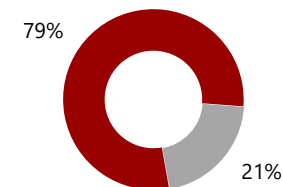
- DACH/NL
 - Western Europe & United States
- *No exposure to Russia, Ukraine, limited CEE exposure



FOCUS ON SECURED LENDING

Customer assets, FY 2023

- Secured and Public Sector lending
- Unsecured



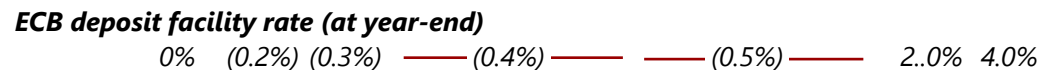
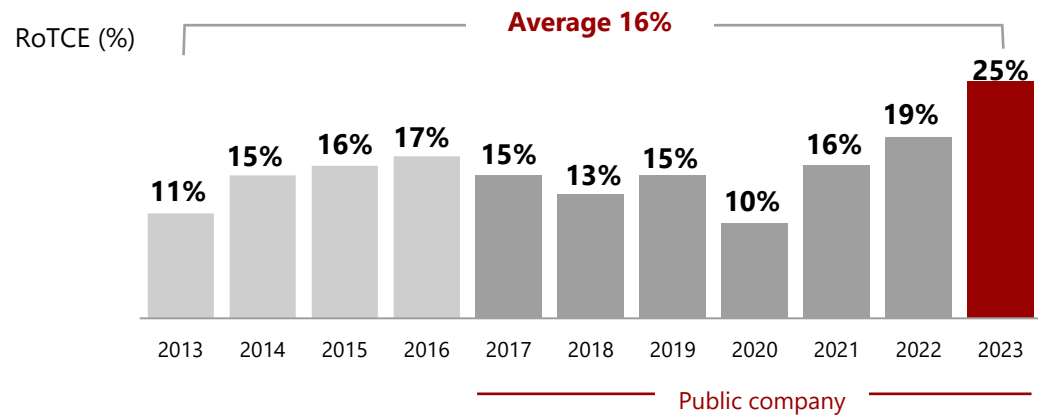
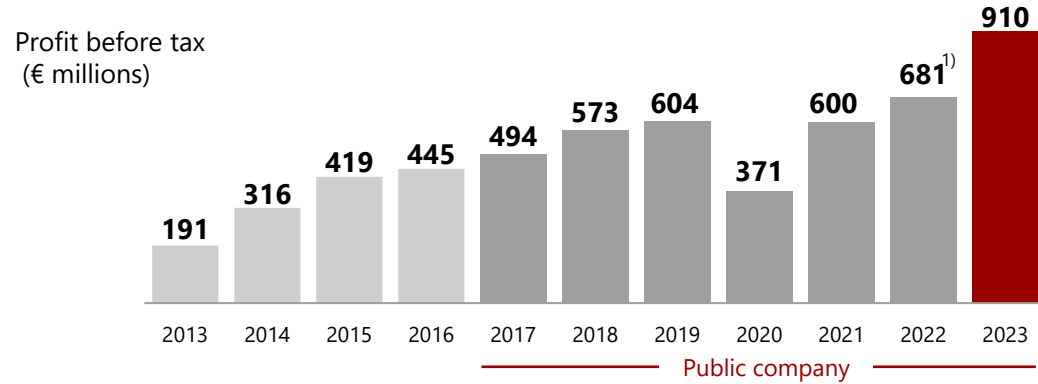
SOLID FUNDING PROFILE

A1
Moody's issuer rating
with stable outlook

>90%
retail and public sector
deposits

CONSISTENTLY DELIVERING RESULTS

Focus on executing on our core principles



FOCUS ON ...

- DACH/NL and Western Europe/US with Austria as our foundation
- Core businesses and core products
- Developing our franchise through long-term investments
- Simplification of the group and transparency
- Disciplined and conservative risk management
- Maintaining a fortress balance sheet

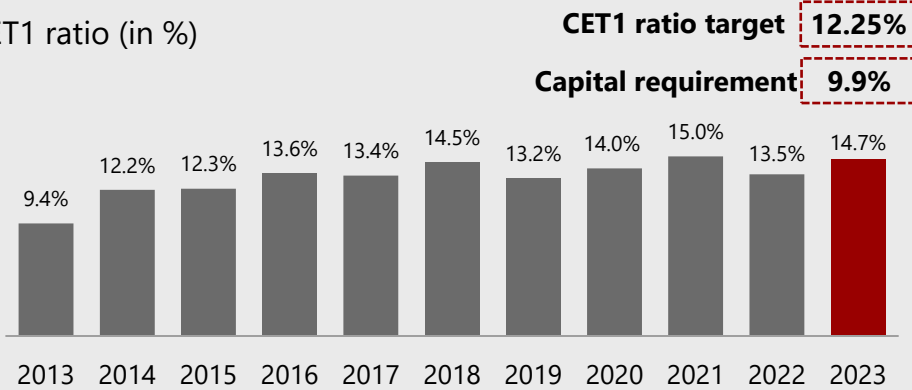
Focus on long-term sustainable and profitable growth and value generation for all our stakeholders

WHY IT IS IMPORTANT TO HAVE A PROFITABLE FRANCHISE

Our profitability allows us to support all our stakeholders

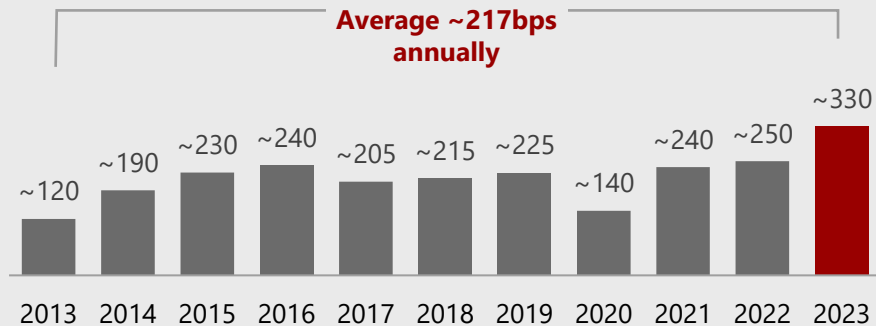
SOLID CAPITAL POSITION

CET1 ratio (in %)



STRONG CAPITAL GENERATION

Gross capital generation (in bps)

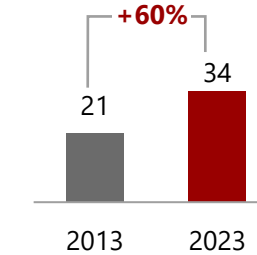


ALLOWING US TO SUPPORT ALL OF OUR STAKEHOLDERS...

- 1 EXTENDING CREDIT TO CUSTOMERS & GROWING FRANCHISE
- +
- 2 MAKING SUBSTANTIAL LONG-TERM INVESTMENTS IN OUR FRANCHISE ... PEOPLE, TECHNOLOGY & FOOTPRINT
- +
- 3 REWARDING OUR SHAREHOLDERS THROUGH CAPITAL DISTRIBUTIONS

CUSTOMER LOANS +60% since 2013

Customer loans, in € billion



extended
€67 billion
credit to customers

~**€600 million**
accumulated investment in
technology and branches

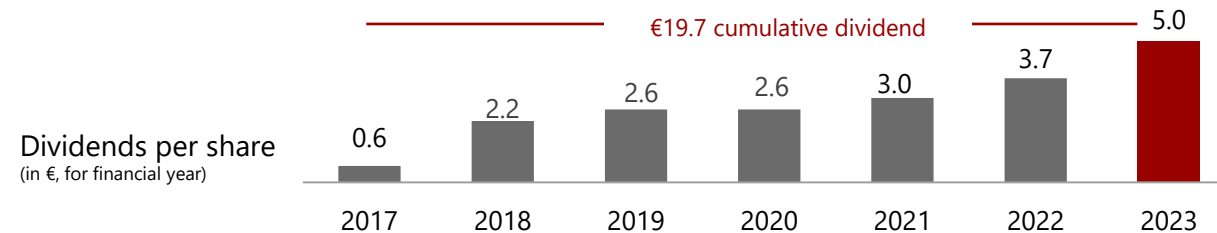
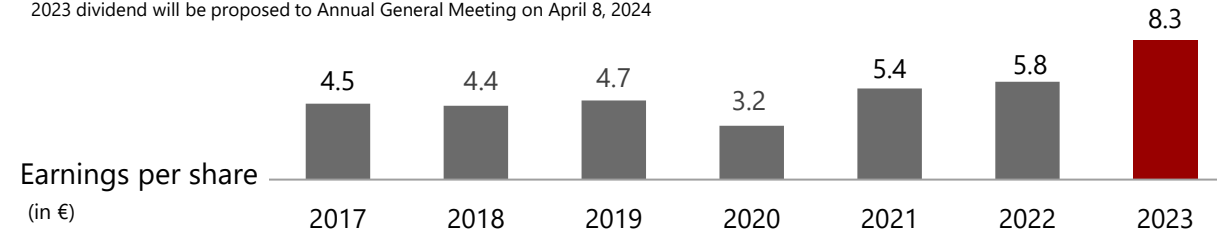
€2.6 billion
capital distributed via dividends
and share buybacks since IPO

OUR PERFORMANCE SINCE IPO

Track record

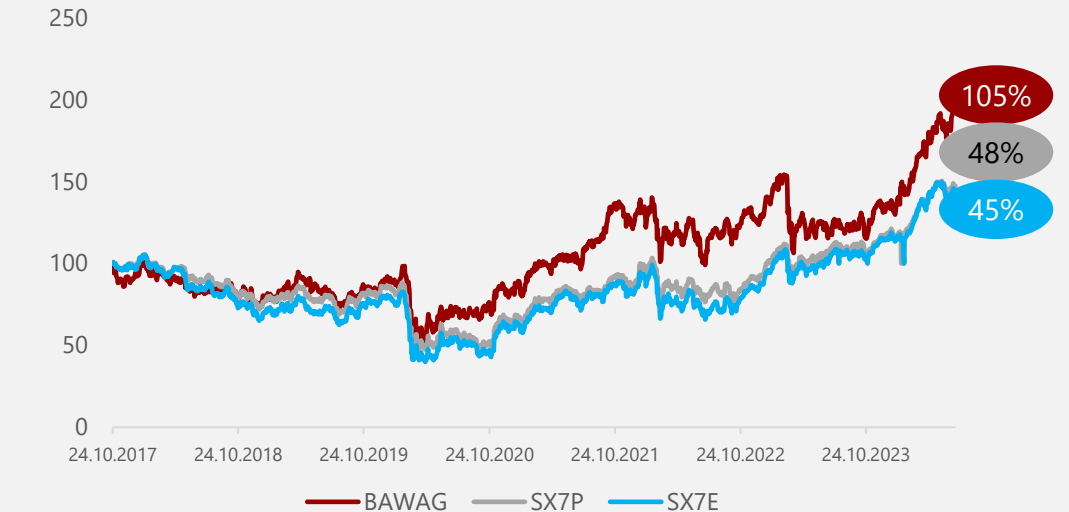
in € millions	2017	2018	2019	2020	2021	2022	2023
Net income	449	437	459	285	480	509	683
Dividends (for financial year)	58	215	230*	230	267	305	393
Capital distribution (cumulative)	58	673	903	1,133	1,725	2,030	2,598
# of shares outstanding (in million)	100.0	99.6	87.9	87.9	88.9	82.1	78.5

* Distributed in 2021 due to ECB dividend ban related to the pandemic in 2020
 2022 excluding City of Linz write-off of €190m after tax
 2023 dividend will be proposed to Annual General Meeting on April 8, 2024

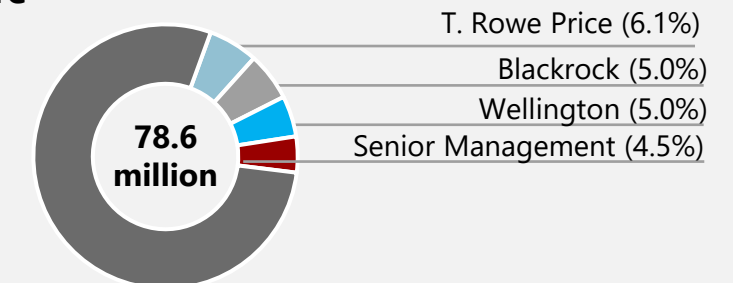


Total shareholder return since IPO

Indexed as of 24 October 2017;
 as of 11 July 2024



Shareholder structure



CONSISTENT EXECUTION OF OUR STRATEGY SINCE 2013

ESG underpins our strategy driving responsible, sustainable and profitable growth



GROWTH IN CORE MARKETS FOCUSED ON SERVING OUR CUSTOMERS

Core markets: Austria as our foundation with niche presence in Germany, Switzerland, Netherlands, Western Europe and USA

- Criteria for core market growth: Fiscal position (single A or better sovereign rating), legal infrastructure, and political environment
- Remaining niche and focused player in markets outside of Austria
- 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"



EFFICIENCY THROUGH OPERATIONAL EXCELLENCE

Our DNA is to focus on the things we can control

- Investing in long-term strategic initiatives yielding sustainable productivity gains and transforming the franchise
- Focusing on simple and straightforward core products and servicing that benefit our customers
- Centralizing Technology, Data & Operations platform "TechOps"... Owning technology & infrastructure ... In-sourcing TechOps
- Simplified group structure and therefore reducing management layers, hierarchy, and bureaucracy



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 business, no trading activities, no exposure to high-risk AML countries

GROWTH IN OUR CORE MARKETS FOCUSING ON CUSTOMERS

Franchise geared to long-term sustainable and profitable growth with Austria as our core

	2013	2023
Customer-related		
Core markets	1 (Austria)	1+6
# of customers	1.6 million	2.1 million
Retail & SME core products	5	9
Retail Assets under Management	€6.2 billion	€14.5 billion
Financials		
Customer loans	€21 billion	€34 billion
Customer deposits	€22 billion	€34 billion
% of retail deposits	~80%	~80%
of which insured	~70%	~84%

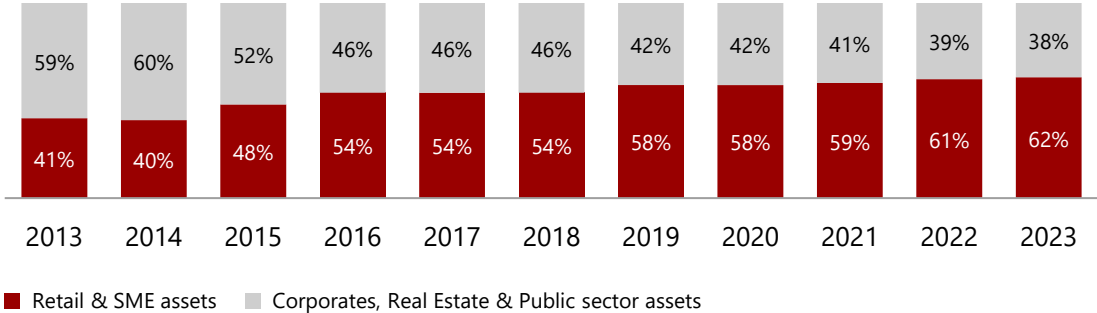
AUSTRIA AS OUR FOUNDATION (market share)

	2013	2023	Change
Housing loans	2.8%	5.6%	+2.8pts
Consumer loans	8.2%	12.7%	+4.5pts
Credit cards (TX volume)	8%	21%	+13pts
Car leasing	4.5%	8.4%	+3.9pts
Retail household deposits	8.9%	8.4%	(0.5pts)

GROWTH IN OUR CORE MARKETS FOCUSING ON CUSTOMERS

Focusing on core products and core markets

INCREASING SHARE OF RETAIL BUSINESS FROM 41% to 62%



MULTI-BRAND AND MULTI-CHANNEL RETAIL APPROACH

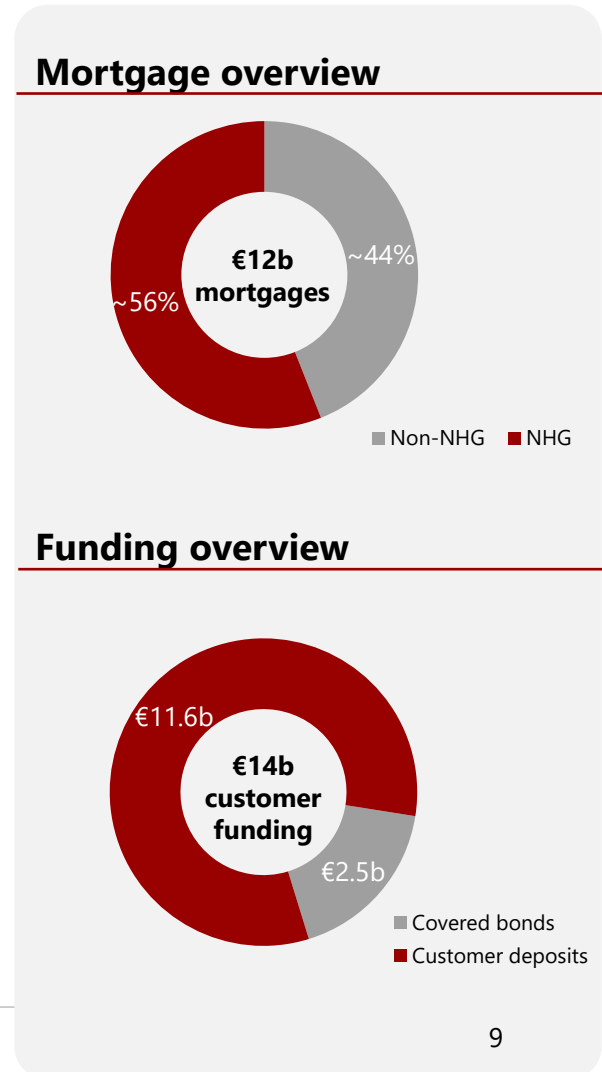
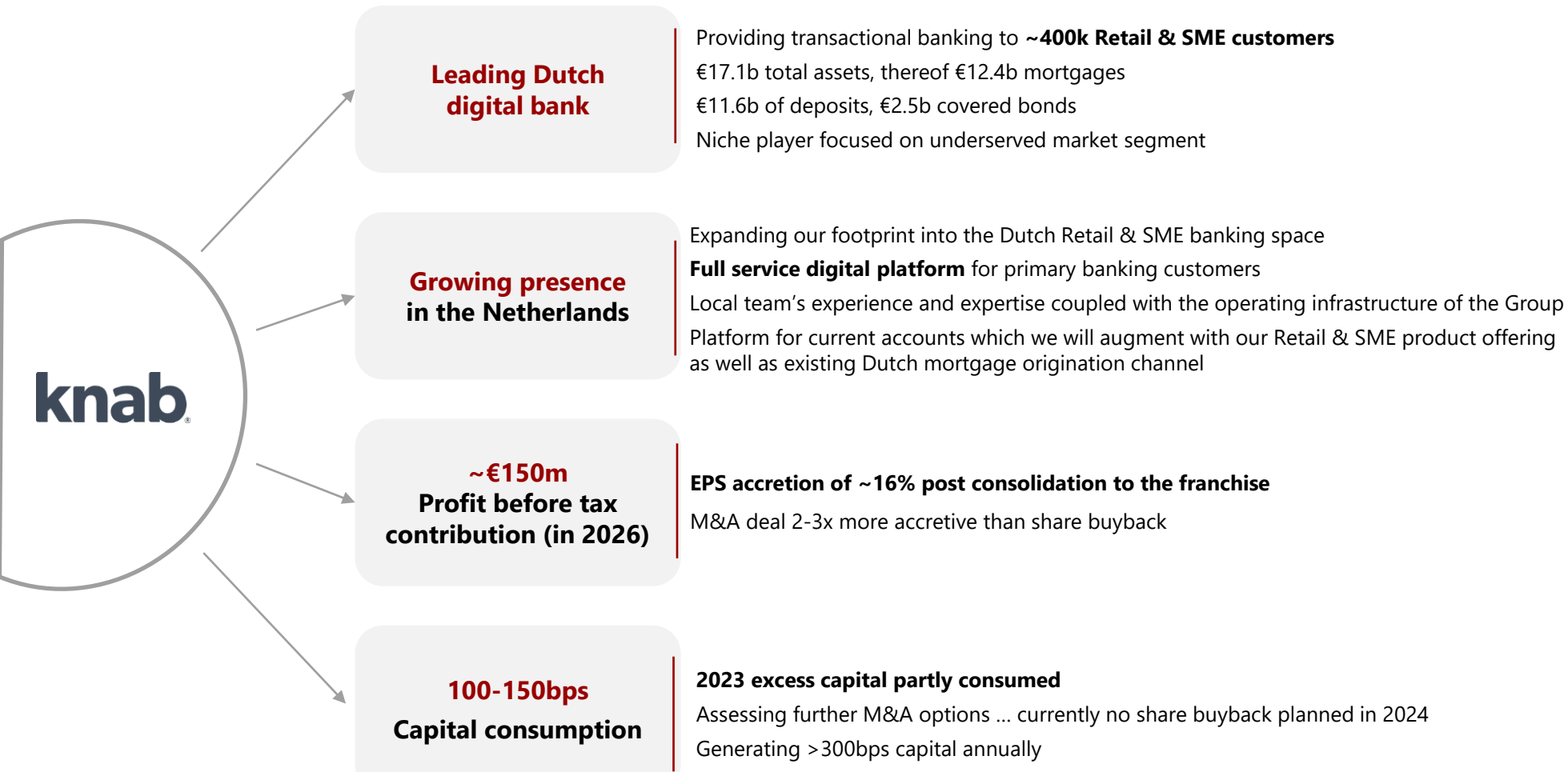
	BAWAG Full product suite	PayLife Credit cards	start.bausparkasse Building society	easybank Full product suite	easyleasing Car leasing
	SUDWESTBANK Universal bank	start.bausparkasse Building society <small>(will be sold in 2024)</small>	BFL leasing	Qlick Consumer loans	HealthAG Health factoring
	zahnärzte kasse Health factoring		HYPO TRUST VRIJ LEVEN HYPOTHEEK		
	MoCo Making mortgages easier		IDAHO FIRST BANK		

FOCUS ON RETAIL BUSINESS (assets in € billions)

	2013	2023	Change
Retail & SME	€9.4	€22.0	+134%
Housing loans	€6.5	€15.3	+135%
Consumer & SME	€2.9	€6.7	+131%
Corporates, Real Estate & Public Sector	€13.6	€13.3	(2%)
% of secured lending	65%	79%	+14pts

GROWING OUR FRANCHISE IN LINE WITH OUR STRATEGY

Excess capital of €475m as of year-end 2023 providing dry-powder for signing M&A transaction



Note: Numbers of Knab as of half-year 2023 or full year 2022; transaction subject to regulatory approval

SECOND ACQUISITION SIGNED: BARCLAYS CONSUMER BANK

Planting the seeds for future profitable growth

German credit card franchise

Leading revolving credit card issuer in Germany
Barclays Consumer Bank Europe gross assets of € 4.7 billion primarily comprising of card and loan receivables, of which approximately € 2 billion are credit card receivables

Self-funded platform

Deposits raised via cross-selling to credit card customers
Meaningful customer engagement among the credit card customers on the platform leading to cross-selling potential

Strategic opportunity

Revolving credit card market offers attractive risk-adjusted returns
Growing our Retail & SME presence in the DACH/NL region in a core product

Creating long-term value

>€100m profit before tax contribution by 2027
EPS accretion of >10% after full integration ... >2x more accretive than share buyback
~140bps CET1 consumption

Note: Barclays Consumer Bank Europe numbers as of March 31, 2024

EXPANDING OUR GERMAN FRANCHISE

Headquartered in **HAMBURG**

~€2 BILLION credit card receivables

LEADING
revolving credit card issuer in Germany

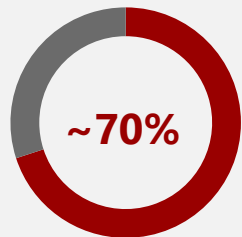
Enhancing our existing product offering in Germany of universal banking products & services, leasing, factoring, consumer loans

ENHANCING OUR DACH/NL AND RETAIL & SME FOOTPRINT

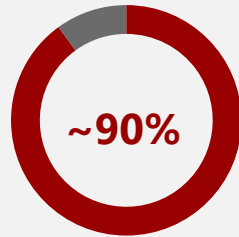
Growing in line with our strategy

STRATEGIC RATIONALE

INCREASING OUR DACH/NL AND RETAIL & SME FOOTPRINT



Today



Mid-term

12 ACQUISITIONS CLOSED AND 2 SIGNED SINCE 2015 FOCUSED ON RETAIL & SME

- Current accounts & savings deposits
- Credit card business (revolving and charge cards)
- Mortgages
- Factoring & - Leasing (auto, IT & equipment)
- Consumer loans
- Brokerage business

FINANCIAL RATIONALE

TWO STRATEGIC & HIGHLY ACCRETIVE ACQUISITIONS SIGNED IN 2024

knab bank
closing expected Q4 '24

> **€150m** PBT by 2026

**Barclays Consumer
Bank Europe**
closing expected Q4 '24 / Q1 '25

> **€100m** PBT by 2027

DAY 1 P&L ACCRETIVE

> **€250m PBT** contribution by 2027

Underwritten to our **RoTCE >20%** target

Total CET1 impact **250–300bps**

> **2x** more accretive than buybacks

CAPITAL MARKETS DAY

planned for early 2025
after closing of both deals

EFFICIENCY THROUGH OPERATIONAL EXCELLENCE

Making significant long-term investments that have fundamentally transformed the franchise

What we did ...

WE TRANSFORMED

... from a transactional to advisory retail bank

WE DIGITIZED & MODERNIZED

... our products, customer journeys and how we work

WE SIMPLIFIED

... workflows, processes and decision-making

WE DIVESTED

... from non-core businesses and products

How we did it ...

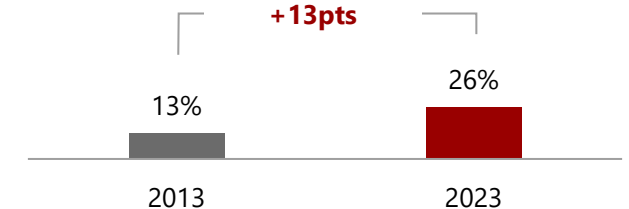
- ✓ ~€600m investment in technology and branches
- ✓ Modernization of branch network under "Concept 21"
- ✓ Invested in self-service, e-banking and mobile banking
- ✓ Shift from ~50% to >80% customer advisory

- ✓ ~90% of products digitized
- ✓ 9 total migrations ... 6 decommissioned /migrated + 3 applications upgraded ... consolidated 80% data centers
- ✓ Over 90% of IT staff trained in Cloud fundamentals
- ✓ Headquarters reduced from 4 to 1
- ✓ Embracing hybrid home office model

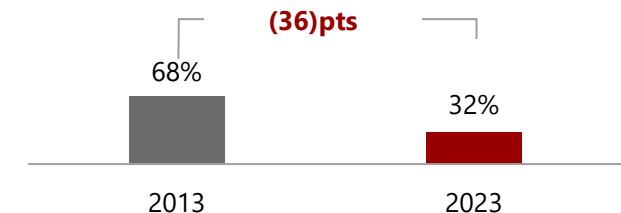
- ✗ Exit from Austrian Post partnership ... 400 postal offices
- ✗ Exit non-core participations, business units and products not meeting risk profile
- ✗ Reducing management layers, hierarchy and bureaucracy
- ✗ Merged banking entities and simplified group structure

~€600 million
accumulated investment in
technology and branches (2013 – 2023)

Annual technology spend
% share of operational expenses



**SUSTAINABLE REDUCTION OF
Cost/Income ratio**



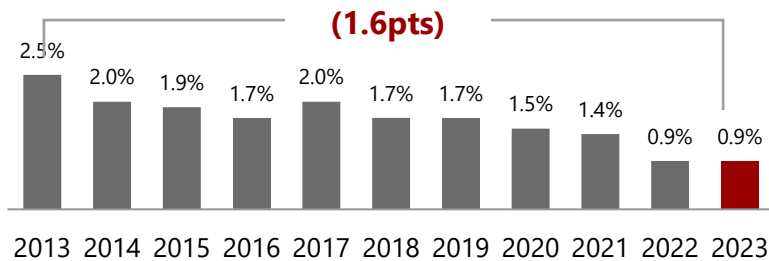
EFFICIENCY

SAFE & SECURE RISK PROFILE

Strong asset quality and low leverage

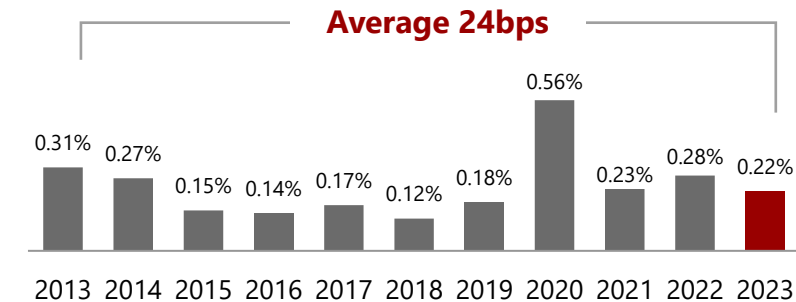
HIGH ASSET QUALITY

NPL ratio



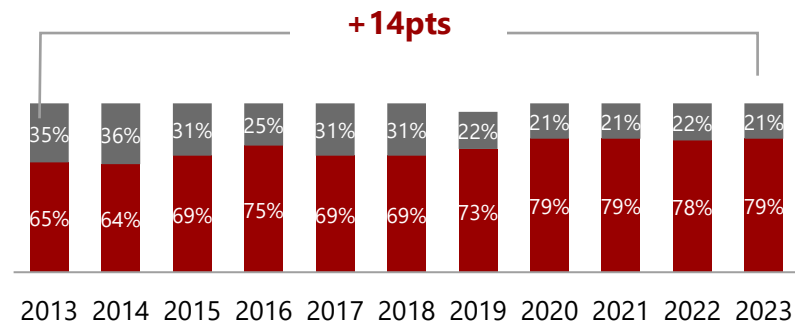
... LEADS TO LOW RISK COSTS

Risk cost ratio



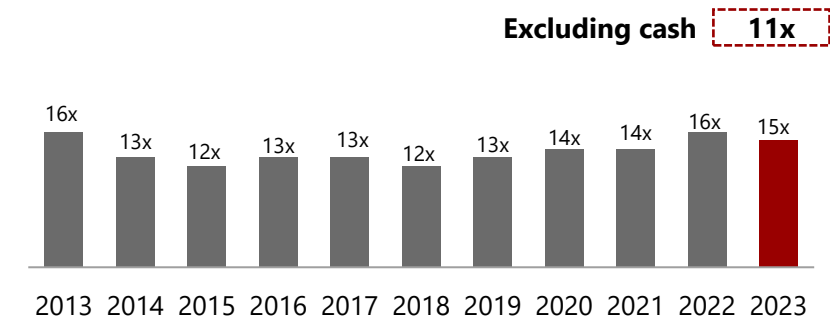
FOCUS ON SECURED LENDING ...

■ Secured or public sector lending ■ Unsecured lending



LOW BALANCE SHEET LEVERAGE

Total assets / Shareholder equity



GENERAL PRINCIPLES

- ✓ Focus on DACH/NL and Western Europe/US
 - ✓ Focus on secured lending
 - ✓ Conservative credit risk profile
 - ✓ Never compromise on credit risk for volume or return growth
 - ✓ Hedged interest rate risk
 - ✓ Securities portfolio
~100% Investment grade
-
- ✗ No exposure to Russia/Ukraine
 - ✗ Limited exposure to CEE
 - ✗ No customer derivatives
 - ✗ No mezzanine financing
 - ✗ No capital markets business
 - ✗ No trading book
 - ✗ Low exposure to high-emitting sectors
 - ✗ No exposure to high-risk AML countries
 - ✗ No market risk RWA

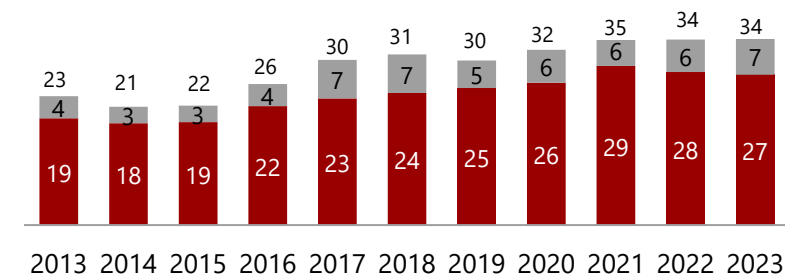
SAFE & SECURE RISK PROFILE

Maintaining a robust customer funding stack

CONTINUOUS INCREASE OF DEPOSIT BASE

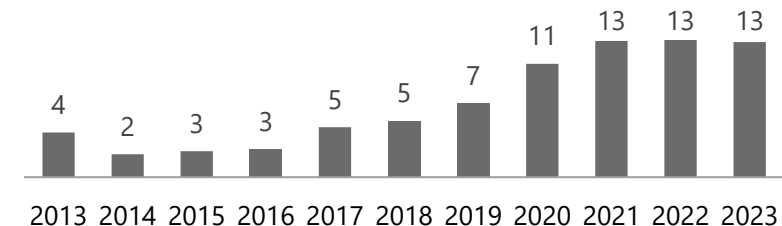
■ Retail & SME deposits, in €b

■ Corporates, Real Estate & Public sector deposits, in €b



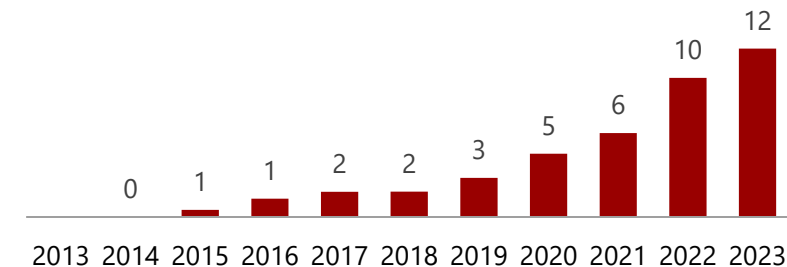
CASH POSITION

Cash & cash equivalents (in € billion)

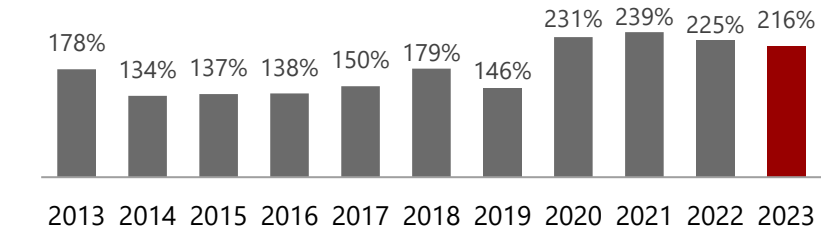


FREQUENT COVERED BOND ISSUER SINCE 2019

Cumulative yearly issuance notional, in € billion



LIQUIDITY COVERAGE RATIO



GENERAL PRINCIPLES

FOCUS ON QUALITY DEPOSITS

- ✓ 90% from Austrian market
- ✓ Average retail deposit size €12k
- ✓ ~80% of retail deposits insured
- ✓ Average retail customer relationship ~18 years
- ✓ Maintained 8-9% market share over past decade

FOCUS ON MATCHED FUNDING

- ✓ Improved matched funding thru long-term covered bonds matching mortgage loans
- ✓ Issued over €12 billion Aaa rated covered bonds since 2019, t average remaining life ~6 years

ACCESS TO CAPITAL MARKET

- ✓ Senior unsecured rating of A1 (stable outlook) by Moody's
- ✓ Addressed MREL & Capital instruments

- ✗ Avoid funding concentration
- ✗ No brokered deposits

VALUE CREATION FOR OUR STAKEHOLDERS

Sustainable value creation is at the core of our decision-making

CUSTOMERS

We want to be a reliable partner for our customers

- We provide simple, transparent and affordable financial products
- We focus on high quality and high-touch advisory banking
- We enhance transactional banking with digital capabilities
- We extended €67 billion credit to customers over the past decade
- We did not charge negative interest rates to our retail clients
- We provided support to customers during pandemic

INVESTORS

We want to create financial value for our investors by generating and distributing economic value and being good stewards of capital

- We self-funded organic growth and 9 bolt-on acquisitions since IPO
- We delivered "TSR" of +85% since IPO
- We have distributed €2.6 billion of capital since IPO

EMPLOYEES

We want to develop our employees, promote diversity, meritocracy and ownership

- We focus on being an attractive employer
- We focus on diversity ... 53 nationalities ... 55% female workforce
- We focus on building culture and celebrating success
- We embed an ownership mentality ... employee stock grants and matching programs
- We focus on retaining and attracting top talent ... senior leadership team average 14 years working together ... 32% female representation

SOCIETY

We want to play an integral role in the markets we are operating and support our communities

- We emphasize social programs focused on underserved communities
- Over 3,700 hours corporate volunteering
- Our branches reflect our local communities



As part of a continuous improvement culture, we will work to capture the voices of all stakeholders

OUTLOOK AND TARGETS

Executing on our strategy and integrating our mid-term ESG targets

	2023	Change vs 2022	Outlook 2024
Net interest income	€1,230m	+20%	+1%
Core revenues	€1,537m	+16%	+1%
Operating expenses	€485m	+2%	~3% increase
Regulatory charges	€39m	(20%)	~€16m
Risk costs	€93m	(24%)	25-30bps
	2023	Change vs 2022	Targets 2024
Profit before tax	€910m	34%	> €920m
RoTCE	25.0%	+6.4pts	>20%
CIR	31.8%	(4.1pts)	<34%

Integrated mid-term ESG targets

	2020	2025
Own CO2 footprint (scope 1 & 2 emissions)	3,477tCO₂	>50% reduction
Female gender quota		
- Supervisory Board	17%	33%
- Senior Leadership Team	15%	33%
Green lending	€0.8b	>€1.6b



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DEFINITIONS

Adjusted (all Q3 2022 and YTD 2022 numbers are presented adjusted)

Excluding the write-off of the City of Linz receivable in Q3 2022

B/S leverage

Total assets/common equity (excluding earmarked dividend and buyback of €175m (1.1.2023))

Book value per share

Common equity (excluding AT1 capital, dividends and buyback of €175m (1.1.2023))/number of shares outstanding

Common Equity Tier 1 capital (CET1)

Including interim profit and deducting earmarked dividends and buyback of €175m (1.1.2023)

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 Deposits (average)

Deposits to customers including own issues sold through retail network and private placement, average based on daily figures

Customer Funding

Deposits to customers, covered bonds (public sector and mortgage) and senior bonds sold through the retail network and private placement, average based on daily figures

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 €175m (1.1.2023)

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 €175m (1.1.2023))/total exposure (CRR definition)

Loan to Value (LTV)

IFRS book value including prior liens excluding NPLs / Market value of real estate collaterals allocated excluding NPLs

Net interest margin (NIM)

Net interest income (NII)/average interest-bearing assets

NPL cash coverage

(Stage 3 Loan Loss Provisions plus Reserves plus Prudential Filter) / Non-Performing Loans IFRS Exposure

NPL ratio

Non-performing exposure (economic IFRS) - defined as NPL acc. to Art. 178 CRR excluding Retail&SME segment exposures without arrears (8.1. 8.2 and 8.4 RK) / BAWAG Group Total Exposure including off balance (IFRS consolidation circle)

Pre-provision profit

Operating income less operating expenses (excluding regulatory charges)

Return on common equity (RoCE)

Net profit/average IFRS common equity and deducted dividend accruals and buyback of €175m (1.1.2023)

Return on tangible common equity (RoTCE)

Net profit/average IFRS tangible common equity and deducted dividend accruals and buyback of €175m (1.1.2023); 2022 shown excluding City of Linz write-off of €190 million after tax

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

Total reserve ratio

Total reserves (including prudential filter)/asset volume of customer segments excluding public sector lending

Market shares

Car leasing only FY 2022 market data available and for credit card TX volume only Q1'23 available references to BAWAG June '23 figures and OeNB market data May '23, Housing loans excluding FX loans