

INVESTOR DAY

4 March 2025

WELCOME TO BAWAG's INVESTOR DAY



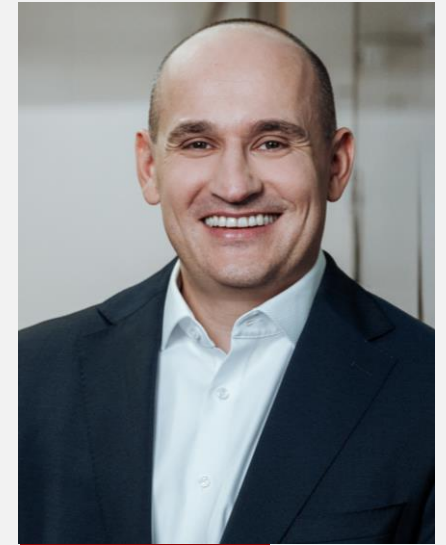
**ANAS
ABUZAAKOUK**

CEO



**SAT
SHAH**

Deputy CEO



**ENVER
SIRUCIC**

Deputy CEO

BAWAG GROUP FRANCHISE OVERVIEW

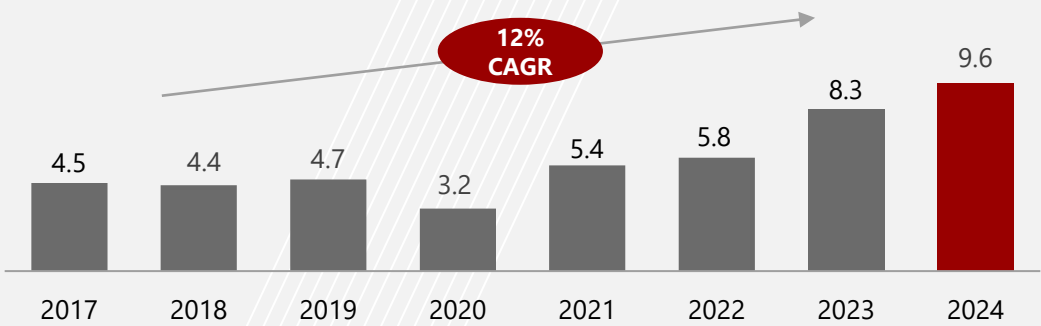
THE LONG ARC OF OUR TRANSFORMATION

FRANCHISE	Multi-brand and multi-channel commercial bank with over 4 million customers across our core markets
TRACK RECORD OF DELIVERING RESULTS	Average Return on Tangible Common Equity (RoTCE) 18% since 2012 ... RoTCE > 20% through all cycles EPS growth of 23x from €0.42 in 2012 to €9.60 in 2024
DIGITAL TRANSFORMATION	Transformation to a Retail & SME focused digital bank with high-quality advisory network in DACH/NL region Mid-term target "90 / 90 / 90" ... 90% Retail & SME, 90% DACH/NL, & 90% Digital non-branch originations
M&A	Completed 14 M&A transactions since 2015 Acquisitions of Knab and Barclays Consumer Bank Europe will transform the franchise
GOOD STEWARDS OF CAPITAL	Franchise generating significant amounts of capital for Investments, Capital Distributions, M&A, and Customer Growth Invested €1.7b in transformation, extended €79b credit to our customers, self-funded M&A, and distributed €3.0b capital
2027 TARGETS	Over €1b net profit in 2027 + €1b excess capital by 2027 (post 55% dividend payout)

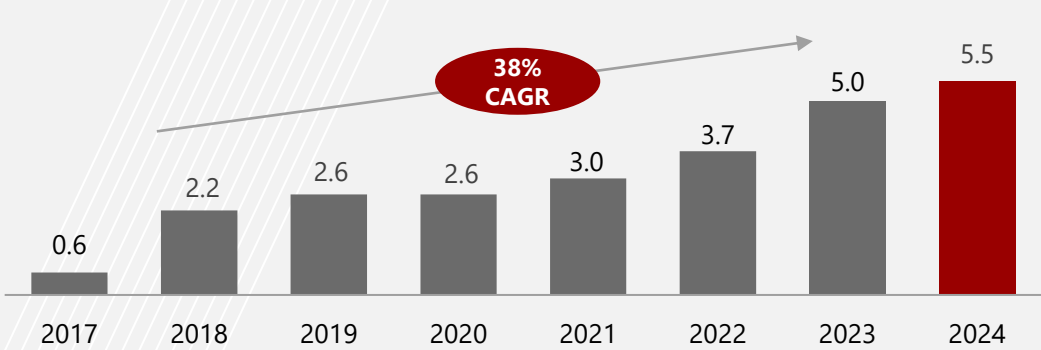
OUR PERFORMANCE SINCE OUR IPO

OUTPERFORMING THE MARKET

Earnings per share
(in €)

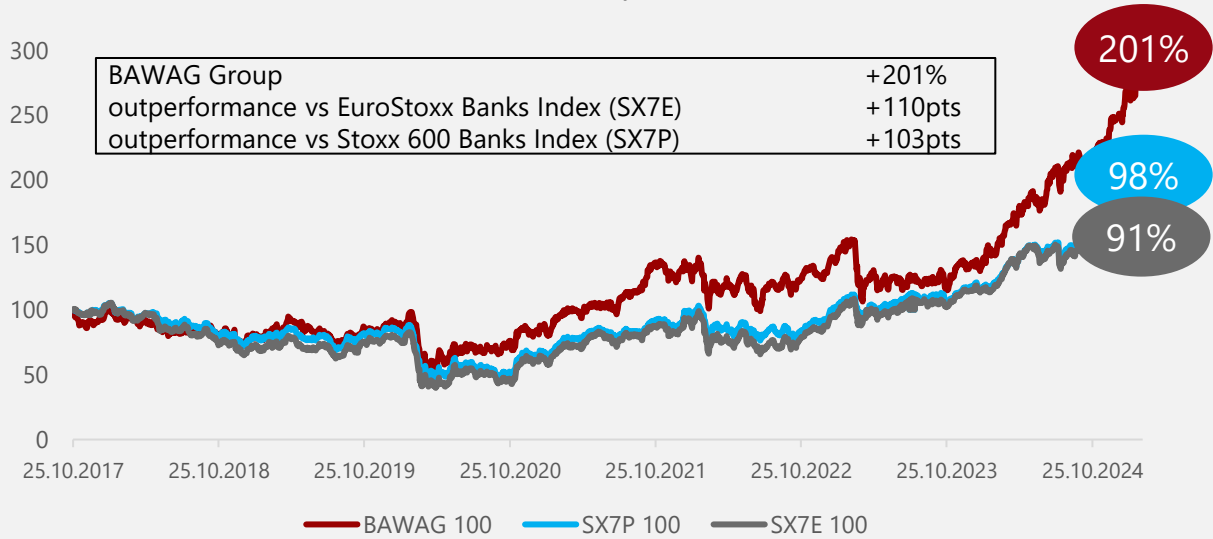


Dividend per share
(in €)



Total Shareholder Return since IPO

Indexed as of 24 October 2017; as of 28 February 2025; share price of €97.10



Capital distribution

€3.0 billion

TOTAL CAPITAL DISTRIBUTION

€2.1 billion

DIVIDEND ... €25.20 DPS 2017 - 2024

€0.9 billion

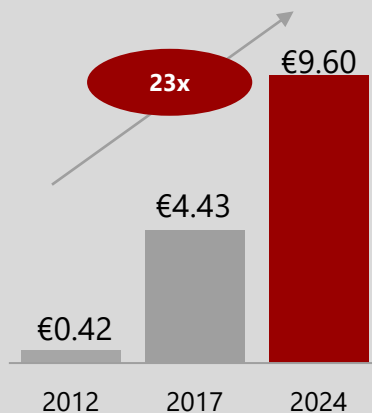
SHARE BUYBACK AT AVERAGE PRICE OF €41.60

OUR CORE PRINCIPLES

HOW WE RUN THE BANK

PATIENCE & DISCIPLINE

Earnings per share



GOOD STEWARDS OF CAPITAL

2x

CUSTOMER LOAN BOOK
2012 - 2024

14

M&A DEALS
COMPLETED

CULTURE & COMMITMENT

4.5%

OWNERSHIP SENIOR
LEADERSHIP TEAM

14 years

AVERAGE TIME AT BAWAG OF
SENIOR LEADERSHIP TEAM

THE EVOLUTION OF OUR FRANCHISE

PATIENT & DISCIPLINED ... ROTCE >20% THROUGH THE CYCLE

CONSISTENT STRATEGY

GROWTH

in core markets through loan growth & M&A ... Focused on serving our customers

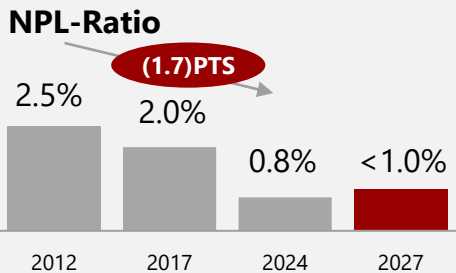
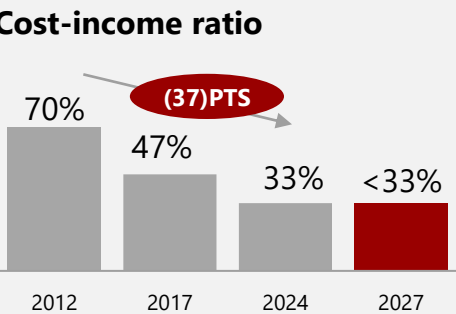
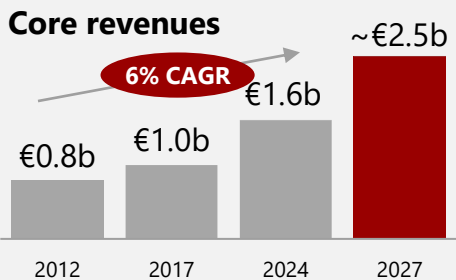
EFFICIENCY

through operational excellence

SAFE & SECURE

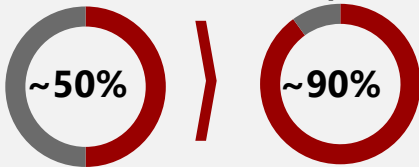
Risk profile

KEY METRICS



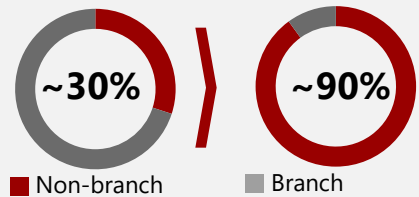
FRANCHISE

Business and geographic mix ...
Retail & SME + DACH/NL focused

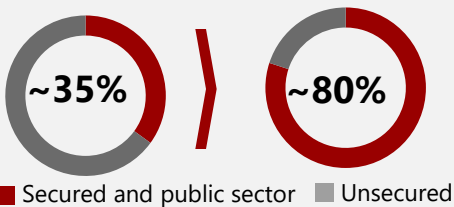


■ Retail & SME ■ Corporates, Real Estate & Public Sector

Origination channels ... developing to a digital bank with advisory-focused branch network



Focus on secured lending



■ Secured and public sector ■ Unsecured

2012 mid-term

M&A AS A DIFFERENTIATOR

MERITS OF STAYING PATIENT & DISCIPLINED

WHAT WE ACQUIRED

6 Banks

6 Product Factories /
Specialty Finance

2 Portfolios / Wind-down

WHAT WE DO

- ✓ IN-HOUSE TEAM FOR DD & INTEGRATION
- ✓ ENHANCE TECH/OPS AND CENTRAL FUNCTIONS
- ✓ PROVIDE CAPITAL & LIQUIDITY FOR GROWTH
- ✓ CULTURE OF OWNERSHIP AND ACCOUNTABILITY

>20%
RoTCE

LOOKING AHEAD...

**BEING AN ACTIVE PLAYER
IN EUROPEAN BANKING
CONSOLIDATION**

BUILDING A RESILIENT FRANCHISE

BEING GOOD STEWARDS OF CAPITAL

BUSINESS MODEL GENERATING SIGNIFICANT CAPITAL FROM 2012 – 2024 ENABLING US TO ...

CUSTOMERS

2x growth

Customer loans doubled to €50 billion while providing €79 billion of credit to our customers
More than doubled customers to > 4 million

INVESTMENTS

€1.7 billion

Aggregate investments in our digital transformation, fundamentally fixing our cost base, and fortifying balance sheet

M&A

14 deals

Acquisitions closed since 2015 ranging from €500 million to €17 billion balance sheet size

STRENGTHENING CAPITAL BASE

€1.8 billion

Increase in CET1 capital
CET1 RATIO FROM 6.2% TO 13.8% PRO-FORMA

SHAREHOLDERS

€3.0 billion

Capital distributed via dividends and share buybacks since IPO

THE BAWAG CULTURE

OUR FOUNDATION

14 years

average tenure of SLT

LEADERSHIP &
EMBRACING CHANGE

>50

Nationalities working in BAWAG

MERITOCRACY, DIVERSITY &
INCLUSION

3 layers

Banding structure

SIMPLE & FLAT
ORGANIZATION

4.5%

Ownership of SLT

MANAGEMENT, BOTH
FIDUCIARIES & SHAREHOLDERS

MANAGEMENT BOARD

6 members

Contracts extended
until end of 2029

EXECUTIVE COUNCIL

35 members (21% female representation):
70% in markets and Tech/Ops roles

SENIOR LEADERSHIP TEAM (SLT)

92 members (34% female representation), including Executive Council

OUR 2027 TARGETS

FOCUSED ON DELIVERING ON OUR COMMITMENTS

2025 thru 2027

> €2.7b

Net profit

2025 thru 2027

> 375bps

Average gross capital
generation per year

2027 Target

> €1b

Net profit

2027 Target

> €1b

Excess capital

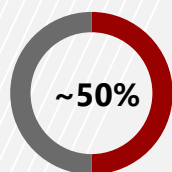
OUR RETAIL FRANCHISE

RETAIL & SME TRANSFORMATION

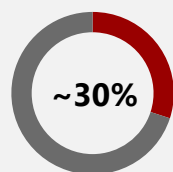
JOURNEY TO BECOMING A DIGITAL BANK

RIGHT SIZING THE BUSINESS

- ✓ Exited non-core areas
- ✓ Transformed internal culture
- ✓ Simplified operations & organization
- ✓ Separated from Austrian Post



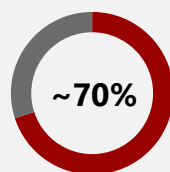
% Retail



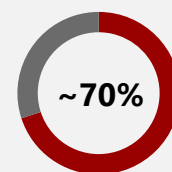
% Digital

PLANTING THE SEEDS FOR GROWTH

- ✓ Heavy investment into technology
- ✓ Digitalization of front & back-end
- ✓ Branch transformation <80 locations
- ✓ Executed on 14 strategic acquisitions



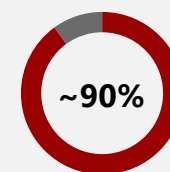
% Retail



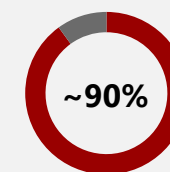
% Digital

DIGITAL BANK WITH HIGH QUALITY ADVISORY NETWORK

- ✓ >4m customers across 7 geographies
- ✓ Focus on integration of new acquisitions
- ✓ Investing into technology ... share of total spend increasing (2025 >30% of expenses)
- ✓ Expansion into white spaces & adjacent markets



% Retail



% Digital

CONSISTENT RETAIL & SME STRATEGY

LEADING TO A DIGITAL BANK WITH AN ADVISORY FOCUSED BRANCH NETWORK

Strategic Pillars

Digital Bank w/ Advisory via Branch Network

- Positioned to bank Customers across multiple channels
- Branch transformation – transactional banking online, advisory via branch
- Focus on primary banking customers that need repeat product & services

**> 4 million
customers**

Invest in Growth & Efficiency

- Focus on improving customer experience while reducing cost-to-serve
- Continuous investment in technology, digitalization, footprint & simplification
- Technology company in the banking space ... continue innovating to stay ahead

**€1.4 billion
invested
(since 2012)**

Organic Growth

- Leveraging data & technology to drive innovation, speed to market & customer value
- Growing, deepening & creating engaging relationships
- Expanding distribution capabilities to reach new customers

**Multiple New
Partnerships**

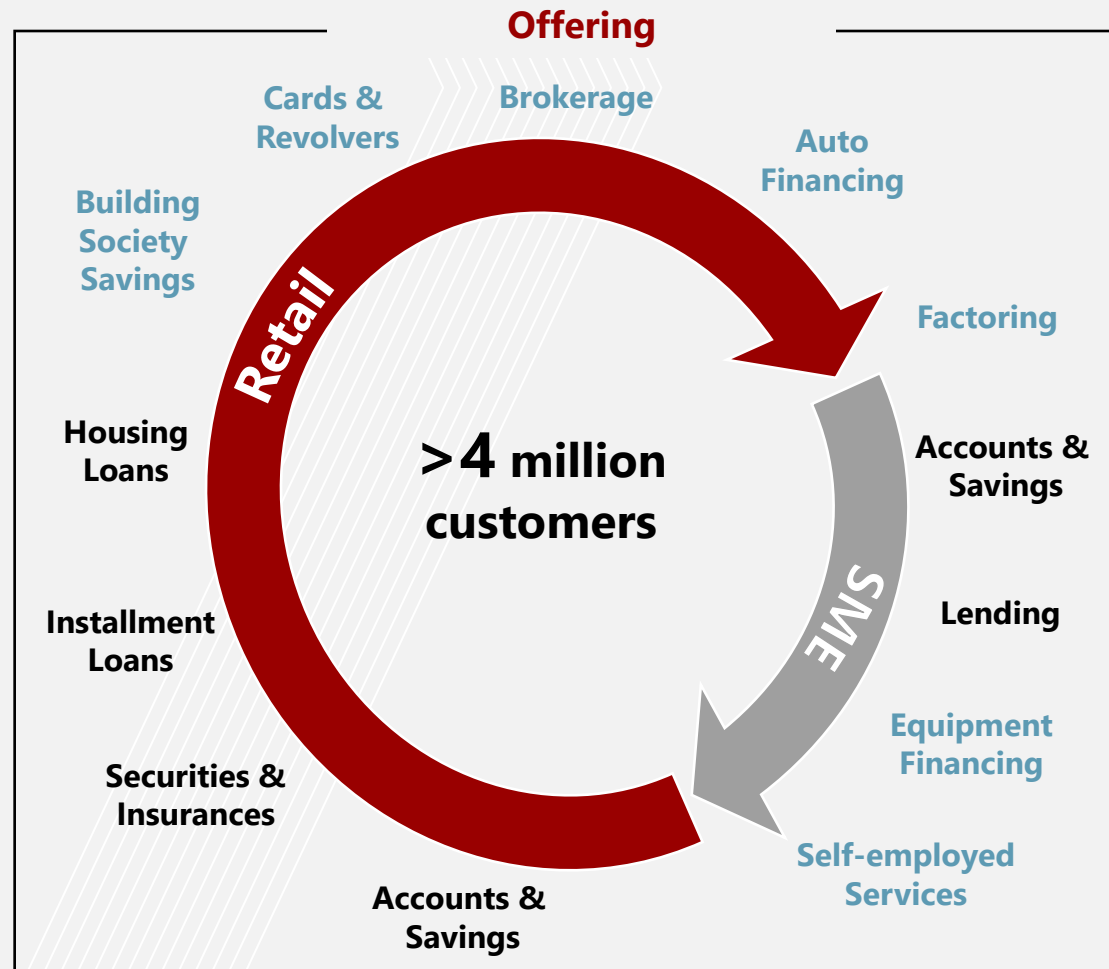
Positioned for M&A

- Strategic tool & differentiator used to build-out our franchise
- Gameboard of opportunities continuously monitored
- Completed 14 acquisitions to date with a strong execution track record

**Knab /
Barclays**

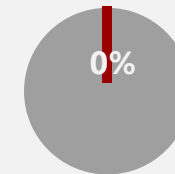
COMPREHENSIVE PRODUCT OFFERING

DELIVERING SIMPLE, EASY, TRANSPARENT & DIGITAL PRODUCTS TO OUR CUSTOMERS



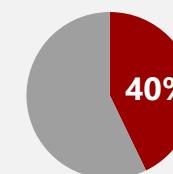
- Broad-based products stitched together over time
- Protecting our customers by offering affordable, transparent & simple products
- 90% of products fully digitized ... high customer satisfaction & low cost to serve

5 Products



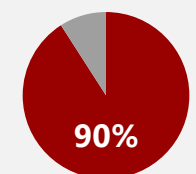
2012

7 Products



2017

11 Products



Today

Fully digital

Not fully digital

* Acquired via M&A

MULTI-CHANNEL STRATEGY

LEVERAGE TRADITIONAL AND DIGITAL CHANNELS TO REACH OUR CUSTOMERS

Branch

- High-touch advisory meetings
- More complex fee generating products
- 78 advisory branches ... potential white-space expansion



€200m investment in branch network

Over counter transactions

↓ 85%
since 2020

More engaged customer

+32%
appointment rate YoY¹

Higher value customer

~6x
more value vs. tx customer

Digital

DIGITAL BANK

- Frictionless customer experience
- Relevant offerings to create high frequency engagement
- Self-reliant but open to offers for financial needs

STRATEGIC PARTNERS

- Embedded within brokers, dealers, platforms & partners
- Plug & play solutions
- Financial solutions to consumers via Partners network



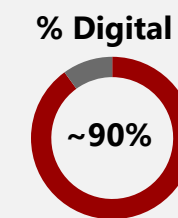
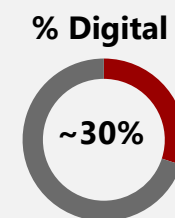
High digital engagement

>80%
digitally active account last 90 days²

>75%
accounts with app³

20+
monthly digital touchpoints per customer⁴

Preferred channel of the customer



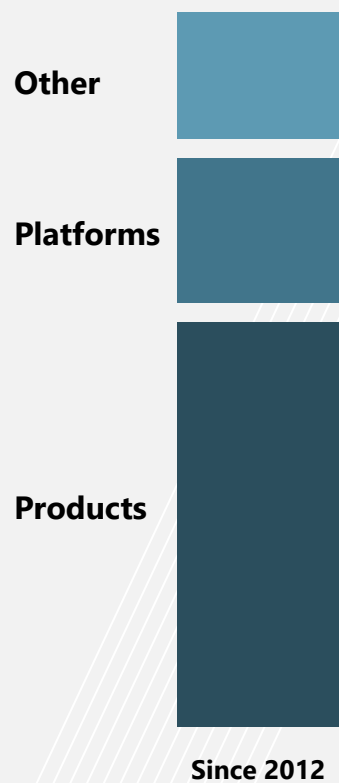
■ Branch ■ Digital / Non-Branch

1) Securities appointments per FTE (main advisory product); 2) % digitally active vs total active accounts; 3) app login credentials for customers with an active current account; 4) digital interactions per digitally active account

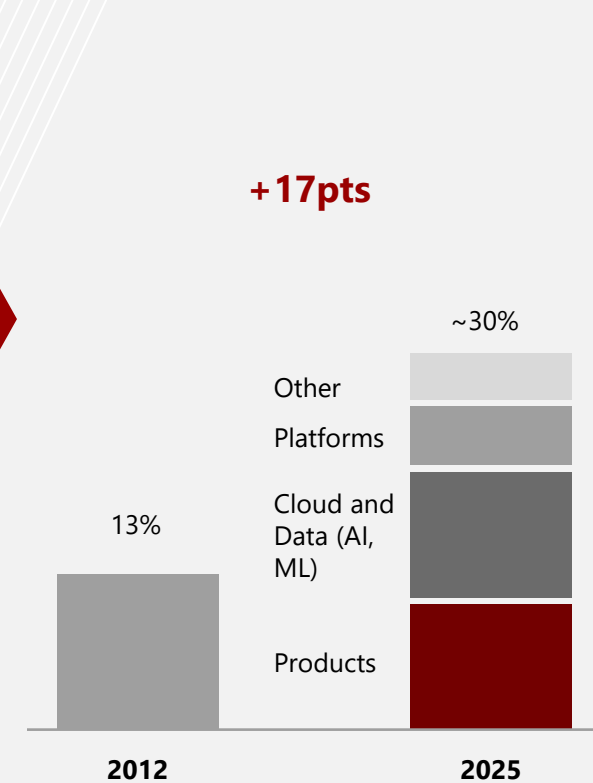
LEVERAGING TECHNOLOGY AS AN ENABLER ...

SIGNIFICANT INVESTMENT TO SUPPORT GROWTH

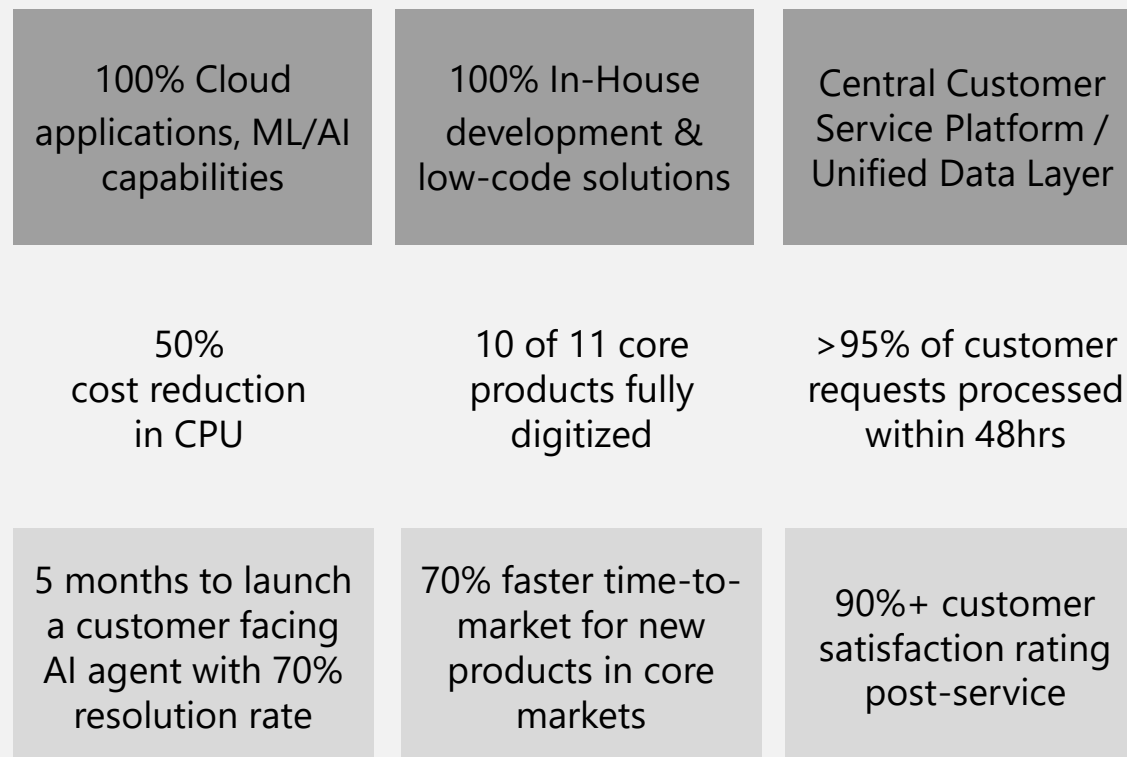
>€700m Technology Investments



Annual technology spend
% share of operational expenses



Technological leadership as a competitive advantage



THE EVOLUTION OF OUR DIGITAL SALES

COMBINING TECHNOLOGY, DATA & MARKETING TO GROW

COMBINED STRATEGY

Performance marketing

Majority of marketing spend focused on digital channels (SEA, SEO, etc) with dynamic channel allocation based on highest-ROI

Simplified Technology

Plug-and-play stack for quick new product/feature deployment, integrated multi-channel experience for efficient upsell

Data, Automation & AI

Predictive modelling & trigger-based sales approach, combining automated A/B testing and AI for personalized messaging

DRIVING EFFICIENCY

↓ **50%**
Marketing Spend¹

>20x
More automated messaging²

~4x
Higher engagement on digital messaging³

GROWING OUR FRANCHISE

- ✓ LOWER COST TO SERVE
- ✓ BETTER CUSTOMER EXPERIENCE
- ✓ SCALABLE GROWTH

↓ **60%**
Cost-per-aquisition⁴

1) DACH marketing spend 2024 vs 2020; 2) DACH messages 2024 vs. 2020; 3) 2024 digital vs. traditional channels; 4) DACH 2024 vs 2020 (including accounts, depots & loans)

STRATEGIC ACQUISITION OF STRONG DIGITAL FRANCHISES

€600m CAPITAL DEPLOYED, >€350m PBT BY 2027

KNAB

- Leading digital bank in Dutch self-employed space
- Mono-line payments provider with 400k customers
- Digital customer engagement via mobile & e-banking
- €12.7b mortgages, ~60% LTV & >50% NHG
- €12.7b deposits, ~80% of core deposits insured

BARCLAYS CONSUMER BANK EUROPE

- Leading revolving credit card issuer in Germany
- >1.5 million fully digital customers with high engagement
- Innovative go-to-market approaches via digital channels
- €2.0b revolving card balance, avg revolver per card ~€5k
- €4.0b deposits, ~€31k balance & 88% deposit insured, 12% insured via German private deposit guarantee scheme

HIGHLY COMPLEMENTARY ADDITIONS ...

CORE MARKETS

sizeable platforms in 2 core markets creating "Beachheads" for growth

FRANCHISE GROWTH

adds ~2 million digitally engaged & profitable customers

PORTFOLIO EXPANSION

new product offerings & access to new customer segments

EXPERTISE

adds strong team of experts into the BAWAG Group

PROFITABLE

accretive day 1 with runway to optimize efficiency & leverage group-wide synergies

FRANCHISE BUILT ON CONSISTENT STRATEGY AND EXECUTION

STRONG TRACK RECORD OF INTEGRATIONS

WHAT WE DO ...

Transitional Service Agreement (TSA & disentanglement)

System Migrations

Simplification

Reprioritizing Areas

HOW WE DO IT ...

- ✓ In-house teams
- ✓ No third party reliance
- ✓ ~12-month process

- ✓ Integrating into platforms
- ✓ Migrating core systems
- ✓ Decommission redundant applications
- ✓ In-source key tech assets

- ✓ Branchification
- ✓ Centralization of support functions
- ✓ Re-engineering of processes
- ✓ Reduce reliance on 3rd parties

- ✓ Exit / stop non-core areas
- ✓ Eliminate scope creep



LEADING TO ...

- Strong, sustainable & efficient franchises

<33%
Cost-Income-Ratio

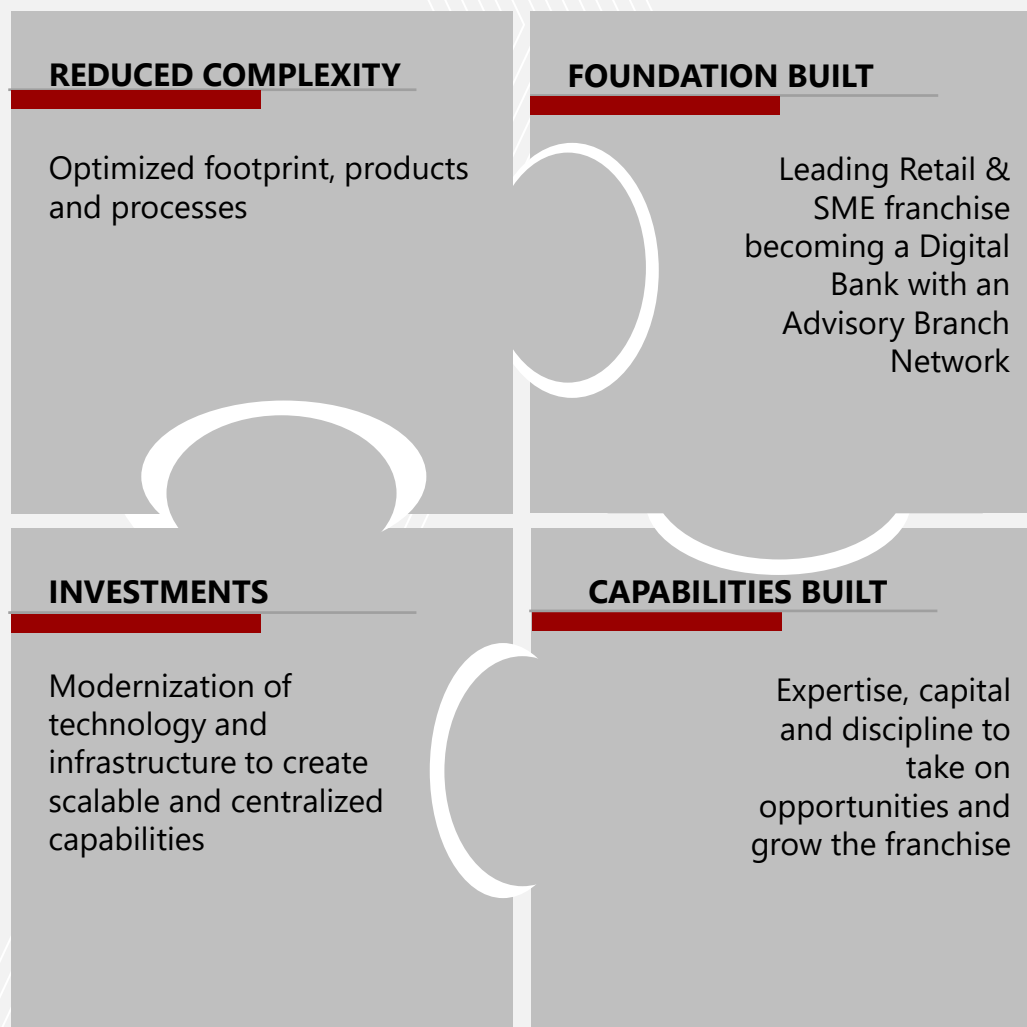
>€350m
PBT by 2027

... ALONG WITH ADDITIONAL UPSIDE POTENTIAL

- Potential for expansion of newly acquired products & functionalities into BAWAG franchise
- Potential to offer broader product range to 2 million acquired monoline product customers
- Potential of organic growth with acquisitions capabilities into neighboring countries
- Potential as launchpads for bolt-on acquisitions/ portfolio purchases

FRANCHISE BUILT ON CONSISTENT STRATEGY AND EXECUTION

HARVESTING THE INVESTMENTS OF THE PAST



	2012	TODAY
CORE MARKETS <u>DIVERSIFIED</u>	1	7
CORE PRODUCTS <u>ENHANCED</u>	5	11
CUSTOMERS	~1.5 million	>4 million
ORIGINATION CHANNELS <u>DIVERSIFIED</u>	33% non-branch	>80% non-branch
BRANDS <u>DIVERSIFIED</u>	2	15
3x CORE REVENUES	€0.5b	€1.6b

FINANCIAL UPDATE

OUR FINANCIAL PRINCIPLES

HOW WE RUN THE BANK

>300bps

NET INTEREST MARGIN

- Not chasing the market
- Bottom-line vs. volume
- Retail & SME focus
- High quality of earnings

PATIENCE

**RISK-ADJUSTED
RETURNS**

33%

COST-INCOME RATIO

- Efficiency part of our DNA
- Owner-operator mindset
- Scalable platform
- Better customer service

**OPERATIONAL
EXCELLENCE**

**CONTINUOUS
IMPROVEMENT**

<1%

NON-PERFORMING LOAN RATIO

- Low risk, stable region
- Low leverage
- High capital generation
- Large cash position (~25%)

LOW RISK PROFILE

**SIGNIFICANT DRY
POWDER**

PATH TO 2027 TARGETS

STEERING OUR BUSINESSES

in € million	2012	2024	2025	2027	CAGR '25 – '27
Net interest income	582	1 312	>1 800	~2,100	
Net commission income	195	310	>350	>380	
Core revenues	776	1 612	>2 150	~2 500	>15%
Other income	149	6	-	-	-
Operating Income	925	1 628	>2 150	~2 500	>15%
Operating expenses	(648)	(545)	~(800)	<(800)	>10%
Pre-provision profit	278	1 083	~1 350	>1 700	>15%
Profit before tax	23	990	~1 100	>1 400	>10%
Net profit	42	760	>800	>1 000	>10%
Earnings per share	€ 0.42	€ 9.60	>€ 10.00	>€13.00	>10%

KEY PROFITABILITY DRIVERS

- + Interest income growth and positive outlook
- + Strong underlying trend in fees and commissions
- + Cost control ... lower absolute cost by 2027
- + Stable risk performance ... risk costs ~40bps

>€1b

Net profit

>20%

RoTCE

>€1b

Excess capital

<33%

CIR

CORE REVENUES

NET INTEREST INCOME

>300bps

Growing NIM

NIM EXPANSION EXPECTED

- Deposit margin compression
- + Higher margin asset mix
- + Loan Growth
- + Deposit hedge roll-off

1.8%-2.0%

EUR overnight rate

RATE ASSUMPTIONS

- O/N: 180 - 200bps
- 10YR: 235 - 245bps

LOAN GROWTH ABOVE GDP

- Blended GDP growth of 1-2 %p.a.
- 1-2 %-points above GDP

1-2_{pts} above GDP

Loan Growth '25-'27

NET COMMISSION INCOME

2/3

Payments & Credit cards

PAYMENTS AND CARDS GROWTH

- + Strong C/A trend from Knab
- + Growing credit card business in Germany
- + Stable Austrian business

1/3

Securities & insurance

SECURITIES & INSURANCE

- + Positive trend continues
- + Securities and insurance and traditional advisory showing good momentum

>3%

NCI Growth '25-'27

NCI TRAJECTORY

- + 2025 full effect of Knab & Barclays Consumer business
- + after 2025: steady growth of >3% p.a. based on underlying trends

OPERATING EXPENSES

MANAGING THE ABSOLUTE COST BASE

TRANSFORMED

- From transactional to advisory retail bank
- Reduced branch footprint by >90%
- Sales in the field, centralized support functions

< €800m

2027 Target

DISCONTINUING NON-CORE BUSINESSES

- Addition by subtraction
- Non-core business lines identified
- Reduces complexity and costs with limited revenue impact

(1-2%)_{p.a.}

Net cost-out '25-'27

< 33%

2027 CIR target

OWNERSHIP & ACCOUNTABILITY

- In-house functions and expertise
- No reliance on 3rd parties and consultants
- No outsourcing or nearshoring

SIMPLIFICATION

- Centralization of functions
- Workflows, processes & decision making

DIGITIZED & MODERNIZED

- Our products & customer journeys
- How we work internally

RESILIENT BUSINESS MODEL

PROTECTING THE FRANCHISE LONG-TERM

Business model and strategy limiting certain risk-areas through focus on ...

... stable core markets

~80%

customer assets in DACH/NL

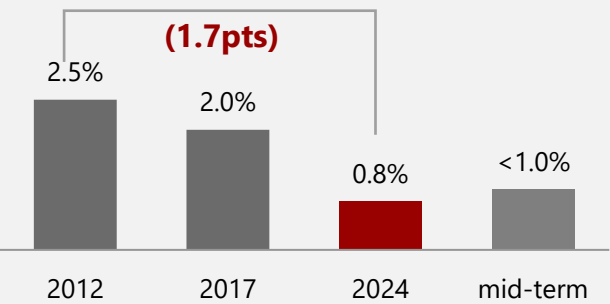
... secured lending

~80%

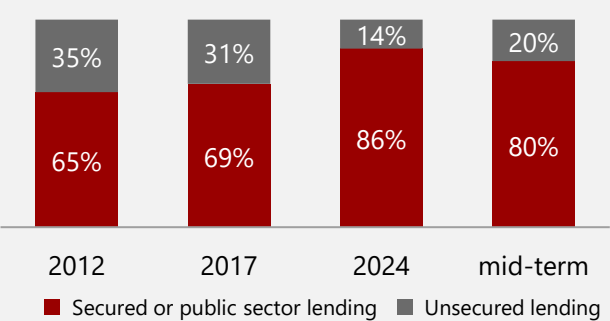
Secured or public sector lending

Managing the larger group at a risk cost ratio of ~40bps

HIGH ASSET QUALITY ...
NPL ratio



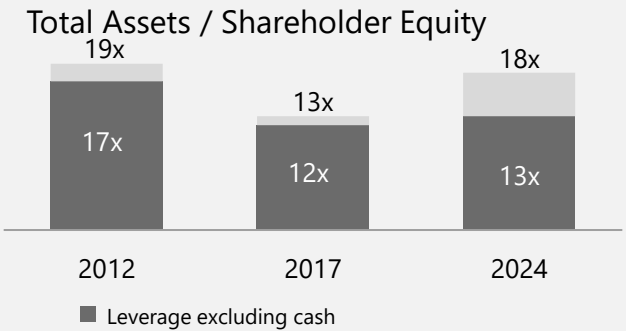
FOCUS ON SECURED LENDING ...



LONG-TERM RESILIENCE OVER THE CYCLE

- Focus on risk-adjusted returns versus volume growth
- Centralized risk management and pricing across distribution channels
- Proactive risk steering and asset resolution
- highly liquid + fortress balance sheet

LOW BALANCE SHEET LEVERAGE ...



OUR TARGETS

OPPORTUNITIES & UNCERTAINTIES

OPPORTUNITIES

EXCESS CAPITAL

Generating >375bps organic CET1 (2025 – 2027) on average

>€1b excess capital by 2027

LEAVING DRY-POWDER FOR M&A OR PORTFOLIO PURCHASE

EXCESS CASH

~80% granular retail deposits & covered bond program

€18b cash or 25% of balance sheet

**UNDERINVESTED SECURITIES PORTFOLIO ...
HIGHER LOAN GROWTH/
MARGIN DISCIPLINE**

UNCERTAINTIES

RATE ENVIRONMENT

ECB rate	RoTCE
Zero	> 15%
<100bps	> 20%
Current	> 25%

CREDIT CYCLE

Significant downturn leading to a sharp increase in unemployment levels

POLITICAL ENVIRONMENT

Higher charges, taxes, regulation, etc.



THANK YOU



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