BAWAG Group
Q1 2022 Credit update
26 April 2022

BAWAG Group franchise

FRANCHISE	Multi-brand and multi-channel commercial bank with approximately **2.2 million customers** across our core markets
DELIVERING RESULTS	Mid-teens **Return on Tangible Common Equity (RoTCE) ~14%** versus sector of ~5% since 2012
BEST-IN-CLASS EFFICIENCY	**Cost-income ratio (CIR) of 39.5% in 2021** driven by simplification, technology and process focus
GOOD STEWARDS OF CAPITAL	Since IPO, completed **7 acquisitions** and **distributed €1.4 billion capital** (€1.0 billion dividends and €400 million buyback) **New capital distribution policy: Dividend payout of 55% from 2022 … targeting share buyback in 2022**
RETURN TARGETS	**Return on tangible common equity (RoTCE) >17% and Cost-income ratio (CIR) <38%**
2025 PLAN	**By 2025, pre-tax profit >€750 million and EPS >€7.25 with ~10% annual EPS growth through 2025; DPS >€4.00**

BAWAG Group

COMPANY STRUCTURE AND ISSUING ENTITIES

AT1, Tier2	BAWAG Group	Issuer of capital instruments
SNP, SP, Covered	BAWAG PSK 1)	Issuer of debt instruments

start bausparkasse | BAWAG PSK Wohnbaubank | DEPFA BANK

		Moody's
BAWAG P.S.K.	Issuer Rating	A2 (stable)
	Covered bonds	Aaa
	Senior preferred	A2
	Senior non-preferred	Baa1
BAWAG Group	Tier 2	Baa2
	Additional Tier 1	Ba1

1) BAWAG P.S.K., easybank and Südwestbank are the main brands for banking operations of BAWAG P.S.K.

SHAREHOLDER STRUCTURE

Top institutional shareholders (>4% holding):

T. Rowe Price	5.6%
Wellington	5.0%
Blackrock	5.0%
GoldenTree	4.6%
BAWAG Senior Leadership Team (Management Board: 2.9%)	3.3%

Number of shares: 89,142,237; Shares outstanding as of 26 April 2022: 89,004,800

Financial performance

P&L | € millions	Q1'22	Q1'21	vPY	Q4'21	vPQ
Core revenues	323	297	9%	316	2%
Operating income	325	301	8%	318	2%
Operating expenses	(120)	(122)	(1%)	(122)	(1%)
Pre-provision profit	**205**	**179**	**14%**	**196**	**5%**
Regulatory charges	(38)	(54)	(29%)	9	-
Risk costs	(20)	(29)	(31%)	(20)	-
Profit before tax	146	97	52%	186	**(21%)**
Net profit	**111**	**74**	**50%**	**164**	**(32%)**

Ratios	Q1'22	Q1'21	vPY	Q4'21	vPQ
RoCE	12.2%	8.6%	3.6pts	18.1%	(5.9pts)
RoTCE	14.2%	10.2%	4.0pts	21.3%	(7.1pts)
CIR	37.0%	40.5%	(3.5pts)	38.3%	(1.3pts)
Risk cost ratio	0.19%	0.29%	(0.10pts)	0.19%	-
Earnings per share (€)	1.24	0.83	50%	1.84	(32%)

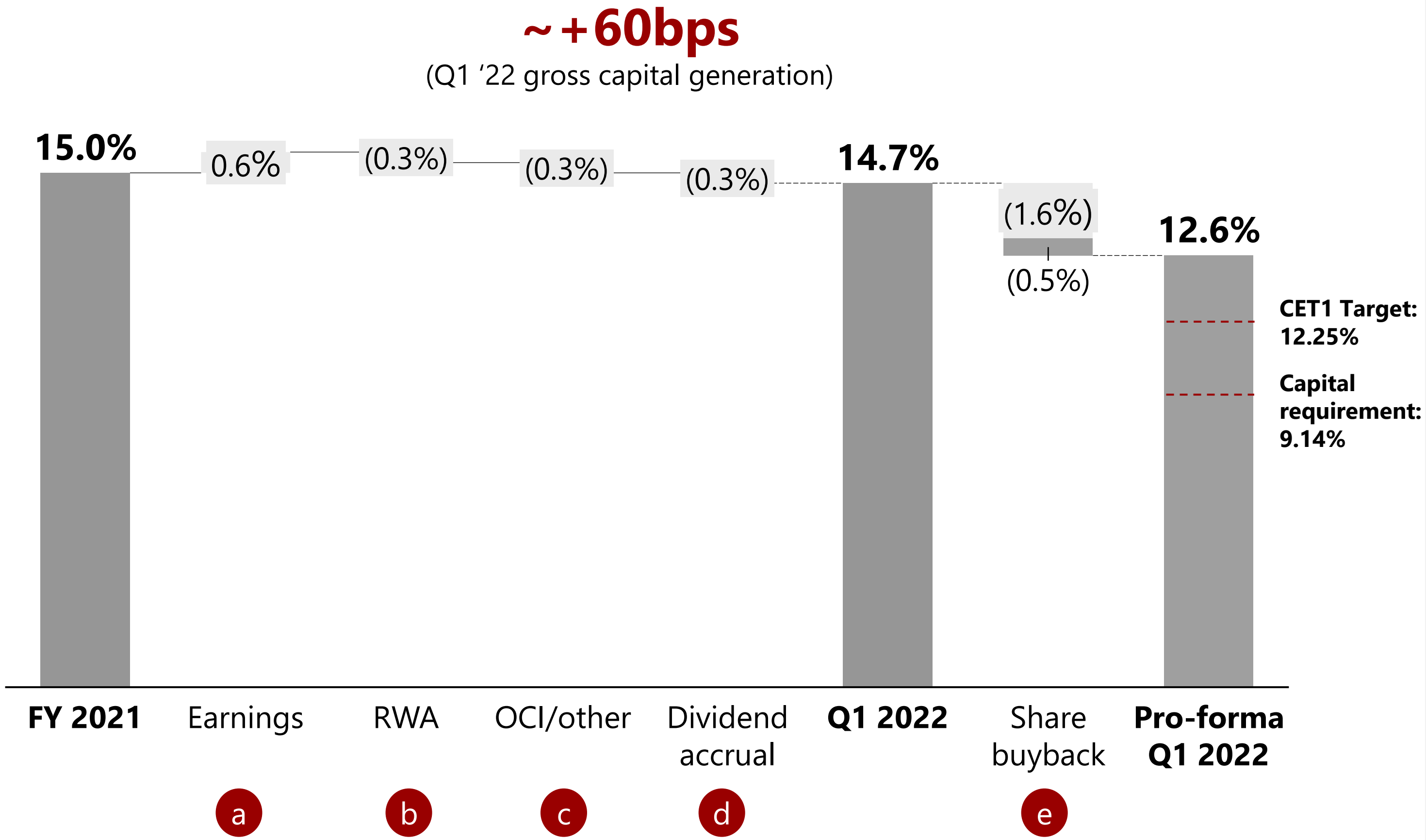
Balance Sheet & Capital | € millions	Q1'22	Q4'21	vPQ
Total assets	54,475	56,325	(3%)
Interest-bearing assets (average)	42,099	42,630	(1%)
Customer loans (average)	34,982	35,019	-
Customer deposits (average)	34,150	33,925	1%
Common Equity	3,665	3,636	1%
Tangible Common Equity	3,133	3,101	1%
CET1 Capital	3,020	3,012	-
Risk-weighted assets	20,527	20,135	2%
CET1 Ratio (post dividend)	**14.7%**	**15.0%**	**(0.3pts)**

Per share data	Q1'22	Q4'21	vPQ	vPY
Book value (€)	41.18	40.92	1%	7%
Tangible book value (€)	35.20	34.90	1%	8%
Shares outstanding (€ m)	89.00	88.86	-	-

Note: All equity, capital, ratios and per share data reflect deduction of €61m dividend accrual for Q1 2022 figures.

Capital development and distribution

CAPITAL DEVELOPMENT



CAPITAL DEVELOPMENT

- (a) Gross capital generation of ~+60bps in Q1 2022
- (b) RWA increase due to implementation of regulatory guidelines and FX impacts
- (c) OCI primarily related to widening credit spreads and volatility

CAPITAL DISTRIBUTION

- (d) New dividend policy with payout ratio of 55% from financial year 2022 onwards
- (e) Target share buyback of €425m in 2022 in 2 tranches:
  1) Regulatory application filed for €325m
  2) €100m planned to be filed for regulatory approval in H2 2022

EXCESS CAPITAL

- CET1 ratio 12.6% post targeted buybacks of €425m
- Maintain dry powder for potential organic and inorganic opportunities in coming quarters

Retail & SME

Financial performance

€ millions	Q1'22	Q1'21	vPY	Q4'21	vPQ
Core revenues	245.8	222.8	10%	232.8	6%
Net interest income	171.7	163.1	5%	168.2	2%
Net commission income	74.1	59.7	24%	64.7	15%
Operating income	246.8	224.6	10%	234.6	5%
Operating expenses	(86.7)	(89.4)	(3%)	(88.0)	(1%)
Pre-provision profit	**160.1**	**135.2**	**18%**	**146.6**	**9%**
Regulatory charges	(12.5)	(30.5)	(59%)	10.8	(216%)
Risk costs	(15.0)	(15.4)	(3%)	(14.3)	5%
Profit before tax	**132.6**	**89.3**	**48%**	**143.1**	**(7%)**
Net profit	**99.4**	**67.0**	**48%**	**107.3**	**(7%)**

Ratios

in %	Q1'22	Q1'21	vPY	Q4'21	vPQ
RoCE	24.2%	18.3%	5.9pts	26.9%	(2.7pts)
RoTCE	28.1%	21.6%	6.5pts	31.1%	(3.0pts)
CIR	35.1%	39.8%	(4.7pts)	37.5%	(2.4pts)
NPL ratio	1.9%	1.9%	-	1.9%	-
Risk cost ratio	0.28%	0.31%	(0.03pts)	0.27%	0.01pts

Customer development

€ millions	Q1'22	Q1'21	vPY	Q4'21	vPQ
Housing loans	15,890	14,862	7%	15,781	1%
Consumer and SME	5,492	4,994	10%	5,348	3%
Total assets	**21,382**	19,856	**8%**	**21,129**	**1%**
Total assets (average)	**21,262**	19,667	**8%**	**21,021**	**1%**
Risk-weighted assets	**8,792**	8,091	**9%**	**8,105**	**8%**
Customer deposits	**28,054**	25,790	**9%**	**29,012**	**(3%)**
Customer deposits (average)	**28,181**	25,695	**10%**	**27,892**	**1%**

Q1 ’22 net profit of €99m, up 48% vPY due to higher pre-provision profits and lower regulatory charges … average net asset growth +8% vPY driven by consumer loans and housing loans

Pre-provision profit of €160m for Q1 ’22, up 18% vPY … Core revenues up 10% and operating expenses down (3%)

Risk costs of €(15)m in Q1 ’22, down (3%) vPY … normalized risk cost environment while monitoring macroeconomic environment over coming quarters

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

Corporates, Real Estate & Public Sector

Financial performance

€ millions	Q1'22	Q1'21	vPY	Q4'21	vPQ
Core revenues	72.7	69.7	4%	79.4	(8%)
Net interest income	64.8	61.0	6%	70.9	(9%)
Net commission income	7.9	8.7	(9%)	8.6	(8%)
Operating income	80.5	74.4	8%	84.7	(5%)
Operating expenses	(18.1)	(18.6)	(3%)	(16.6)	9%
Pre-provision profit	**62.4**	**55.8**	**12%**	**68.1**	**(8%)**
Regulatory charges	(8.5)	(6.9)	23%	(1.1)	673%
Risk costs	(3.2)	(15.1)	(79%)	1.9	NM
Profit before tax	**50.8**	**33.8**	**50%**	**68.9**	**(26%)**
Net profit	**38.1**	**25.4**	**50%**	**51.7**	**(26%)**

Ratios

in %	Q1'22	Q1'21	vPY	Q4'21	vPQ
RoCE	12.8%	9.6%	3.2pts	17.6%	(4.8pts)
RoTCE	15.2%	11.6%	3.6pts	21.4%	(6.2pts)
CIR	22.5%	25.0%	(2.5pts)	19.6%	2.9pts
NPL ratio	0.9%	1.1%	(0.2pts)	0.8%	0.1pts
Risk cost ratio	0.09%	0.43%	(0.34pts)	(0.05)%	0.14pts

Customer development

€ millions	Q1'22	Q1'21	vPY	Q4'21	vPQ
Corporates	3,900	4,129	(6%)	4,047	(4%)
Real Estate	6,089	4,955	23%	5,740	6%
Public Sector	4,451	4,247	5%	4,588	(3%)
Short-term lending	344	897	(62%)	524	(34%)
Total assets	**14,784**	14,228	**4%**	**14,899**	**(1%)**
Total assets (average)	**14,708**	13,938	**6%**	**15,027**	**(2%)**
Risk-weighted assets	**7,891**	7,516	**5%**	**7,894**	**-**
Customer deposits	**5,656**	5,457	**4%**	**5,735**	**(1%)**
Customer deposits (average)	**5,563**	5,604	**(1%)**	**5,557**	**-**

Q1 '22 net profit of €38m, up 50% vPY due to higher pre-provision profits and lower risk costs … average net asset growth of 6% vPY driven primarily by real estate and public sector lending

Pre-provision profit of €62m in Q1 '22, up 12% vPY … Operating income up 8% and operating expenses down (3%)

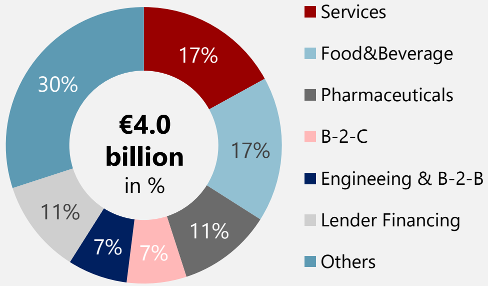
Risk costs of €(3)m … down (79%) vPY with no reserves released

Maintaining disciplined and conservative underwriting with solid pipeline and commitments in Q1 '22 … will remain patient and continue to focus on risk-adjusted returns

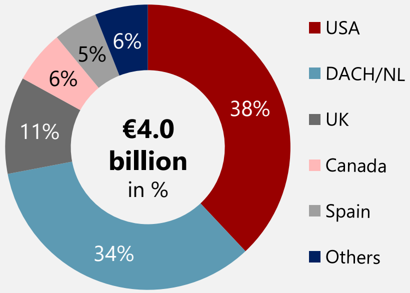
Corporates, Real Estate & Public Sector

CORPORATES*

By industry



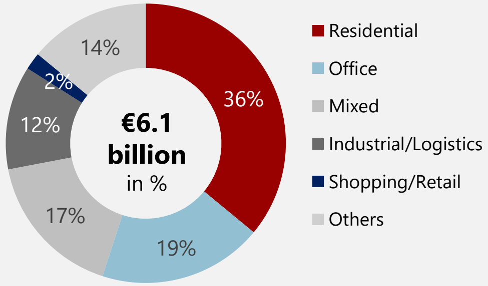
By geography



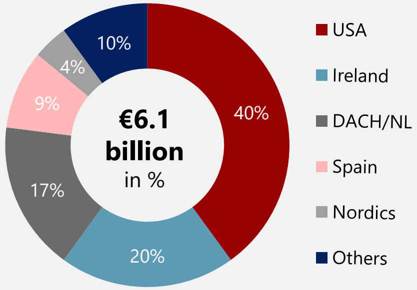
- Portfolio average net leverage <4.0x
- NPL ratio of 2.1%
- No exposure to Russia and Ukraine

REAL ESTATE

By underlying



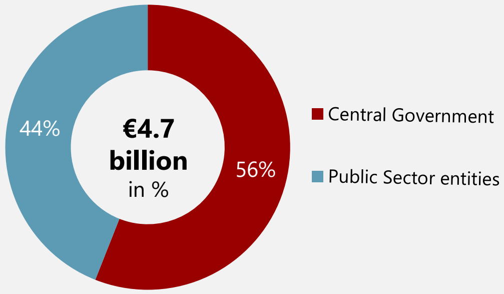
By geography



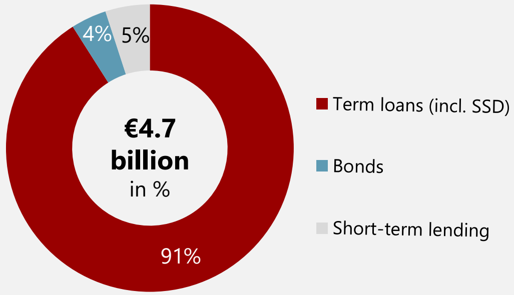
- Weighted average portfolio LTV <55%
- NPL ratio 0.8%
- Collateral backing portfolio is granular with ~36% of pool being direct residential

PUBLIC SECTOR*

Customer types



By funding & type



- Portfolio comprised of 65% AAA or AA entities
- No non-performing loans
- Sovereign exposure: Austria (89%), Germany (6%), and Western Europe (5%)

* Includes short-term lending / money market of €344m, of which €106m in Corporates and €238m in Public Sector

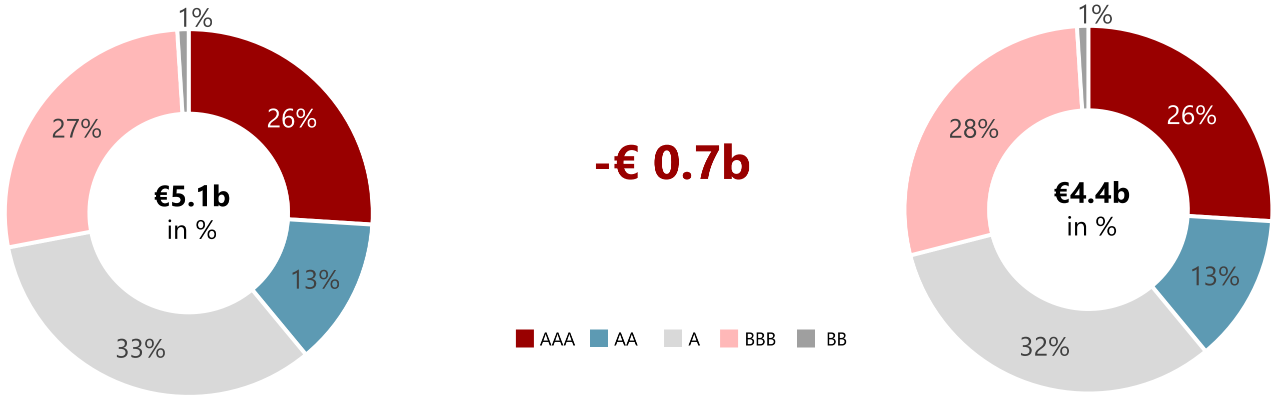
Investment book and Cash

Q4 '21

Q1 '22

Cash & Cash equivalent

Investment book



As of Q1 '22, cash and cash equivalents (mainly money at central banks) at €11.1b … TLTRO III of €6.4b

Investment book primarily serves as liquidity book of the Bank

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

- No non-performing assets
- 99% portfolio investment grade, with 71% A or higher
- Weighted average life of 4.1 years
- ~260 positions, average size ~€17m

No exposure to Russia or Ukraine

P&L & key ratios

P&L | € millions	**Q1'22**	**Q1'21**	**vPY**	**vPQ**
Net interest income	242.0	229.6	5%	(1%)
Net commission income	81.4	67.7	20%	12%
Core revenues	**323.4**	**297.3**	**9%**	**2%**
Other revenues	2.1	3.8	(45%)	11%
Operating income	**325.4**	**301.1**	**8%**	**2%**
Operating expenses	**(120.4)**	**(121.8)**	**(1%)**	**(1%)**
Pre-provision profit	**205.0**	**179.2**	**14%**	**5%**
Regulatory charges	(38.4)	(54.2)	(29%)	(531%)
Risk costs	(20.3)	(29.3)	(31%)	-
Profit before tax	**146.3**	**96.5**	**52%**	**(21%)**
Income taxes	(35.3)	(23.0)	53%	58%
Net profit	**110.9**	**73.7**	**50%**	**(32%)**

Key ratios	**Q1'22**	**Q1'21**	**vPY**	**vPQ**
Return on Common Equity	12.2%	8.6%	3.6pts	(5.9pts)
Return on Tangible Common Equity	14.2%	10.2%	4.0pts	(7.1pts)
Net interest margin	2.33%	2.28%	0.05pts	0.07pts
Cost-income ratio	37.0%	40.5%	(3.5pts)	(1.3pts)
Risk cost ratio	0.19%	0.29%	(0.10pts)	-
Earnings per share (in €)	1.24	0.83	50%	(32%)
Tangible book value per share (in €)	35.20	32.58	8%	1%

Net interest income down 1% vPQ due to daycount; up 5% vPY … net interest margin (NIM) at 2.33% in Q1 ’22

Net commission income up 12% vPQ and 20% vPY … strong advisory business … full impact of Hello bank! acquisition

Ongoing disciplined cost control more than offsetting significant inflation … cost-income ratio at 37% in Q1 ’22

Regulatory charges of €(38)m accounting for approximately 80% of FY charges … decrease vPY reflecting recoveries

Risk costs of €(20)m in Q1 ’22 … returning to normalized risk environment … maintained management overlay of €64m due to current uncertainty

Balance sheet

Balance sheet | € millions	Q1'22	Q1'21	vPY	vPQ
Customer loans	35,132	33,124	6%	-
Securities and bonds	5,646	6,771	(17%)	(11%)
Credit institutions and cash	11,912	10,945	9%	(9%)
Other assets	1,785	2,130	(16%)	(9%)
Total assets	**54,475**	**52,970**	**3%**	**(3%)**
thereof average interest-bearing assets	42,099	40,824	3%	(1%)
Customer deposits	34,071	32,041	6%	(3%)
Own issues	6,877	6,719	2%	(7%)
Credit institutions	7,273	7,628	(5%)	(1%)
Other liabilities	2,053	2,216	(7%)	-
Common equity	3,665	3,395	8%	1%
Dividend accrual	61	497	(88%)	(77%)
AT1 capital & others	475	474	-	-
Total liabilities & equity	**54,475**	**52,970**	**(3%)**	**(3%)**

Capital & RWA | € millions	Q1'22	Q1'21	vPY	vPQ
Common equity	3,665	3,435	7%	1%
Tangible common equity	3,133	2,895	8%	1%
CET1 capital	3,020	2,835	7%	0%
Risk-weighted assets	20,527	20,054	2%	2%
CET1 ratio (post dividend)	14.7%	14.1%	0.6pts	(0.3pts)
Leverage ratio	6.2%	6.1%	0.1pts	0.2pts
Liquidity Coverage Ratio	192%	229%	(37pts)	(47pts)

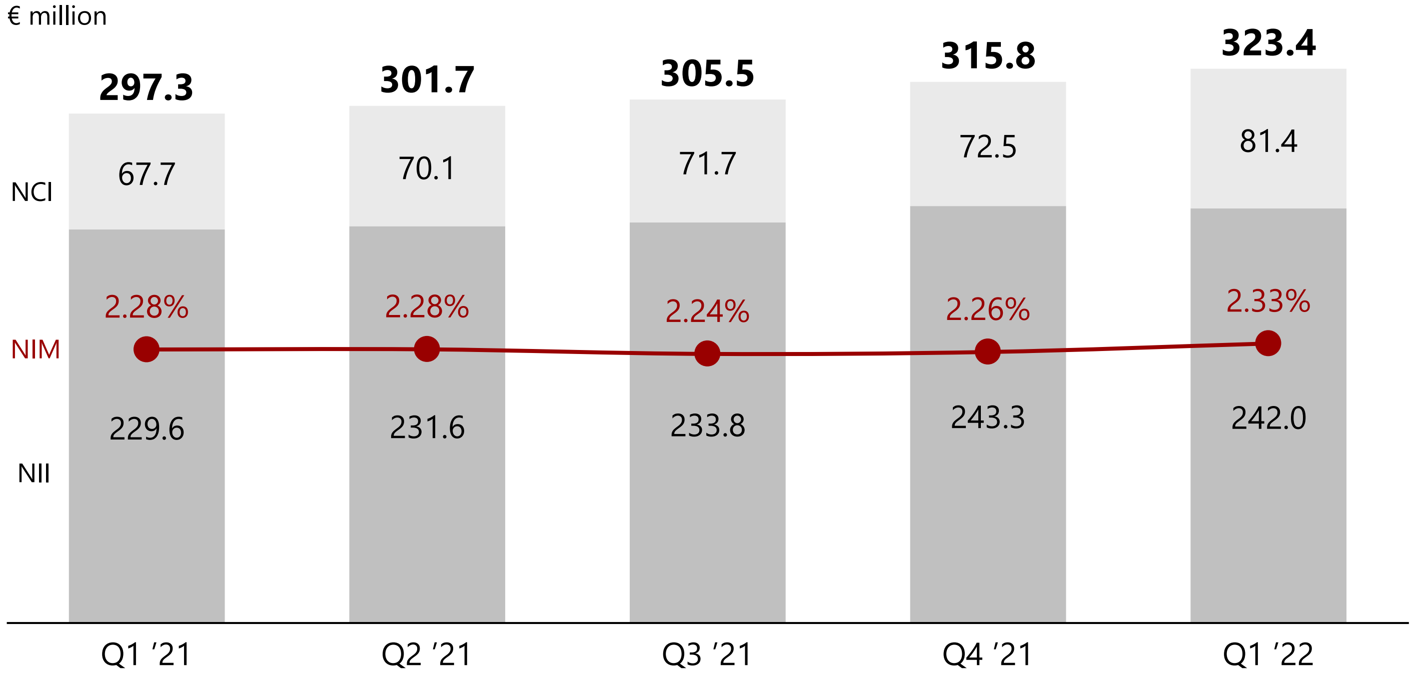
Average interest-bearing assets down 1% vPQ … Risk weighted assets up 2% vPQ

Covered bond issuances: €500m in Q1 ’22 and €750m in April ’22

Tangible Common Equity +1% vPQ and CET1 ratio at 14.7% (-30bps net; +55bps gross) post deduction of €61m dividend accrual for Q1 ’22

P&L details – core revenues

Increasing core revenues in Q1 '22



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

32.5	32.5	33.7	35.0	35.0
40.8	40.7	41.3	42.6	42.1

Net interest income (NII) down 1% vPQ … net interest margin (NIM) at 2.33% in Q1 '22

- Stable asset development in Q1 '22 … average customer loans flat vPQ and average interest-bearing assets down 1% vPQ
- NII decrease vPQ related to daycount in Q1
- Normalized net interest margin at around ~230bps
- Interest rate sensitivity: 100bps increase in 3-month Euribor leads to approximately +€100 million net interest income p.a.

Net commission income (NCI) up 12% vPQ

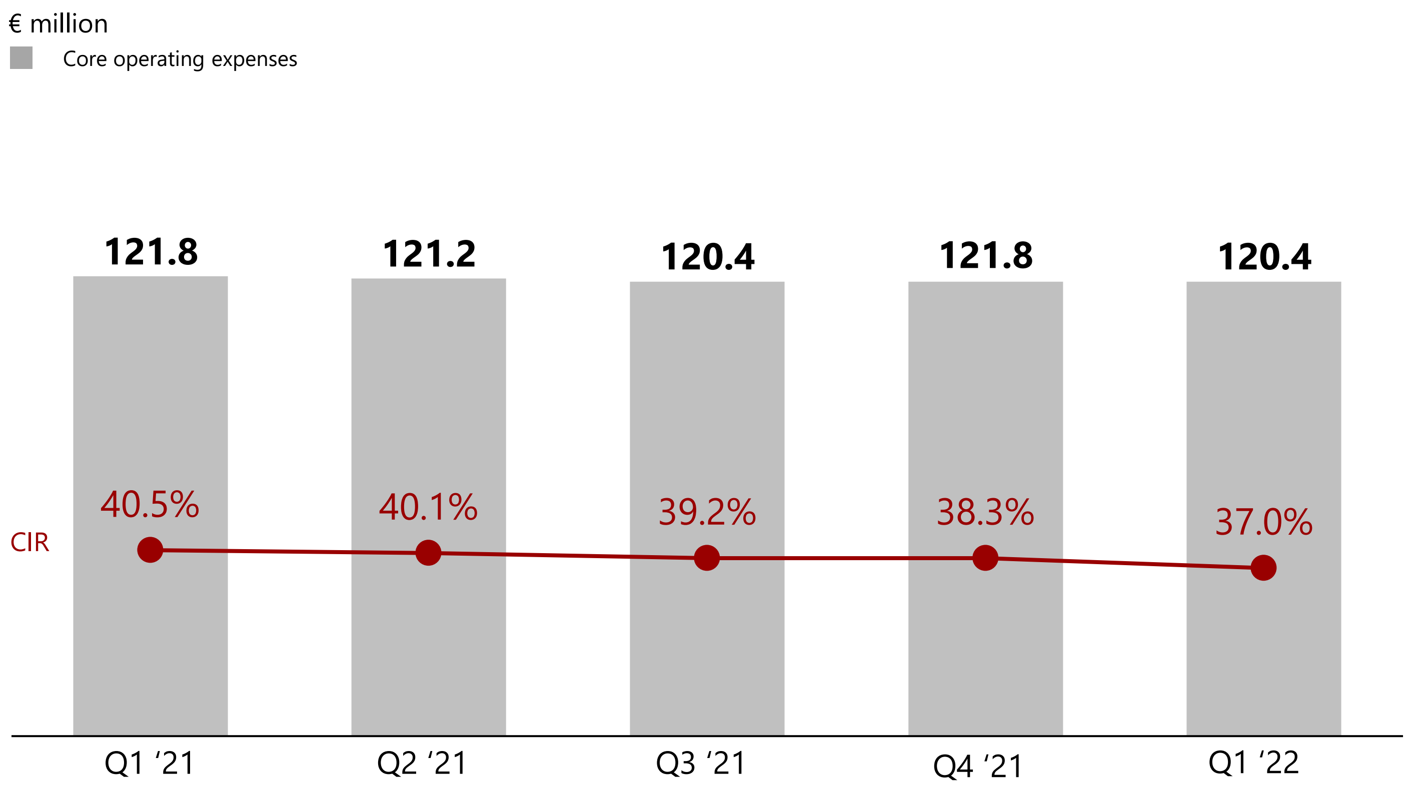
- Strong advisory business (securities and insurance) and full impact of Hello bank! acquisition (completed in December '21)

Outlook for 2022

- Expect core revenues growing >4% in 2022

P&L details – operating expenses

Continued efficiency measures countering inflationary pressures



CIR at 37.0% in Q1 '22 down (3.5pts) vPY and (1.8pts) vPQ

- Significant inflationary pressure offset by several operational initiatives launched over the past two years
- Focused on absolute cost-out target (despite inflationary headwinds)
- Adapting to post COVID-19 world … multiple initiatives focused on greater scale, greater digital engagement, and continued rollout of simplification roadmap across the Group

Outlook for 2022

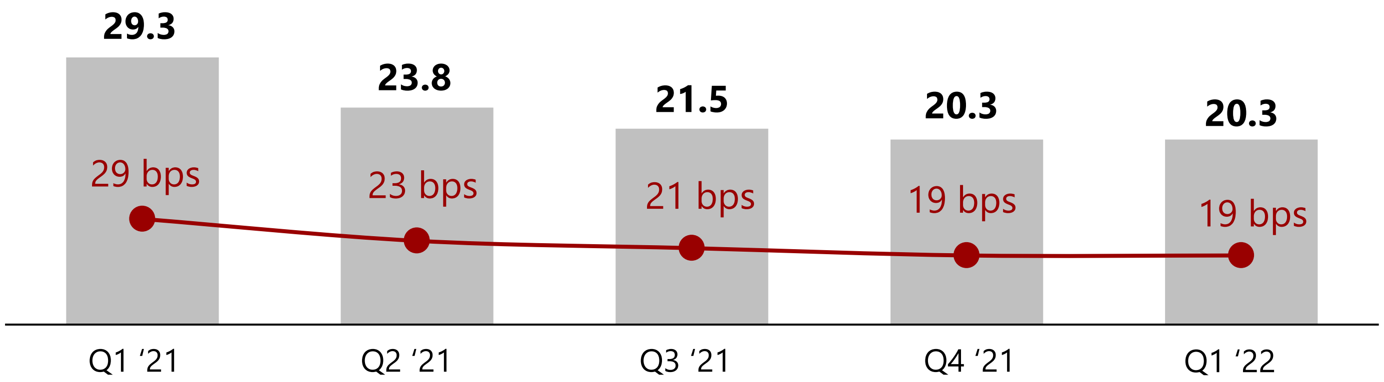
- Targeting ~2% net cost-out with a CIR of <38% in 2022

P&L details – risk costs

Entering normalized risk environment while closely monitoring macro environment

€ million

Risk costs / average interest-bearing assets



ECL Management overlay (in €m)

Q1 ‘21	Q2 ‘21	Q3 ‘21	Q4 ‘21	Q1 ‘22
52	70	72	61	64

NPL ratio (excluding CoL and including CoL)

Q1 ‘21	Q2 ‘21	Q3 ‘21	Q4 ‘21	Q1 ‘22
1.1%	1.1%	1.1%	1.0%	1.1%
1.5%	1.5%	1.5%	1.4%	1.5%

Q1 ‘22 risk costs €20m and 19bps risk cost ratio

– Ongoing strong asset quality performance … more normalized risk cost environment in Q1 ’22

– Risk cost run-rate in Retail & SME ~€14m

– ECL management overlay stands at €64m in Q1 ’22

Maintain safe & secure balance sheet

– Focused on developed and mature markets … 73% DACH/NL region and 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; however, remain cautious and prudent

<u>Outlook for 2022</u>

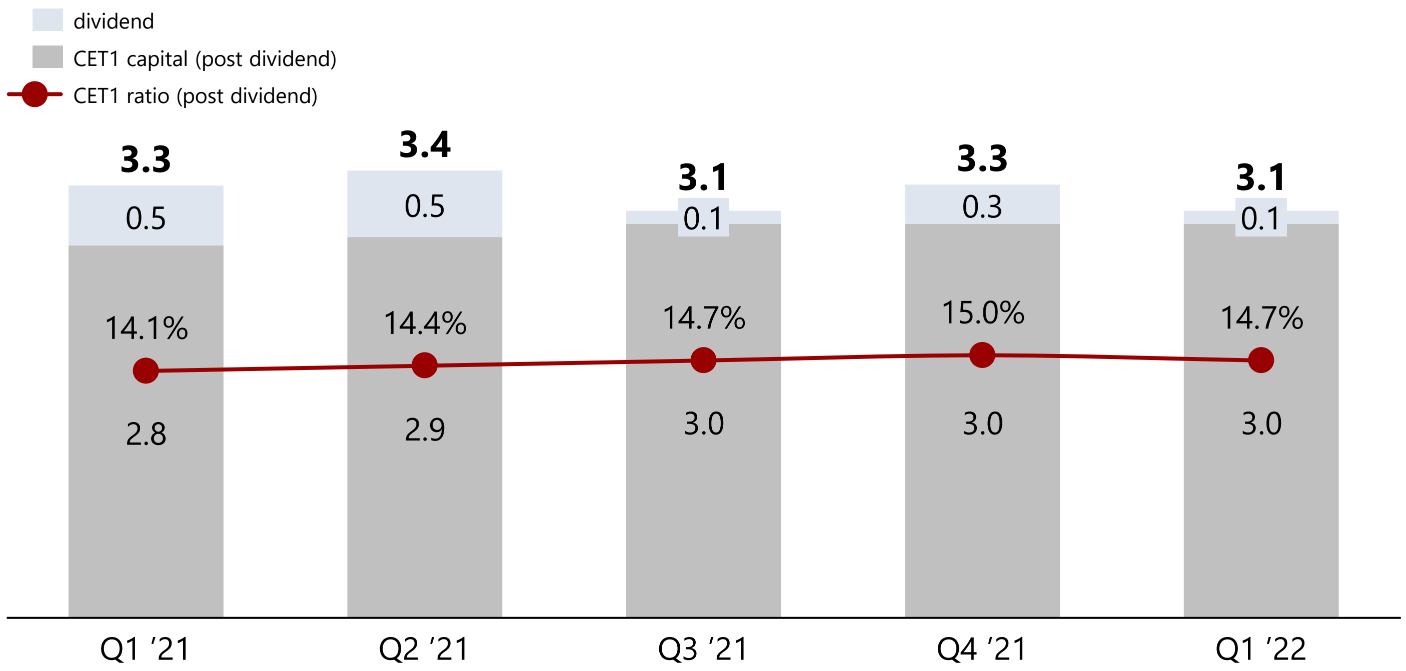
Expect risk cost ratio ~20bps in 2022 without benefit of any reserve releases … maintaining management overlay given overall environment

Regulatory Capital

Strong capital position

CET1 Capital and ratios

€ billion



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

20.1	20.1	20.3	20.1	20.5
16.5%	16.8%	17.0%	17.3%	16.9%
19.8%	20.0%	20.2%	20.4%	20.0%
6.1%	6.1%	6.2%	6.0%	6.2%

Note: All ratios post dividend accrual.

Capital distribution plans:

- 2021 dividend of €267m decided by Annual General Meeting on 28 March 2022 … paid out early April 2022
- €61m dividends accrued for Q1 '22 based on new dividend policy of 55% payout ratio of net income
- Targeting share buyback of €425m in 2022 in two tranches, subject to regulatory approvals … regulatory application filed for €325m and €100m planned to be filed for regulatory approval in H2 2022

Capital development:

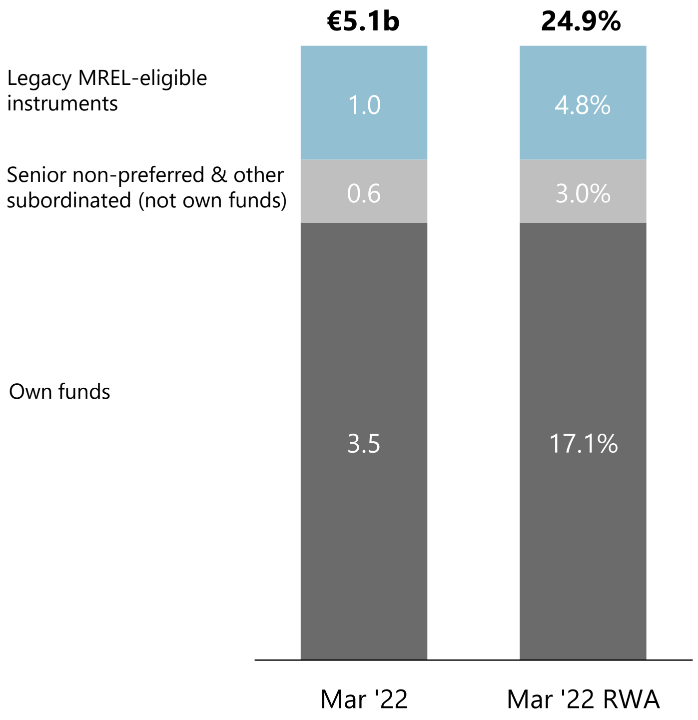
- Q1 '22 Tier1 capital ratio 16.9% and Total Capital ratio 20.0%
- Capital requirement of 9.14% … P2G of 0.75%
- Target CET1 ratio of 12.25% is 311bps above MDA trigger of 9.14%

Other:

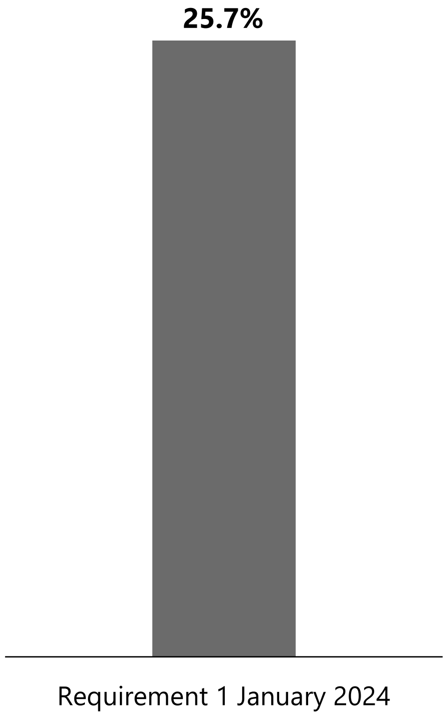
- City of Linz receivable fully provisioned through prudential filter in 2020 with no impact on capital distribution plans in worst-case scenario

MREL

MREL INSTRUMENTS



MREL REQUIREMENT



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% already met

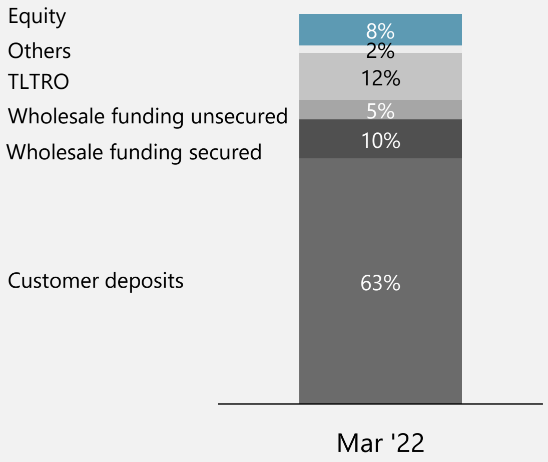
Our MREL issuance plans:

- €500m SNP successfully issued in August 2019
- Additional €0.5b-1.0b senior instruments planned for 2022 to replace maturities, meet MREL requirement and build buffer

Funding & Liquidity

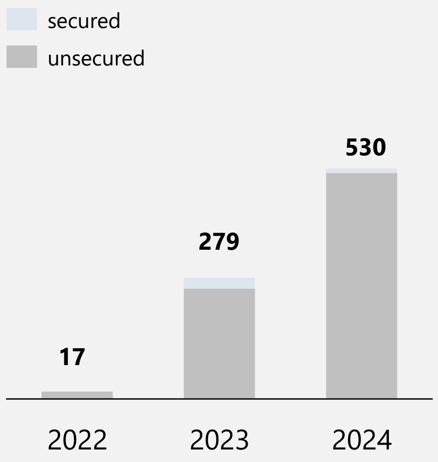
FUNDING

STRONG CUSTOMER DEPOSIT FUNDING …



… COMFORTABLE MATURITY PROFILE*

€ millions notional



… AND SOLID MARKET ACCESS

Q1’19: €400m 10NC5 T2
Q2’19: €500m 15y Cov.Bond
Q3’19: €500m 8y SNP
Q4’19: €500m 10y Cov.Bond
Q1’20: €500m 8y Cov.Bond
Q3’20: €175m PerpNC5 AT1
Q3’20: €200m 10NC5 T2
Q3’20: €750m 10y Cov.Bond
Q4’20: €500m 15y Cov.Bond
Q1’21: €500m 20y Cov.Bond
Q2’21: €500m 10y Cov.Bond
Q3’21: €500m 8y Green Cov.Bond
Q1’22: €500m 10y Cov.Bond
Q2’22: €750m 6.3y Cov.Bond

- Covered bonds important capital market funding source … €4.5b executed since 2020 … 11 benchmark bonds outstanding with up to €750m issue size and maturities up to 2041
- Increasing senior issuance planned for 2022 … ~€0.5b-1.0b senior instruments to replace maturities, meet MREL requirement and build buffer
- Inaugural Green benchmark bond issuance in 2021 … at least one Green bond benchmark per year planned
- Participated in TLTRO III up to full capacity of €6.4b

* Maturity profile considers earliest possible redemption dates (eg first call date for callable bonds)

LIQUIDITY

Liquidity coverage ratio

192%

Liquidity buffer

€10.7b

Liquidity buffer Including other marketable securities

€13.6b

2022 Outlook

Reconfirmed despite changed geopolitical environment

P&L OVERVIEW

Core revenues FY '21: €1,220m	**>4% growth**
Operating expenses: FY '21: €485m	**~2% net cost-out**
Regulatory charges FY '21: €52m	**<€50m expected**
Risk costs FY '21: €95m	**~20bps**
Profit before tax FY '21: €600m	**>€675m**

RETURN TARGETS

RoTCE FY '21: 16.1%	**>17%**
CIR FY '21: 39.5%	**<38%**

OUTLOOK ASSUMPTIONS

No rate hikes assumed ... 100bps increase in 3-month Euribor leads to approximately **+€100 million net interest income p.a.**

Note: Financial and return targets are excluding any outcome of the City of Linz case. Dividend payout will be based on net profit excluding a City of Linz case impact.

Supplemental pages

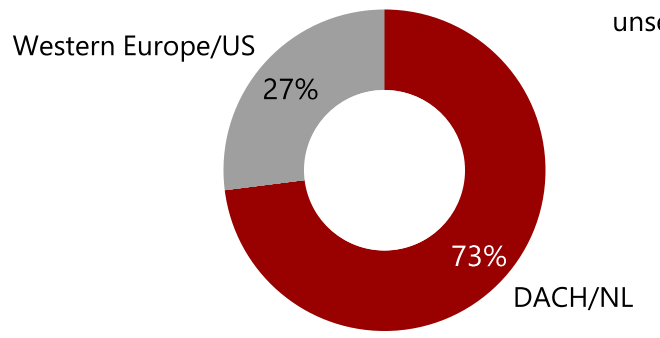
Current environment

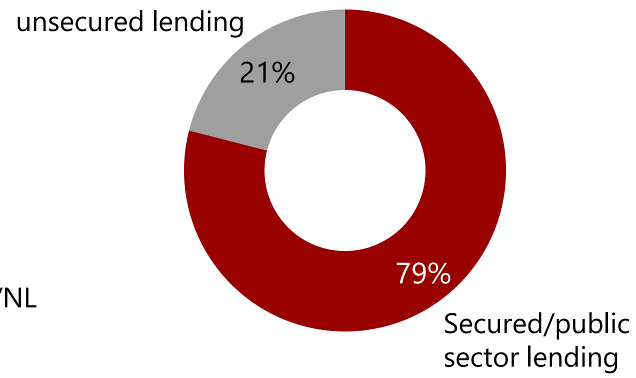
BAWAG'S BUSINESS PRINCIPLES

1 Focus on mature, developed and stable markets (Austria, Germany, Switzerland, Netherlands (DACH/NL), Western Europe and USA

2 Focus on secured and public sector lending

3 Focus on risk-adjusted returns, conservative underwriting, and proactive risk management





BAWAG'S EXPOSURE

- No direct exposure to Russia, Ukraine or Belarus reflecting our strategic focus towards DACH/NL region, Western Europe and United States
- No trade finance business, no exposure to commodity trading or related derivatives, and no capital markets activities
- De minimis exposure to corporates with significant Russia / Ukraine revenues, production or supply
- Low exposure (<1%) to energy intensive industries

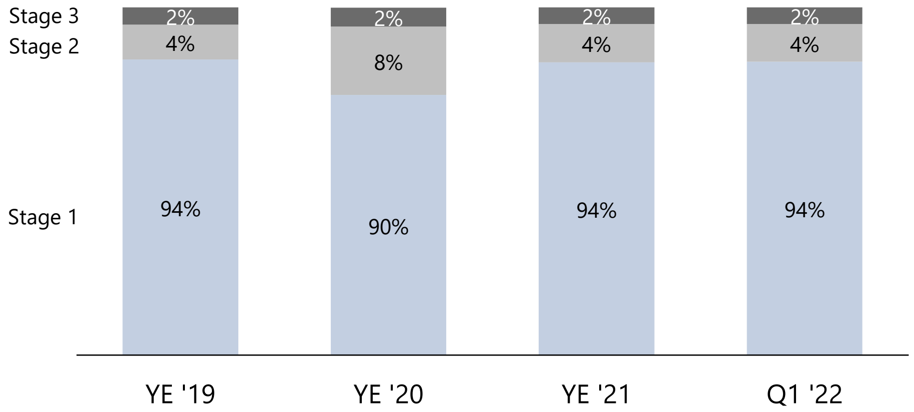
› Maintaining ECL management overlay of €64m … most severe updated GDP scenario would be sufficiently covered

› Consumer balance sheets remain healthy, spending trends continue to improve … proactively monitoring inflationary / growth impacts

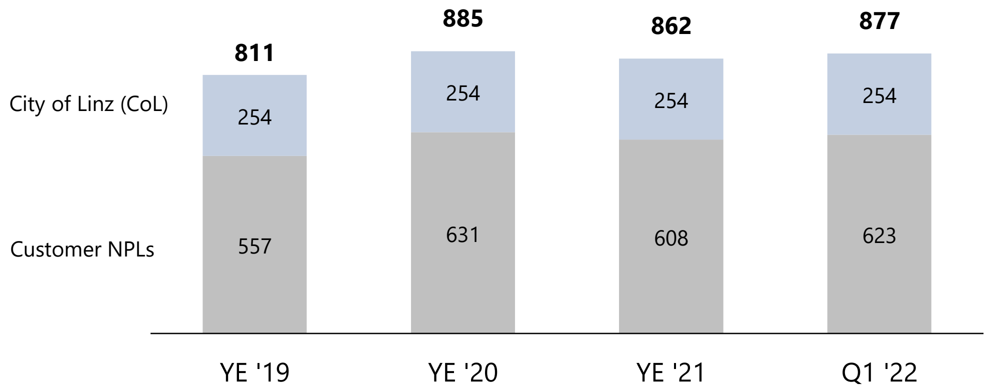
Details on reserves

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	Q1 '22
NPL ratio excl. CoL (%)	1.1%	1.1%	1.0%	1.1%
NPL cash coverage excl. CoL	37%	46%	46%	49%
NPL ratio (%)	1.7%	1.5%	1.4%	1.5%

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

€ million	YE '19	YE '20	YE '21	Q1 '22
Stage 1	39	67	37	41
Stage 2	17	64	102	98
Stage 3	205	271	276	294
Total Reserves	**262**	**402**	**415**	**432**
Total Reserve Ratio %	**0.94%**	**1.42%**	**1.34%**	**1.37%**

Key developments

NPL ratio (excluding City of Linz) at 1.1%, cash coverage of 49%

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

Total reserves of €432m (+4% vs. YE '21) … reserve ratio increased 3bps to 1.37% vs. YE '21

Total ECL of €138m, of which €64m comprised of management overlay … closely monitoring overall environment over the coming quarters

City of Linz receivable fully provisioned through prudential filter in 2020 with no impact on capital distribution plans in worst-case scenario

City of Linz overview

- Receivable of €254 million on balance sheet as of 31 March 2022
- Receivable fully provisioned in CET1 through prudential filter in 2020, i.e. no impact on capital regardless of outcome of lawsuit
- Future dividend payments will be based on a net **profit excluding CoL impact** in case of a further write down of the receivable becoming necessary
- Latest update from May '21: BAWAG filed appeal against second instance ruling … final decision of contractual validity being decided by the Austrian Supreme Court
- Decision of Supreme Court is only an interim decision regarding validity of contract … as basis for further litigation on the payment claims each party raised

Scenario Analysis

for potential outcomes of interim decision of Supreme Court

	Valid contract	Invalid contract
Net profit	Receivable remains valued @60%	(€254)m gross receivable, ~(€190)m net impact
Dividend	No impact	No impact[1)]
CET1 Capital	Up to +60bps increase of CET1 ratio	No impact

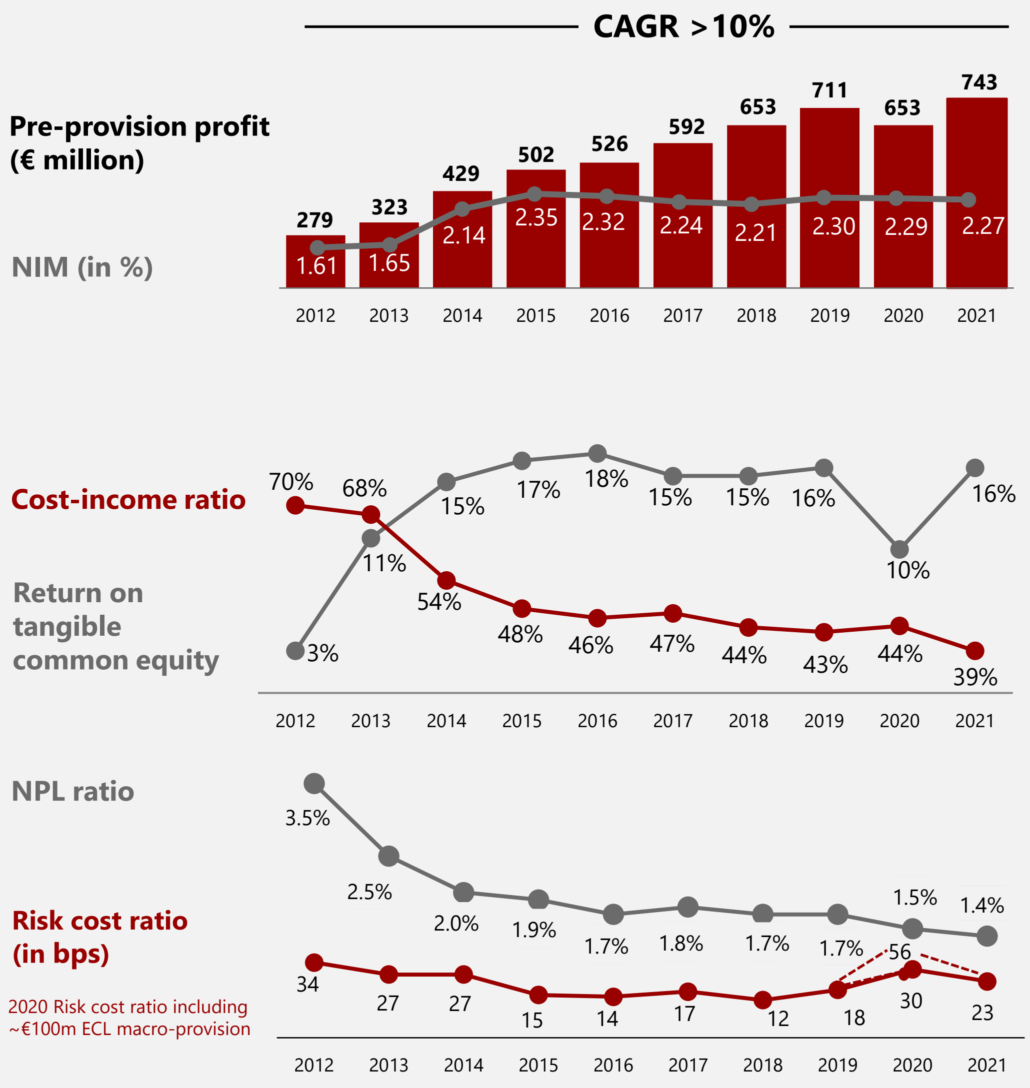
- Next step litigation on claims each party raised (i.e. damages in case of BAWAG)

1) Dividend payout will be based on net profit excluding a City of Linz case impact.

BAWAG transformation over the past decade

PRINCIPLES OF OUR TRANSFORMATION

- **FIRM 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



The BAWAG culture

Leadership & Embracing Change

- Actions speak louder than words
- We value integrity, character and work ethic
- Experienced Senior Leadership Team (SLT) that effectuated our transformation over the past decade … 79 members

SLT has on average ~13 years
working experience at BAWAG

Accountability, Meritocracy & Inclusion

- Our greatest asset is our human capital
- Investing in developing and empowering our people
- Assessments are merit and character based

~55% female hires
over the last 5 years

47 different nationalities
working together at BAWAG

OUR FOUNDATION

Simple & Flat Organization

- Simplification and continuous improvement mindset
- 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

3.3% shares owned by
Senior Leadership Team (2.9% Management Board)

Strategy focused on execution and continuous improvement

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 geopolitical 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, processes, and technology

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 markets

ESG UNDERPINS OUR STRATEGY DRIVING RESPONSIBLE, SUSTAINABLE AND PROFITABLE GROWTH

M&A … Strategic Optionality

M&A History since 2015

- ✓ 11 acquisitions closed
- ✓ One acquisition in US signed early 2022
- ✓ Acquisitions in following markets: Austria, Germany, Switzerland, Ireland, USA
- ✓ Added core retail products: leasing, factoring, credit cards, online brokerage

Transformed businesses from RoTCE of ~3% to >15%+

M&A Targets & Underwriting criteria

Markets

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

Customer franchise

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

Efficiency

- Operational turn-around
- Run-off/wind-down businesses benefiting from our operational capabilities and BAWAG Group Advisory Platform

Financials

- Underwrite to RoTCE >17%
- Solid balance sheet … no credit or compliance issues
- Pre-funded restructuring … underwrite deals to ensure P&L accretive day1

Platforms

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

Deal Size

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

M&A track record .. 11 acquisitions completed since 2015

EXPERIENCED WITH BOLT-ON ACQUISITIONS TO BUILD OUT CUSTOMER FRANCHISE

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

Signed deal to acquire DEPFA bank plc
WIND-DOWN opportunity

Hello bank! Austria

Signed deal to acquire Hello bank!
80K customers
RETAIL BROKERAGE BUSINESS

2022

PEAK BANCORP INC

Signed deal to acquire Peak Bancorp, holding company of Idaho First Bank in Feb 2022; Expected regulatory approval process up to one year

10K customers
COMMUNITY BANK

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

2025 Targets and opportunities

FINANCIAL TARGETS

Profit before tax (PBT)	**>€750 million**
Earnings per share (EPS)	**>€7.25**
Dividend per share (DPS)	**>€4.00**
Return on tangible common equity (RoTCE)	**>17%**
Cost-income ratio (CIR)	**<38%**

OPPORTUNITIES NOT CAPTURED IN OUR TARGETS

No rate hikes assumed … 100bps increase in 3-month Euribor leads to approximately **+€100 million net interest income p.a.**

No additional M&A or platform investments assumed … Planned acquisition of Peak Bancorp (Idaho) in US to contribute >**€30m PBT and incremental to our 2025 PBT target**

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

Targets & capital distribution

RETURN TARGETS

RoTCE	**>17%**
CIR	**<38%**

FINANCIAL TARGETS 2025

Profit before tax	**>€750 million**
Earnings per share	**> €7.25**
Dividend per share	**> €4.00**

ESG TARGETS 2025

CO2 emission (own scope 1 & 2 vs. 2020)	**>50% reduction**
Women quota (Supervisory Board & Senior Leadership Team respectively)	**33%**
Green lending new business	**>€1.6 billion**

CAPITAL DISTRIBUTION

2021- 2025

Dividends	**~€1.4 billion**
Share buyback 2022 (2 tranches)	**target €425 million** subject to regulatory approval
Additional capital through 2025 For organic growth, M&A, minority, platform investments, share buybacks and/or special dividends	**~€0.8 billion**

* in 2 tranches

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Definitions

B/S leverage
Total assets / IFRS equity

Book value per share
Common equity (excluding AT1 capital and dividends) / number of shares outstanding

Common Equity Tier 1 capital (CET1)
Including interim profit and deducts earmarked dividends

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

Dividend per share (DPS)
Net profit / shares outstanding as of 18 February 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 and dividend accruals) / 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

Return on tangible common equity (RoTCE)
Net profit / average IFRS tangible common equity and deducted dividend accruals

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

Tangible book value / share
IFRS tangible equity (excluding AT1 capital, deducted dividend accruals) / 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

CO2 emissions
CO2 emissions based on market based approach