

Annual General Meeting 2021

27 August 2021

Highlights 2020

FINANCIALS

€3.19
EPS

(32%)
vPY

€284m
Net profit

(38%)
vPY

10.2%
RoTCE

(5.9pts)
vPY

44.3%
CIR

+1.6pts
vPY

CAPITAL

- > CET1 ratio of 14.0% at year-end 2020 post-dividend accrual
- > **€460 million dividends earmarked for 2019/2020 profits ...** €40 million down payment in Q1 '21, in line with ECB recommendation from December '20
- > CET1 ratio target set at 12.25% following acceleration of regulatory measures (P2R)

STRATEGY

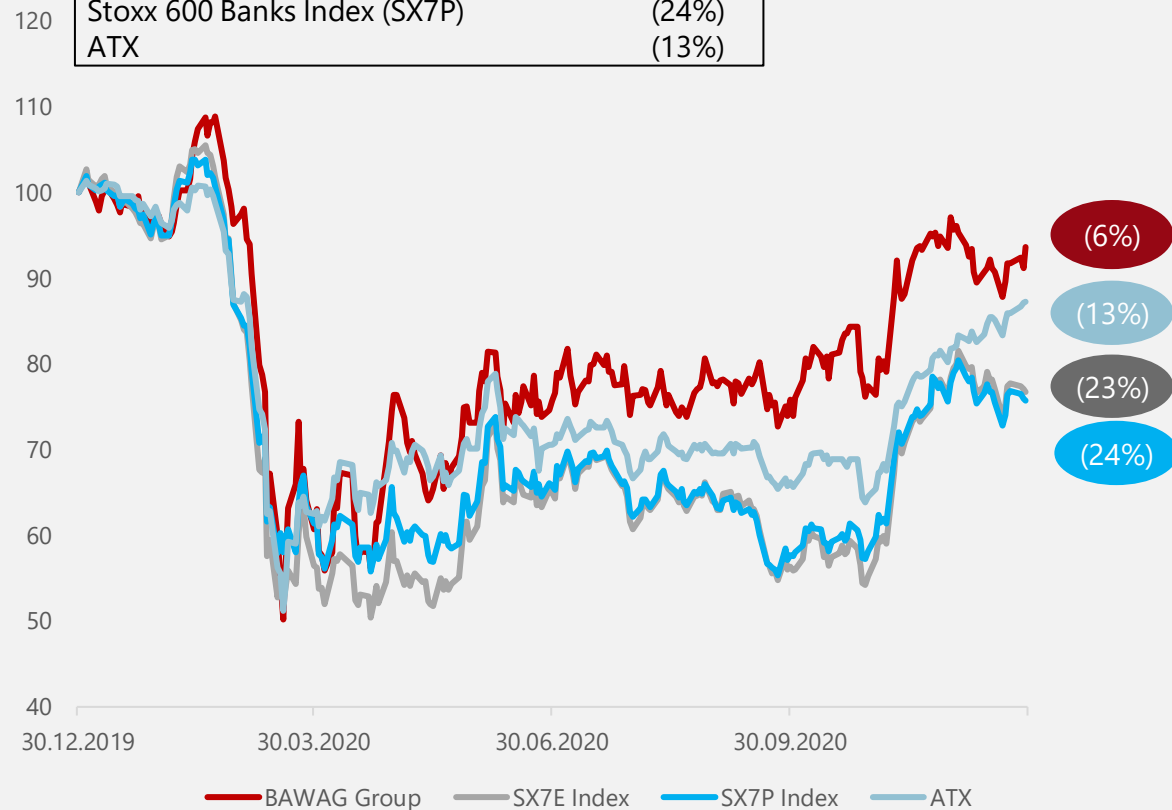
- > **Simplification of our organizational structures:**
 - full integration of easybank AG into BAWAG P.S.K. in 2020
 - integration of Südwestbank AG into BAWAG P.S.K. completed in Q1 '21
- > Continued growth in our core markets (DACH/NL region)
- > Continue to develop towards a **Retail & SME franchise** ... target 80% profit contribution

Share price development

Indexed

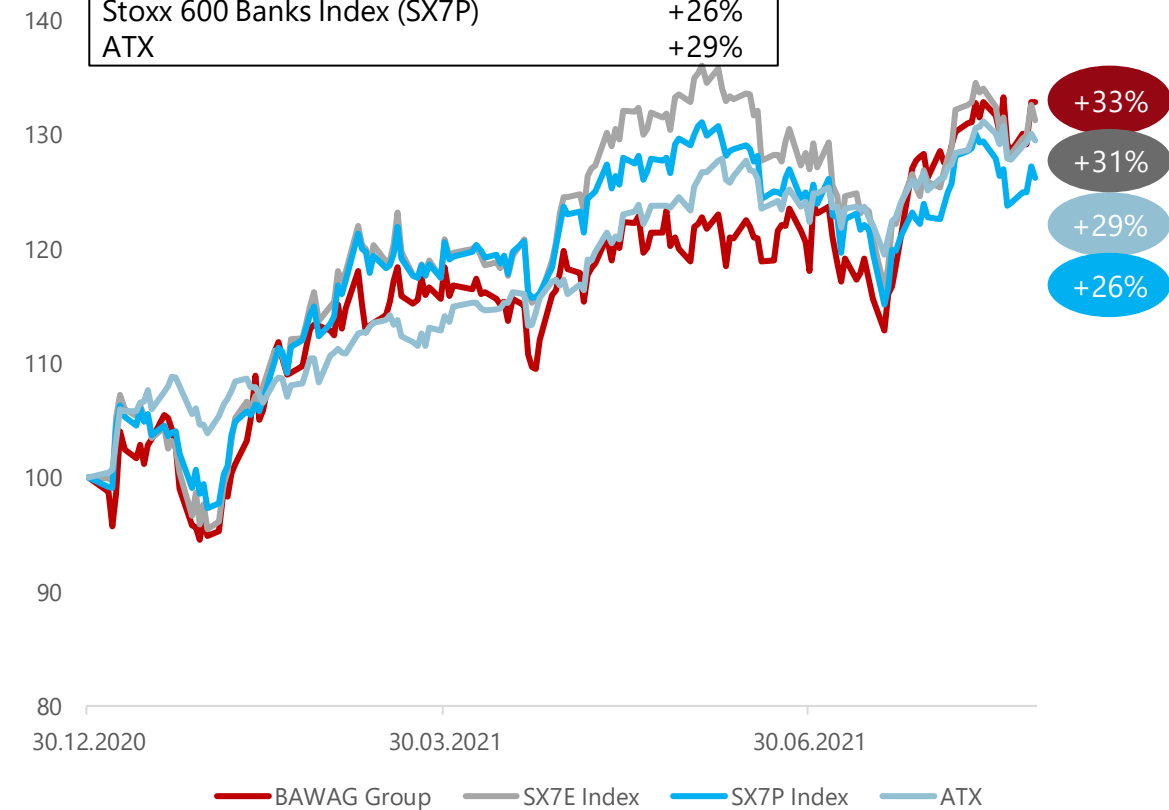
2020 performance

BAWAG Group	(6%)
EuroStoxx Banks Index (SX7E)	(23%)
Stoxx 600 Banks Index (SX7P)	(24%)
ATX	(13%)



2021 YTD performance

BAWAG Group	+33%
EuroStoxx Banks Index (SX7E)	+31%
Stoxx 600 Banks Index (SX7P)	+26%
ATX	+29%



10% RoTCE during a pandemic

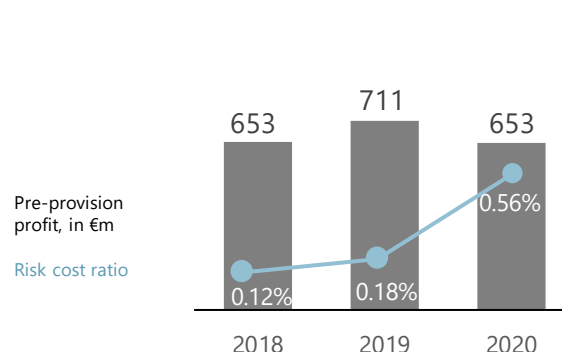
Solid operating performance a result of having transformed our business over the years

Strong pre-provision profit

enabled us to

- > absorb real stress scenario
- > be prudent in provisioning
- > while generating ~10% RoTCE

SOLID PRE-PROVISION PROFIT & PRUDENT PROVISIONING



BUSINESS MODEL WITH FOCUS ON DEVELOPED MARKETS & SECURED LENDING

As of FY 2020

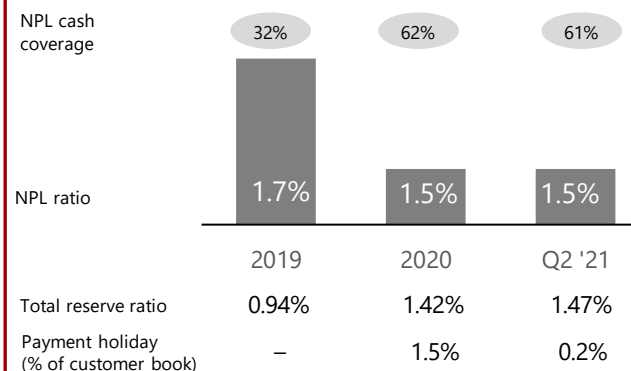
~79%

Secured or public sector lending

~75%

Lending in DACH/NL

STRONG ASSET QUALITY



QUICK ADAPTION TO NEW ENVIRONMENT

- > Completely switched to home office for central functions and support teams during the pandemic
- > 100% of our branches remained open throughout the pandemic to ensure full service for our customers
- > New online functionalities developed to address new requirements during pandemic, e.g. payment holiday request

Strategy remained unchanged

Generated ~10% RoTCE during a severe economic downturn in 2020

**Growing in our
core markets**

**Drive efficiency through
operational excellence**

2021 Targets:

RoTCE **~15%**

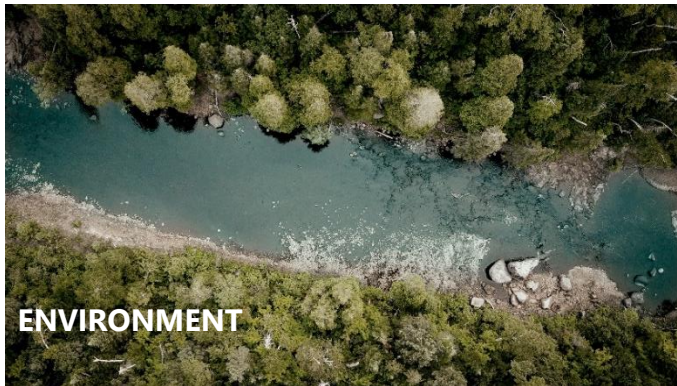
CIR **~40%**

**Focus on
Customer Centricity**

**Maintaining a safe and
secure risk profile**

Further embedding ESG into our strategy

Progress during 2020 – 2021 in our ESG initiatives



- Reducing own scope 1 and scope 2 CO2 emissions mid-term ... switch to 100% green electricity mid-term ... already at 97% as of YE '20
- Lending/exclusion criteria for specific industries introduced in Q1 '21 ... low or no volumes in customer book for prohibited sectors already today
- Issued €500m green covered bond in August '21



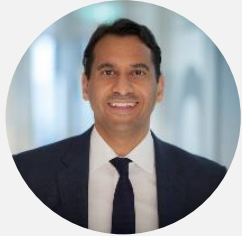
- **Women target quota** introduced in Q1 '21: 33% in Supervisory Board and 33% in senior leadership team (including Managing Board) until 2027
- Enhanced support of our communities and customers during the pandemic, e.g. with offering special services for risk group
- Enhanced training programs for employees, adjusting to new working environment with integrated home-office
- Recognition of our employees' engagement during pandemic with special bonus



- Continuously integrated ESG into our governance framework ... now integrated across the bank and hierarchies
- Newly formed ESG committee at the Supervisory Board level since Q3 '21
- Establishing a clear governance to address climate risks ... addressing supervisory expectations and regulations
- Ongoing enhancement of disclosure

New Management Board Member

Effective since 1 July 2021



Anas Abuzaakouk
Chief Executive Officer



David O'Leary
Chief Risk Officer



Enver Sirucic
Deputy Chief Executive Officer
& Chief Financial Officer



Andrew Wise
Chief Investment Officer &
Head of Non-Retail Lending



Sat Shah
Deputy Chief Executive Officer &
Head of Retail & SME



Guido Jestädt
Chief Administrative Officer

- Newly created role of Chief Administrative Officer for all legal, compliance, and regulatory affairs across the group
- Guido Jestädt has worked with BAWAG for approximately 10 years

New Supervisory Board Set-up

For (re-)election

Shareholder representatives



Egbert Fleischer
Chairman



Frederick Haddad
Chairman of the Risk &
Credit committee



Kim Fennebresque
Deputy Chairman



Gerrit Schneider
nominated for election



Adam Rosmarin
Chairman of Audit &
Compliance Committee



Tamara Kapeller
nominated for election

- Expanding the Supervisory Board by two new nominees for election
- If the required majority is present for all proposed resolutions, Supervisory Board will be composed of 6 shareholder representatives plus 3 delegates from works' council
- Additional Committee for ESG matters set up on Supervisory Board level

Agenda

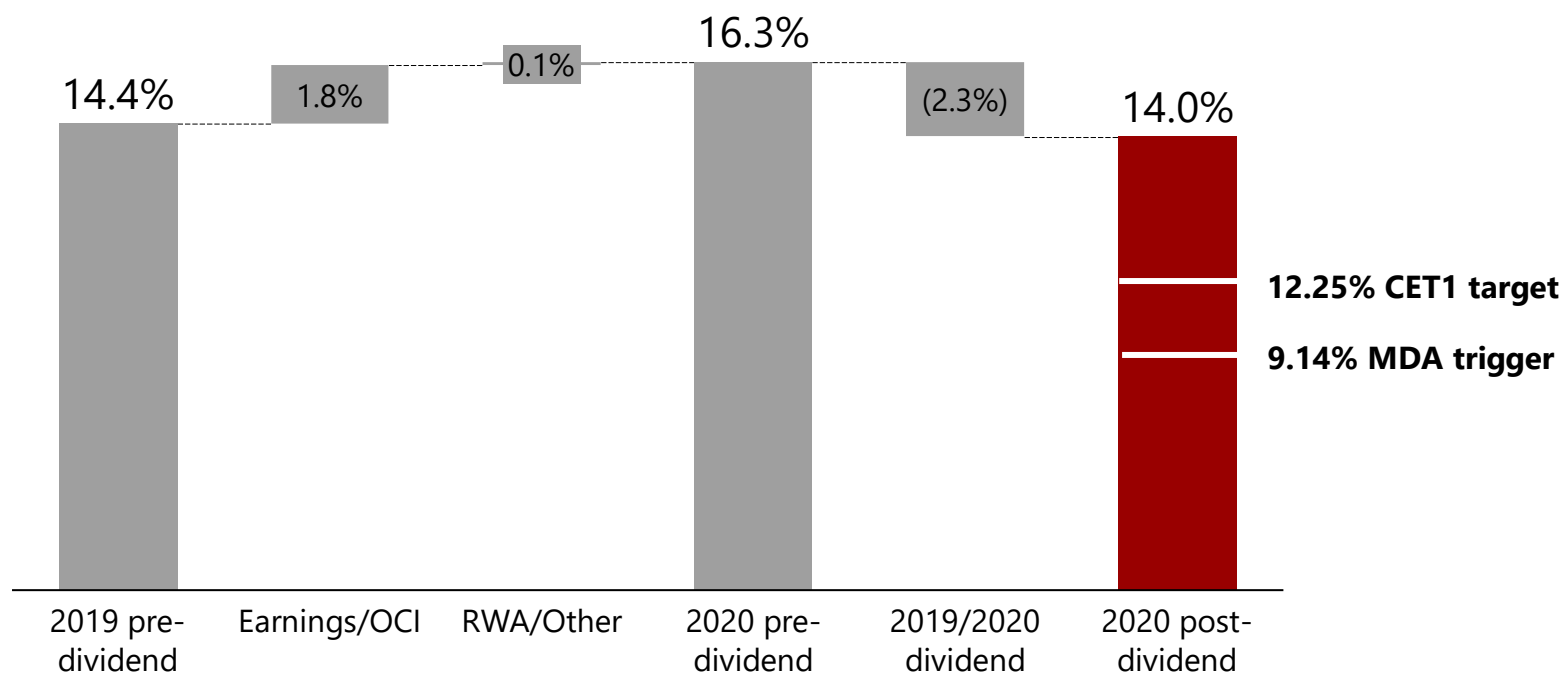
01 HIGHLIGHTS & COVID-19 UPDATE

02 CAPITAL DISTRIBUTION

03 FINANCIAL DEVELOPMENTS 2019 & 2020

Capital generation 2020

Highly capital accretive business model despite pandemic



~180bps

(FY'20 gross capital generation through earnings)

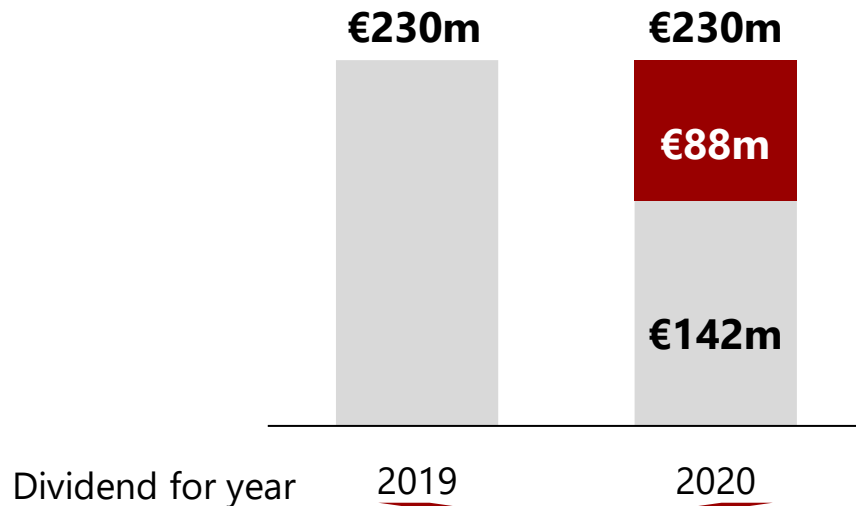
€175m AT1 and €200m Tier2 issued during Q3 '20 to fill AT1 & T2 buckets following the change in composition of P2R requirement

Regulatory capital requirement reduced to 9.14% + 1% P2G during 2020

"City of Linz" worst case scenario fully addressed thru prudential filter; net impact of (~60bps) to CET1 ratio in 2020

Capital distribution for 2019/2020 dividends

Capital distribution for 2019/2020 in 2021



**€460m payout / €5.17 DPS
for 2019/2020**

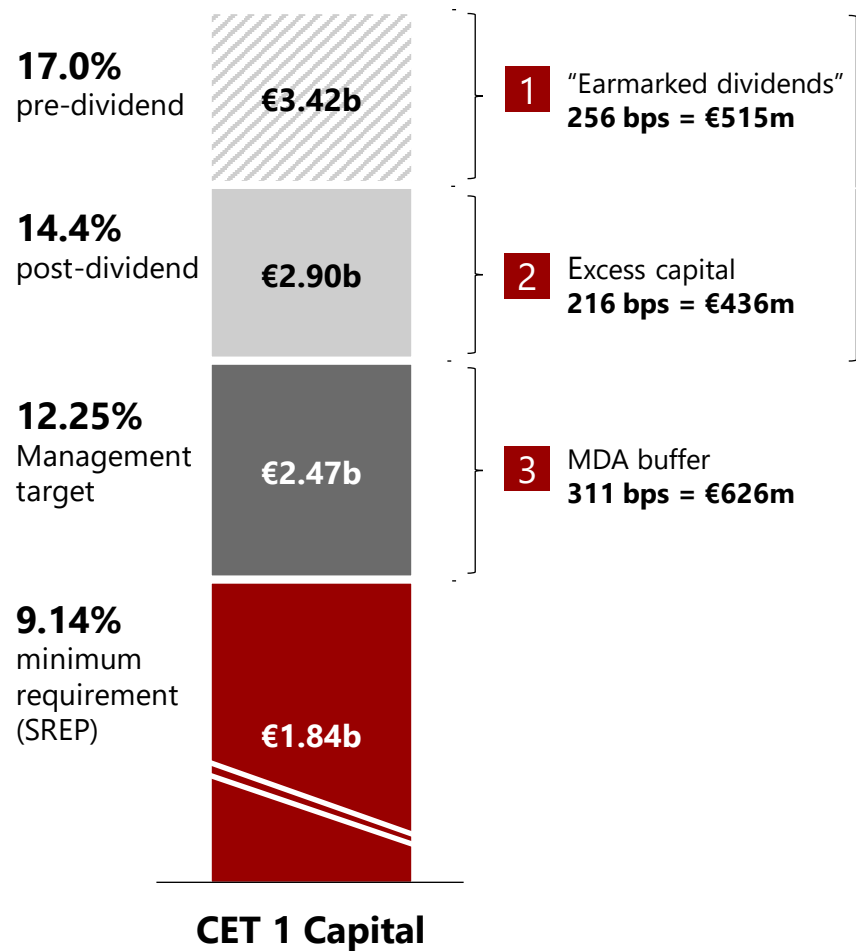
Payment	Payout	Dividend per share
12 March '21	€40m	€0.45
8 October '21	€420m	€4.72

Background

- > Dividend policy of **50% payout ratio**
- > **€88m special dividend proposed for 2020 as appreciation for shareholders' patience during pandemic**
- > Paid €40m dividend in Q1 '21 in line with recommendation of ECB from December '20
- > €420m remaining dividend for 2019/2020 profits proposed to Annual General Meeting following lift of dividend ban with payment early October (conditions precedent)

Capital distribution update as of Q2 '21

Consistent average annual capital generation through earnings **+220bps** since 2017











~480 bps = €955m Total Excess capital

- 1** Dividends of **€515m** deducted from CET1 capital ...
 - **€420m** dividends relating to 2019/2020 profits
 - **€95m** dividends accrued for H1 '21 earnings
- 2** In addition **€436m** excess capital versus CET1 target 12.25% ... earmarked for organic growth, M&A and/or share buybacks
- 3** CET1 target 12.25% represents **+311bps** (€626m) buffer to SREP 9.14%

Agenda

- 01 HIGHLIGHTS & COVID-19 UPDATE**
- 02 CAPITAL DISTRIBUTION**
- 03 FINANCIAL DEVELOPMENTS 2020 & 2021**

Major P&L & balance sheet items 2020

Profit before tax	€370m	 (39%)	Total assets	€53b	 +16%
Core revenues	€1,171m	 +1%	Customer loans	€32b	 +5%
Pre-provision profit	€653m	 (8%)	Customer deposits	€32b	 +7%
Provisions	(€225)m	 +224%	Tangible common equity (excl. €460m earmarked dividends)	€2.9b	 +5%

Financial performance 2020

FINANCIALS

P&L € millions	2020	vPY
Core revenues	1.171	1%
Operating income	1.172	(5%)
Operating expenses	(520)	(2%)
Pre-provision profit	653	(8%)
Regulatory charges	(59)	40%
Risk costs	(225)	224%
Profit before tax	370	(39%)
Net profit	284	(38%)

KPI'S

	2020	2019
Cost-income ratio	44.3%	42.7%
RoTCE	10.2%	16.1%
CET1 ratio (post-dividend accruals)	14.0%	13.3%
Earnings per share	€3.19	€4.69

CAPITAL UPDATE

- > €175m AT1 and €200m Tier 2 capital issued in Q3 '20 to fill the buckets following the changes in our P2R composition
- > Consequently, **CET1 ratio target** set at **12.25%**
- > 2019/2020 **dividend of €460m** deducted from 2020 CET1 ratio ... €40m down payment in Q1 '21 and €420m proposed to AGM

Note: EPS before deduction of AT1 coupon; 2020 Earnings per share after deduction of AT1 coupon post-tax: € 3.02

Recent developments - Highlights Q2 2021

EARNINGS

- **Net Profit of €119m in Q2 '21, EPS of €1.34, and RoTCE of 16.3%**
- Pre-provision profit of €181m and CIR at 40.1%
- Risk cost of €24m ... no ECL reserves released

BALANCE SHEET & CAPITAL

- Average customer loans stable vPQ and +3% vPY
- **CET1 ratio (post dividend) of 14.4%, up 40bps vYE**
- Dividend distributions ... will propose €420m dividends (€4.72 per share) to AGM ... accrued €95m H1 '21 dividend
- Additional excess capital of €436m (post-dividend deductions) above 12.25% CET1 target

OUTLOOK

- **Targets for 2021 updated: RoTCE ~15% and CIR ~40%**
- New 4-year-plan thru 2025 will be communicated at our Investor Day on 20 September '21
- €420m dividends (€4.72 per share) will be proposed to AGM
- M&A: Signed deal to acquire Hello bank! Austria; Depfa deal expected to close in H2 '21

Financial performance

Key highlights

P&L € millions	Q2 '21	vPY	vPQ	H1 '21	vPY
Core revenues	302	6%	1%	599	4%
Operating income	303	6%	-	604	4%
Operating expenses	(121)	(3%)	-	(243)	(3%)
Pre-provision profit	181	14%	1%	361	9%
Regulatory charges	(2)	(20%)	(96%)	(56)	45%
Risk costs	(24)	(68%)	(19%)	(53)	(59%)
Profit before tax	156	93%	62%	253	55%
Net profit	119	94%	62%	193	56%

Ratios					
RoCE	13.7%	6.3pts	5.1pts	11.1%	3.7pts
RoTCE	16.3%	7.3pts	6.1pts	13.2%	4.3pts
CIR	40.1%	(3.7pts)	(0.4pts)	40.3%	(2.6pts)
Risk cost ratio	0.23%	(0.51pts)	(0.06pts)	0.26%	(0.40pts)

Balance Sheet & Capital € millions	Q2 '21	Q1 '21	vPQ	vYE
Total assets	54,132	52,970	2%	2%
Interest-bearing assets (average)	40,701	40,824	-	-
Customer loans (average)	32,480	32,494	-	1%
Customer deposits (average)	32,505	31,979	2%	2%
Common Equity	3,504	3,435	2%	2%
Tangible Common Equity	2,966	2,895	2%	3%
CET1 Capital	2,903	2,835	2%	4%
Risk-weighted assets	20,142	20,054	-	-
CET1 Ratio (post dividend)	14.4%	14.1%	0.3pts	0.4pts

Per share data	Q2 '21	vPY	vPQ	H1 '21	vPY
Earnings (€)	1.34	92%	61%	2.17	55%
Book value (€)	39.43	3%	2%	39.43	3%
Tangible book value (€)	33.38	5%	2%	33.38	5%
Shares outstanding (€ m)	88.86	1%	-	88.86	1%

Note: All equity, capital, ratios and per share data reflect deduction of remaining €420m earmarked dividend from 2019/2020 profits as well as €95m dividend accrual for H1 '21

Outlook

2021 outlook

OUTLOOK 2021

Core revenues
FY '20: €1,171m

~2% growth

Other income
FY '20: €1m

€0m expected

Operating expenses:
FY '20: €520m

Below €485m

Regulatory charges
FY '20: €59m

~€60m expected

Risk costs
FY '20: €225m

Below €100m

TARGETS

2021

RoTCE
~15%

CIR
~40%

**New Targets & 4-year Plan through 2025 will
be presented at the Investor Day
on 20 September '21**

Note: Excluding any potential impacts from City of Linz legal ruling

**Investor
Day**
20 September '21



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