BAWAG Group INVESTOR DAY

20 September 2021

Our Agenda

BAWAG Group franchise

FRANCHISE	Multi-brand and multi-channel commercial bank with over **2.3 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) ~40%** driven by simplification, technology and process focus
GOOD STEWARDS OF CAPITAL	Since IPO, completed **5 acquisitions** and **distributed €1.13 billion capital** **New capital distribution policy: Dividend payout from 50% to 55% from 2022 … targeting share buyback in 2022**
MEDIUM TERM 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**

Delivering results since our IPO

Distributed €1.13 billion of capital

€734 million in dividends and €400 million buyback

(AGM approved in August 2021 €420 million dividend to be paid on October 8, 2021)

5 Acquisitions completed & fully integrated

Expanded footprint to new markets

Germany, Switzerland, Netherlands

Completed separation from Austrian Post

Reducing branches by >80% in Austria

Investment in platforms and partnerships

Operating performance and share price development

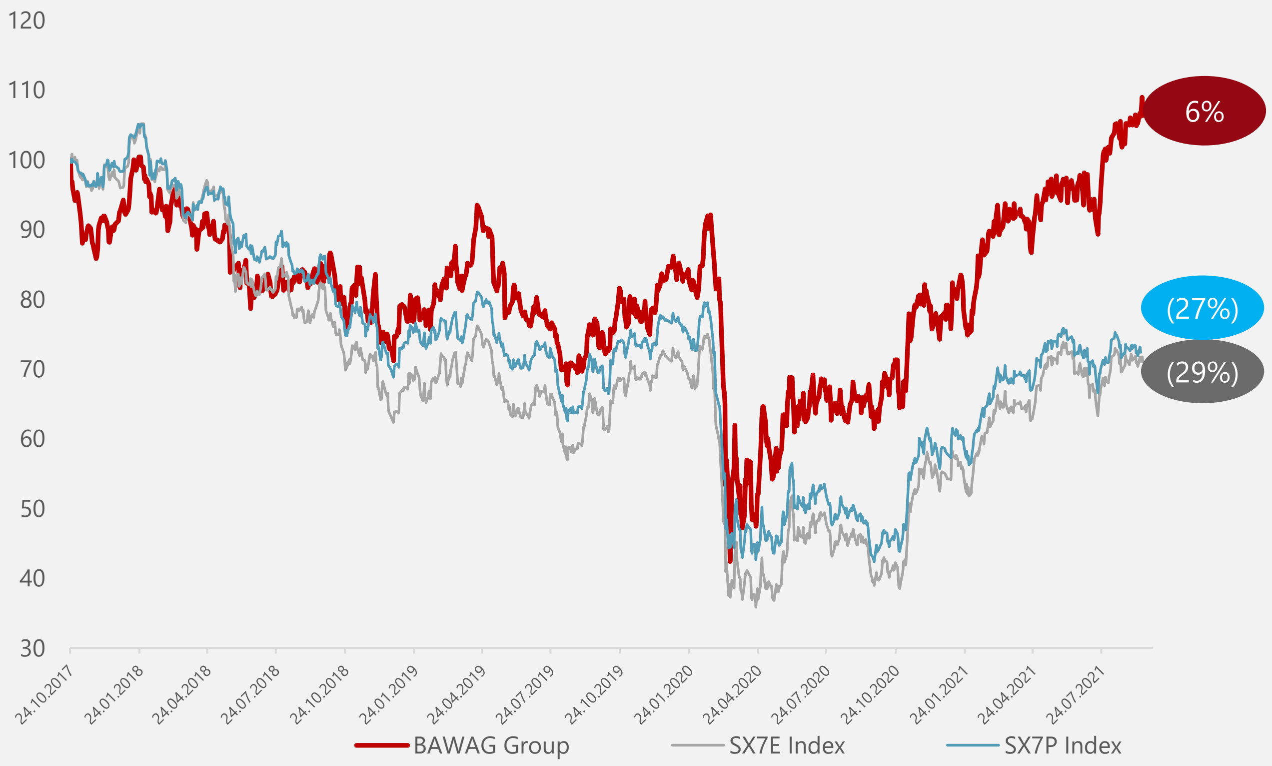
in € million	2017	2018	2019	2020	2021 Forecast
Profit before tax	500	573	604	371	~575
Net income	449	437	459	285	~460
RoTCE	15%	15%	16%	10%	~15%
Dividends (for financial year)	58	215	230*	230	~230
Diluted # of shares outstanding (average, in million)	100.0	99.6	97.9	89.1	89.1
Earnings per share (in €)	4.49	4.38	4.69	3.20	>5.00
Dividends per share (in €, for financial year)	0.58	2.18	2.59*	2.59	~2.60

* Distributed in 2021 due to ECB dividend ban related to the pandemic in 2020

Share price development since IPO

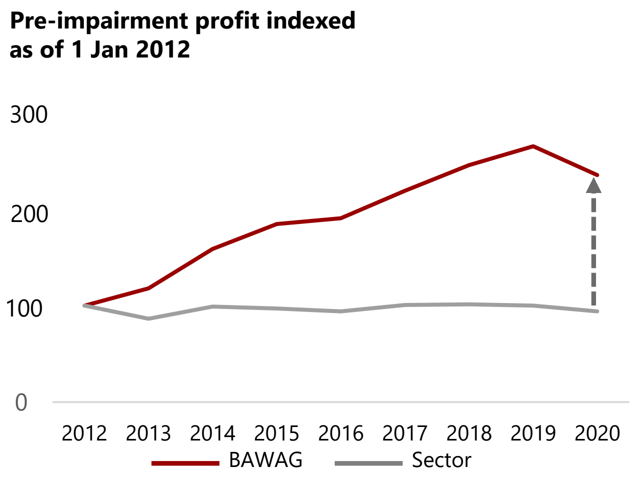
Indexed as of 24 October 2017;
as of 17 September 2021

BAWAG Group	6%
EuroStoxx Banks Index (SX7E)	(29%)
Stoxx 600 Banks Index (SX7P)	(27%)

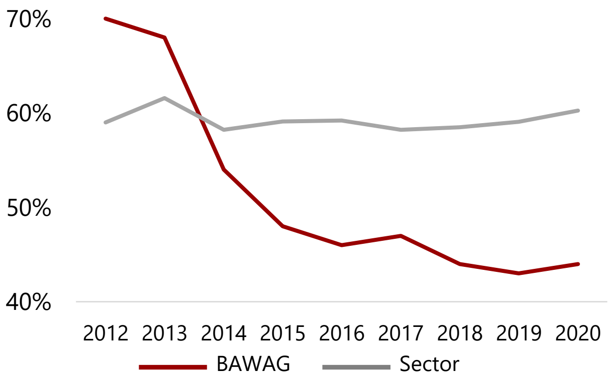


Outperforming the sector over the last decade

2.4x growth of pre-provision profits (PPP)



Significant improvement of cost-income ratio (CIR)



Return on tangible common equity (RoTCE)

Average since 2012

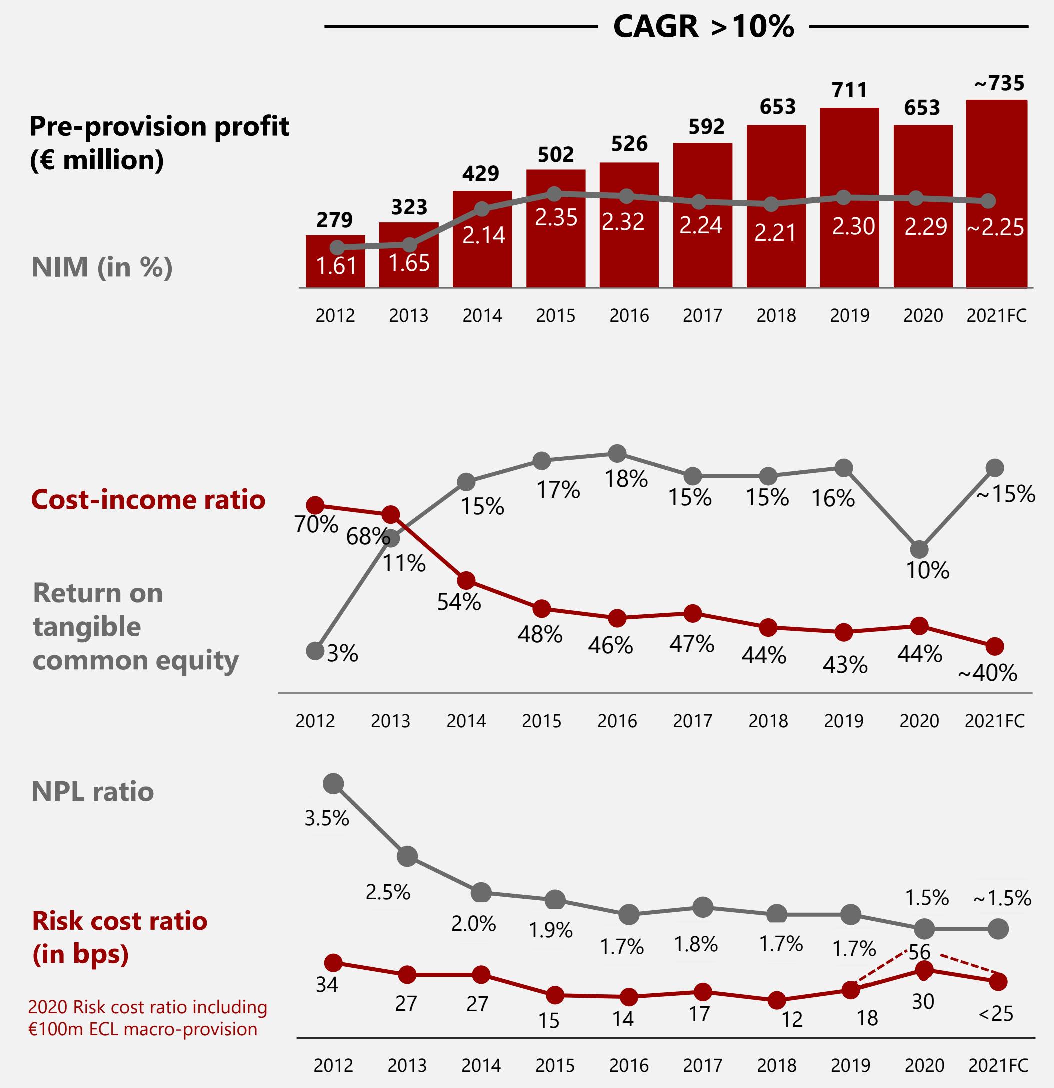
BAWAG Group ~14%

European banking sector ~5%

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

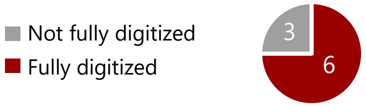
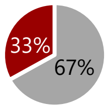
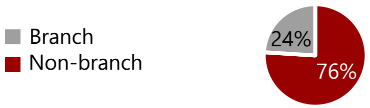


Strategy focused on execution and continuous improvement

1	GROWTH IN CORE MARKETS	**Our focus is on Austria, Germany, Switzerland, Netherlands (DACH/NL region), Western Europe and United States** Criteria for core markets: Fiscal position (single A or better sovereign rating), legal infrastructure, and geopolitical environment Organic growth, M&A, minority investments, and partnerships in core markets
2	CUSTOMER FOCUS	**We believe in 24/7 banking access through multi-channel & multi-brand commercial banking platform** Customer focus defined in terms of values and customer proposition … *"Providing simple, transparent, and affordable financial products and services that our customers need"*
3	DRIVE 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
4	MAINTAINING A 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 unterwriting 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

Growth in core markets & customer focus

	2012	FY 2021 Forecast
Core markets	**1 market**	**7 markets**
Core revenues	**~€0.8 billion**	**~ €1.2 billion**
NIM (basis points)	**161bps**	**~225bps**
Retail & SME core products	**5 products** 	**9 products** 
Origination channels		

Key growth drivers since 2012 …

- Focused on core markets/products and risk-adjusted returns
- Deleveraged B/S from low-yielding/non-core assets and high-cost liabilities
- Enhanced digital engagement, diversified originations thru partnerships & platforms, and executed disciplined M&A (9 bolt-on acquisitions since 2015)
- Physical network focused on high-touch & high-quality advisory services

Key focus areas through 2025

- Continue to focus on **growth and expand footprint in core markets** into Western Europe and United States
- Continue to identify **bolt-on acquisitions** focused on product factories, specialty finance, and universal banks in need of operational turnaround
- Invest in **platforms and partnerships** to drive growth across the Group
- Continue to build-up middle-back-office sales support and product/channel standardization to drive profitable growth in competitive markets
- **Target 100% fully digitized Retail & SME product offerings**

Continue to expand our footprint in core markets to drive sustainable profitable growth

Driving efficiency through operational excellence

	2012	FY 2021 Forecast
Cost-income ratio	70%	~40%
Real estate footprint (HQ and central offices)	~90k m^2	<30k m^2
# Branches	~500	<90
Technology % of operational expenses	16%	~26%

Over €500 million technology specific investments since 2012 …

- Completed 9 end-to-end integrations
- Multiple system upgrades across retail banking and specialty finance products
- Digitized 6 Retail & SME products with fully automated processing
- 100% of applications hosted in private and public clouds
- 15% of infrastructure containerized enabling scalability and automation
- Selected partnerships with tech leaders in cloud, security and collaboration

Key focus areas through 2025

- Continue to optimize physical footprint reflecting customer needs
- Further improve efficiency and integration speed through a platform approach:
  - **Data asset management**: centralized data warehouse consolidating managerial, financial, risk reporting and analytics
  - **TechOps (technology operations)**: driving towards greater simplification across front, middle, and back-office functions through process re-engineering underpinned by enabling technologies
  - **Infrastructure**: centralized cloud infrastructure, container platform and workplace environment across the Group
  - **Products**: Open architecture enabled through standardized interfaces (APIs)
- Expanding specific partnerships with technology leaders in core banking system modernization and Artificial Intelligence
- Maintain consistent technology investments in areas of straight-through processing, architecture simplification and product efficiency

Further scaling business through simplification, process reengineering and technology

Maintaining a safe & secure risk profile

	2012	FY 2021 Forecast
CET1 Ratio	6.2%	>14.5%
Leverage ratio	~3%	>6.5%
Balance sheet leverage	20x	14x
Risk cost ratio	34bps	<25bps
NPL ratio	3.5%	~1.5%

Key actions taken since 2012 …

- Focused on core markets: DACH/NL region, Western Europe and United States
- Exited all proprietary trading, CEE businesses and non-core assets since 2012
- Fortified balance sheet through disciplined and conservative lending, proactive risk management and conservative leverage levels
- Strengthened overall regulatory and compliance landscape

Key focus areas through 2025

- Continue to maintain low risk profile across core markets
- Disciplined, prudent growth through market cycles, always focused on appropriate risk-adjusted return dynamics and conservative underwriting
- Long term shift to **secured & public sector lending >85% by 2025**
- **Targeting risk cost ratio of 15-20bps from 2022-2025** reflecting shifting mix of customer business and overall credit quality enhancement
- Platform and acquisition integration into centralized risk framework
- **Operationalizing ESG with a low ESG risk starting point … committing to new ESG targets that will further enhance our risk profile**

Maintain fortress balance sheet through strong capital position, stable retail deposits, and low risk profile

New Targets & 4-Year Plan through 2025

MEDIUM TERM RETURN TARGETS

RoTCE	~15%	**>17%**	>+2pts
CIR	~40%	**<38%**	>(2pts)

2025 FINANCIAL TARGETS

	2021 FORECAST	TARGETS	CAGR
Profit before tax	~€575 million	**>€750 million**	~7%
Earnings per share	>€5.00	**>€7.25**	~10%
Dividend per share	~€2.60	**>€4.00**	~11%

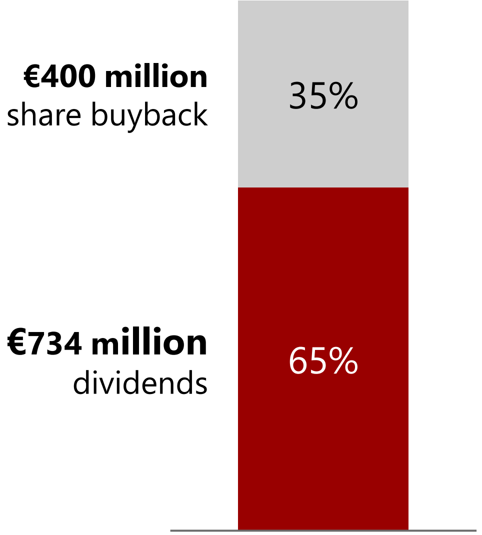
2025 ESG TARGETS

	BASELINE	TARGETS
CO2 emission (own scope 1-2)	~2,900 tCO_2 in 2020	**>50% reduction**
Women quota (Supervisory Board & Senior Leadership Team respectively)	17% SB 15% SLT H1 2021	**33%**
Green lending new business	€0.8 billion in 2020	**>€1.6 billion**

Updating capital distribution policy

€1.13 billion

capital returned to shareholders since IPO in 2017[1)]



~25% of current market cap

~€2.6 billion of capital available thru 2025

Dividend policy

50% **for 2021**

55% **for 2022-2025**

~€1.4 billion
for financial years 2021 - 2025

Share Buyback 2022

>12.25% **Target CET1 %**

Regulatory application to be filed in Q4 2021

€436 million
excess capital as of Q2 2021

Additional capital thru 2025

1. Organic growth, M&A, minority and/or platform investments
2. Share buybacks and/or special dividends

~€0.8 billion
additional capital thru 2025

1) AGM approved in August 2021 €420 million dividend to be paid on October 8, 2021

M&A Recap … Strategic Optionality

M&A History since 2015

- ✓ 11 total acquisitions: Closed 9 deals with 2 new deals signed in 2021
- ✓ Acquisitions in home market and new markets: Germany, Switzerland, Ireland
- ✓ Added core retail products: leasing, factoring, credit cards

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
- 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

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

SLT has on average ~12 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

45 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

2.5% shares owned by
Management Board

Our Agenda

Starting Point 2021 and new targets

2021 FORECAST

Core revenues **FY '20: €1,170m**	**~2% growth**
Other income **FY '20: €3m**	**~€10m**
Operating expenses: **FY '20: €520m**	**below €485m**
Regulatory charges **FY '20: €59m**	**~€65m expected**
Risk costs **FY '20: €225m**	**below €100m**

RoTCE	**~15%**
CIR	**~40%**
Profit before tax	**~€575m**
EPS	**> €5.00**
DPS	**~ €2.60**

+€175m
Profit before tax

MEDIUM TERM RETURN TARGETS

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

TARGETS 2025

Profit before tax	**>€750m**
EPS	**>€7.25**
DPS	**>€4.00**

+€175 million Profit before tax from 2021 to 2025

Pre provision profit >€125 million … >4%p.a.

Net Interest Income: +2% p.a.

- Retail & SME growing to ~70% of total customer book
- Asset mix leads to overall NIM of ~200bps over time
- Net interest income at >€1 billion in 2025

Net commission income: +3% p.a.

- Focus on advisory business and banking customers
- Share of advisory business to go from ~30% to ~40%
- Transactional business to go from ~60% to ~50%

Operating Expenses: (2%) p.a.

- Further optimization of physical footprint
- Reduce complexity and increase automation levels
- Consistent use of technology and modern workplace

Regulatory charges +€50 million

Regulatory charges: €65 million → €15 million

- Contributions to the Deposit Guarantee Scheme (€38 million in 2021) to end by 2024
- Contributions to the Single Resolution Fund (€16 million in 2021) to end by 2023
- Ongoing charges of ~€15 million will continue after 2024

Risk Costs

Risk Costs below €100 million

- Risk cost ratio expected to be between 15-20bps
- No release of management overlay provisions assumed

~10% annual EPS growth through 2025

in € million	2012	2021 Forecast	2025 Plan	2021-2025 CAGR
Net interest income	582	~930	>1,000	2%
Net commission income	195	~280	>300	3%
Core revenues	**777**	**~1,210**	**>1,300**	**2%**
Other income	149	~10	-	-
Operating Income	**926**	**~1,220**	**>1,300**	**2%**
Operating expenses	(648)	~(485)	<(455)	(2%)
Pre-provision profit	**279**	**~735**	**>850**	**4%**
Regulatory Charges	(26)	(65)	~(15)	(30%)
Risk Costs	(230)	<(100)	<(100)	-
Profit before tax	**24**	**~575**	**>750**	**7%**
Net profit	**45**	**~460**	**>560**	**5%**
Earnings per share (in €)	**0.45**	**>5.00**	**>7.25**	**~10%**

Growing high quality earnings

- Net interest income +2% p.a. mainly from retail loan growth
- Net commission +3% p.a. mainly from advisory business
- Operating income 100% from core revenues
- No reliance on other income or reserve releases

Focus on efficiency and risk management

- Operating expenses effectively 2% lower p.a. through 2025 considering Depfa, Hello bank! and business growth
- Changing asset mix towards secured lending provides stability of risk costs, expected around 15-20bps

Regulatory cycle concludes

- Last decade was characterized by increasing regulatory costs (bank levy, deposit guarantee scheme, single resolution fund, etc.)
- In the last 10 years we've spent ~€400 million on regulatory charges
- By 2024 ~€50 million of annual regulatory charges will run out

Asset mix shift towards Retail continues

in € billion	2012	H1 2021	2025 Plan
Customer Lending	**25.4**	**33.5**	**++**
Retail & SME	**9.0**	**20.3**	**++**
Housing loans	5.7	15.2	++
Consumer & SME	3.3	5.1	+
Corporates, Real-Estate & Public Sector	**16.4**	**13.2**	**+**
Real Estate	2.8	4.9	+
Public Sector	5.8	4.6	stable
Corporates	7.9	3.7	stable
Investment book	**7.4**	**5.5**	**stable**

		2012	H1 2021	2025 Plan
1	**Growing customer lending**	~60%	~80%	**~90%**
	Customer lending / Interest bearing assets			
2	**Growing retail lending**	~35%	60%	**~70%**
	Retail & SME / Customer lending			
3	**Growing secured lending**	~60%	~80%	**>85%**
	(Secured + Public Sector) / Customer lending			

Business Segments

Retail & SME (in € million)	2012	2021 Forecast	2025 Plan
Net interest Income	360	>650	++
Net commission income	142	>245	++
Core Revenues	**502**	**~900**	**++**

Corporates, Real Estate & Public Sector (in € million)	2012	2021 Forecast	2025 Plan
Net interest Income	199	>245	+
Net commission income	59	<35	stable
Core Revenues	**258**	**~280**	**+**

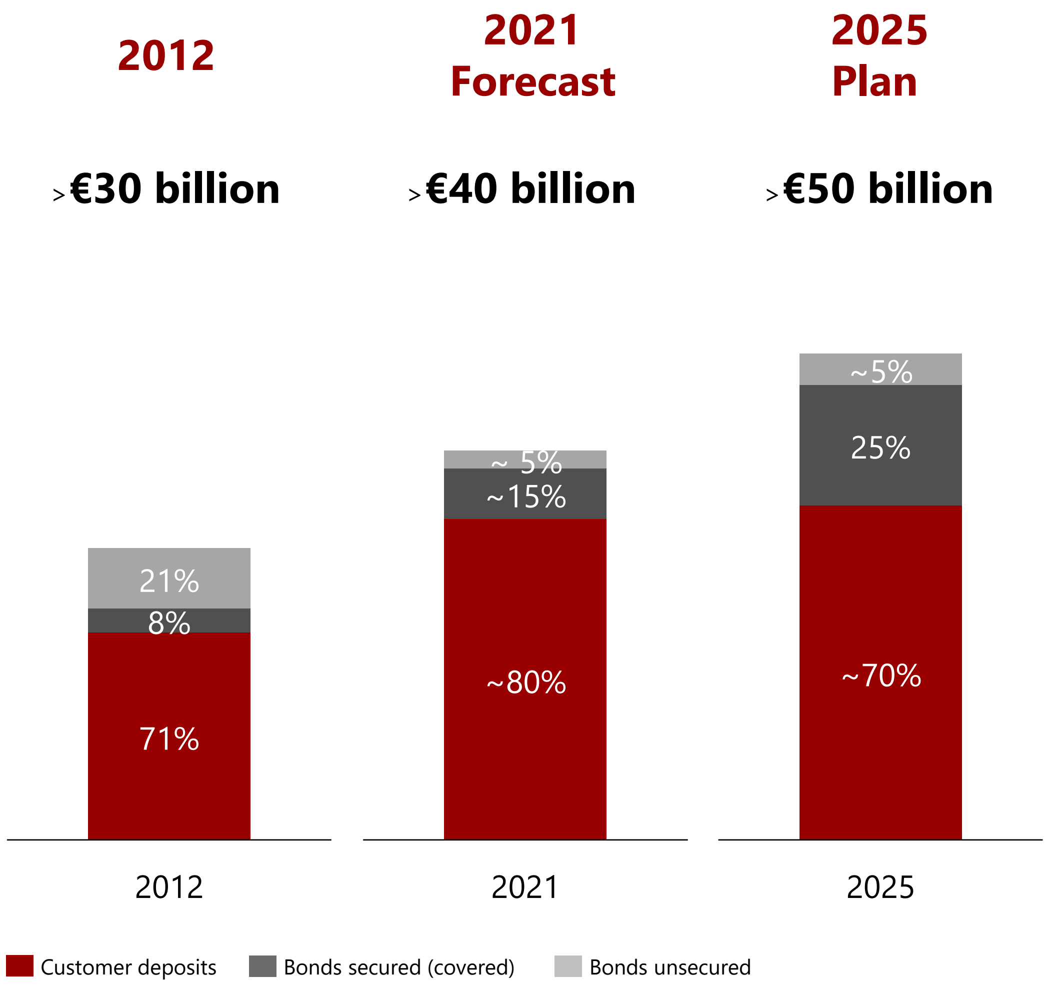
Treasury & Corporate Center (in € million)	2012	2021 Forecast	2025 Plan
Net interest Income	23	~25	stable

Share of core revenues

2012	2021	2025 Plan
65%	75%	~80%

Retail & SME

Funding mix



1 **"Self-funded" customer business** … 95% of funding comes from customer deposits and covered bonds, mostly collateralized by retail mortgages

2 **Lower cost of funding** thru improved funding mix

3 **Higher share of matched funding** thru long-term covered bonds matching growing mortgages

Specifics on capital distribution policy

Dividend policy
50% **for 2021**
55% **for 2022-2025**

Financial year	2021	2022
Dividend per share (DPS)	~€2.60	>€3.00
Payout date	Q2 2022	Q2 2023
Payout ratio	50%	55%

Share Buyback 2022
Target >12.25% CET1 %
€436 million excess capital as of Q2 2021

Timing	Size (max.)	Format
Application to be filed in Q4 2021	> 12.25% Target CET1 Ratio	Open market buyback
Execution expected throughout 2022	up to 10% of shares outstanding	Safe harbor rules

Opportunities not captured in our targets

1 Interest rate environment and sensitivities

No rate increase assumed

100bps parallel increase of the interest rate curve leads to approximately +€100 million net interest income p.a.

2 M&A / platforms / minority investments

No M&A or platform investments assumed

market consolidation or individual situations could offer interesting opportunities

3 Securities portfolio rebalancing

Securities portfolio remains under-weight

higher credit spreads would be an opportunity to build-up our securities portfolio again … today, mix is 15% of total interest-bearing assets vs. 30% historically

4 Servicing offering

Leveraging operational capabilities

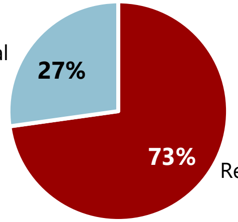
servicing platform (E2E processing), BPOs, BAWAG Group advisory platform, etc.

Our Agenda

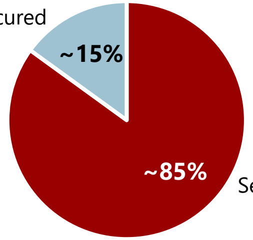
Retail & SME Overview

Key Stats

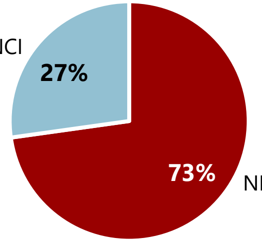
Retail & SME 73% of Group profits



Heavily focused on secured lending



Healthy mix of NCI & NII business



Note: Numbers as of June 2021

Product Offerings

Current Accounts

- Comprehensive offering across various brands & channels
- Fully digital online opening process, from anywhere at anytime
- Range of simple product offerings at different price points

Cards & Payments

- Leading card issuer in Austria with cross-border distribution
- Various card features (revolving, insurance, rewards, mobile pay)
- Own & co-branded offerings distributed via branches, digital channels & partners

Secured Lending

- Housing loans, auto & moveable leasing, and inventory financing
- €15 billion in assets, risk costs <5bps & ~20% green financing
- Distributions via branches, digital channels, partners, brokers & platforms

Unsecured Lending

- Consumer loans and overdrafts
- Underwriting & processing heavily automated, providing instant decisions & payouts
- Distribution via branches, digital channels, partners & platforms

Investing, Insurance & Savings

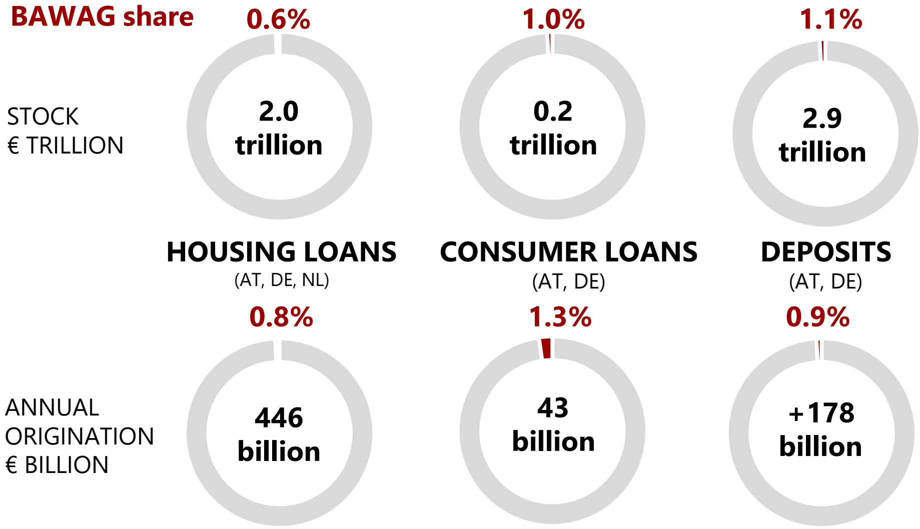
- Comprehensive advisory services: funds, shares, insurance & savings products
- Online brokerage via multiple brands; acquisition of Hello bank! strengthens position
- Distribution via branches, digital channels, partners, brokers and platforms

Specialty Finance

- Current accounts, lending, securities, leasing and receivables factoring
- Focused mainly on B2B with direct customers being small & medium enterprises; starting to grow B2C
- Distribution via branches, digital channels, dealers, partners, brokers and platforms

Disciplined lender in a large addressable market

MARKET SIZE (DACH/NL REGION)



	2012	June 2021	2025 Plan
ASSETS (in € billion)	**9.0**	**20.3**	++
Housing loans	5.7	15.2	++
Consumer & SME	3.3	5.1	+
FUNDING			
Deposits	19.5	27.2	stable
Mortgage covered bonds	0.5	4.4	++
P&L (in € million)	**2012**	**FY 2021 Forecast**	**2025 Plan**
Core revenues	502	900	++

MARKET STRUCTURE (AUSTRIA & GERMANY)

Liquidity overhang in DACH/NL region … ***more savers than borrowers***

Low levels of consumer indebtedness … ***growing but expected to stay below European average***

Slow shift into investments beginning … ***increasing first-time investments and need for advisory***

KEY DEVELOPMENTS TO ACHIEVE 2025 PLAN

- Disciplined growth with focus on risk-adjusted returns … will not chase the market
- Strong focus on building out advisory business across Austria & Germany
- Continued focus on niche partnership & platform relationships to expand customer reach and distribution channels
- Explore and expand into additional developed markets

Strategic growth pillars

1 A multi-brand and multi-channel lending & advisory platform across core markets

- Leveraging various distribution channels including branches, digital channels, dealers, strategic partners, brokers & platforms
- Repositioned organization with 80% of Retail employees in the field providing advisory services
- Mix of organic growth, partnerships and M&A using a multi-branded go-to-market strategy

900 sales staff across multiple geographies

2 Serving 2.3 million loyal customers through high-quality advisory and advanced analytics

- Average relationship of the customer ~13 years, revenue per customer up >20% over past decade
- Broad based product offerings creating an advantage versus traditional & non-traditional competitors
- Data driven & analytical approach to provide products & services at the right time

~80% of current accounts are primary accounts

3 Continuous investments driving growth and efficiency across the business

- Focus on efficiency around people, processes & systems to reduce internal & external friction
- Proactive investments in footprint repositioning, digitalization & simplification
- Continued focus on digitalization across the customer journey … we are a profitable "digital bank"

CIR <40%

4 Continue to identify new market opportunities, products, partnerships & strategic acquisitions

- Completed 9 acquisitions since 2015, entered 3 new markets, and multiple strategic partnerships

Hello bank! Austria

Creating a multi-brand & multi-channel lending & advisory platform across core markets

Central Support/Operations

- Risk appetite, pricing & capital allocation centrally steered
- Leverage non-sales support functions (technology-operations)
- Digital development
- Data & customer analytics
- Mid-office sales support

Digital Products with Advanced Analytics

- Preapproved offers for existing customers
- Product sales on mobile devices
- Investment in fully-automated and straight-through processes
- Transformation from reactive to active funnel management

Key pillars of a lending & advisory platform

Local Sales Organizations

- Physical branches/advisory
- Sales teams in field
- Mobile sales force for reach
- "Community" banking focus
- Strong broker network
- Advisory services in/out normal hours

Partnerships/Platforms

- Traditional & niche partners creating differentiated opportunity
- Asset origination under BAWAG's defined credit box with robust quality assurance
- Minority ownerships and board representations
- Full data interfaces & controls

Key Highlights

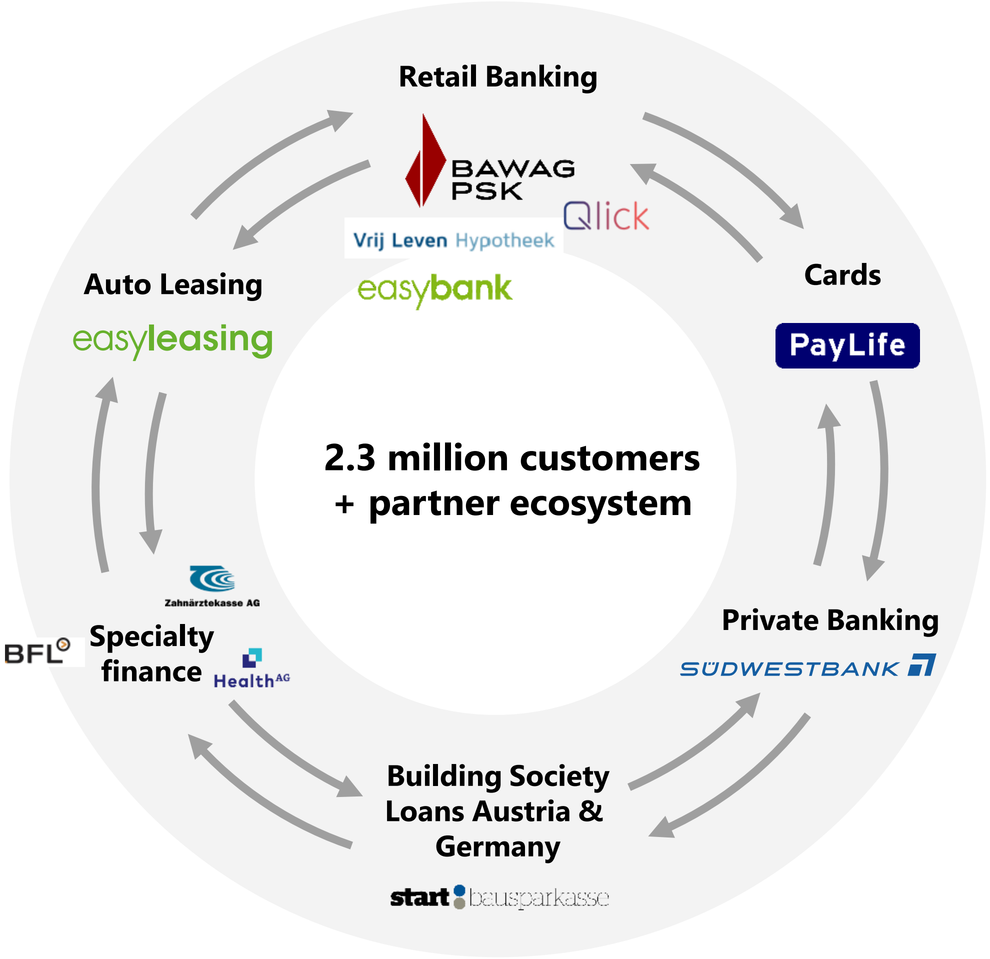
11 different brands originating products; non-sales functions centralized to leverage scale & synergies

~80% of organization is on sales individuals

building strategic partnerships creating differentiation in sales channels

Ability to rapidly expand organically via partnerships and acquisitions

High-quality advisory & advanced analytics as an enabler for banking our customers



How we serve our customers…

1. Invested into data analytics to create centralized customer view with predictive behavior and trigger-based leads using more enhanced propensity models
2. Leads/opportunities pushed into multi-channel and cross segment sales funnel
3. Simple and efficient upselling 24/7 via multiple channels (branch, mobile, e-banking, telephone, partner platforms & self-service terminals)
4. Automated feedback and A/B testing to further optimize approach and refine customer personas
5. **Significant upside potential** within own customer base … considerably larger when adding partner channels across customer ecosystem

Optimization of customer advisory and data analytics…

>70%
Pre-scored customer leads for advisors

Marketing spend[1]
↓50%

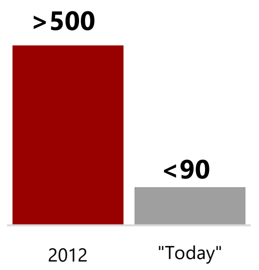
>2x
Lead-management conversion[2]

1) 2020 to 2021 Forecast 2) 2020 to H1 2021

Continuous investments driving growth and efficiency

Optimized branch footprint

Branch transformation



- Reduced footprint to match our customer base while:

  >80% Coverage of Austrian population[1]

  >40% increased sales per advisor[2] through investment in people, processes and technology

  20+ New branches opened last 3-years

- Shift to high-touch and quality customer interactions with focus on quality of experience and advisory
- Transactional banking digital / non-branch channels

\+

Continuous shift to digital platforms

Continuous enhancement of app-functions, like personal finance manager & cash flow analysis, contactless payments

>90%
Transactions digitized

900k+
Online customers

~2x
Mobile engagement vs. web based

Digital & platforms drive 45%+ of total consumer loan sales

=

Further growth & efficiency

Cost-to-serve & cost-to-acquire

- Reduced network infrastructure cost and focused on advisory activity
- Transactional banking shifting to digital channels

Customer experience

- Further investing into frictionless digital journeys and products
- Reduced processing/cycle times
- 6 core products fully digitized providing 24/7 availability

Asset & fee growth

- Integrated technology and highly automated processes to enable efficient growth
- Quick deployment of new products and features
- Greater conversion through targeted marketing / increased engagement

1) Share of Austrian Inhabitants with distance to branch <30km 2) Total number of sold products per advisor with selling function, 2017 vs. 2021H1

Continued focus on growth and expansion

Targeting new markets	Expanding product reach & greenfield opportunities	Reassess existing partnerships	New strategic partnerships
Platform/minority investments and bolt-on acquisitions in core markets	Specialty finance, brokerage, specialty insurance	Insurance and asset management	Customer acquisition & lending opportunities

Overview of Corporates, Real Estate and Public Sector

PRINCIPLES OF LENDING

- Focus on risk-adjusted returns and maintain disciplined underwriting with margin of safety
- Focus on core markets with stable legal systems and strong macroeconomic fundamentals
- No focus on absolute volumes, enables us to avoid irrational lending … extremely selective in choosing deals to participate in

TEAM WORKING TOGETHER FOR OVER A DECADE

- Real estate and corporate lending sourcing team based in UK, Germany, Austria and USA (in process)
- Dedicated team to public sector customers based in Austria, which also serves the Republic of Austria payments platform
- Credit underwriting, loan operations, and portfolio management based in Austria

BUSINESS DEVELOPMENT

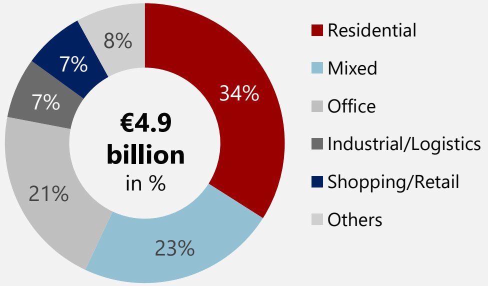
	2012	June 2021	2025 Plan
ASSETS (in € billion)	**16.4**	**13.2**	**+**
Real Estate	2.8	4.9	+
Public Sector	5.8	4.6	stable
Corporates	7.9	3.7	stable
P&L (in € million)	**2012**	**FY 2021 Forecast**	**2025 Plan**
Core revenues	258	~280	+

KEY DEVELOPMENTS OF THE LAST DECADE AND GOING FORWARD

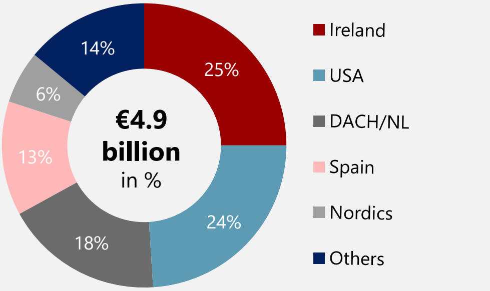
- Continue disciplined approach to lending, conservative underwriting and focus on risk-adjusted returns … No focus on absolute volume growth … find niche lending opportunities
- Stick to the fundamentals of highly collateralized, strong cash flow, and first lien exposures
- Working with high quality customers in the form of strong real estate sponsors, corporates, and public sector clients
- Minimal realized losses over the past decade … cumulative loss rate of ~15bps

Real Estate

By underlying



By geography



Note: Figures as of June 2021

LENDING FOCUS AREAS & UNDERWRITING

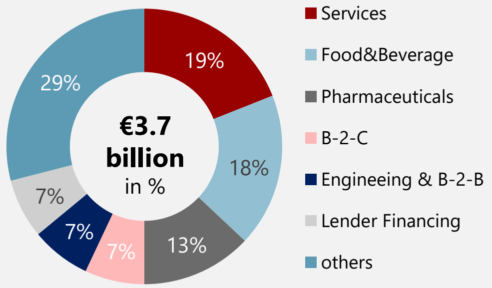
- Focus on lending to real estate companies/properties that produce strong cash flow with reasonable leverage
- Compete on speed, flexibility and reliability over pricing … extremely selective in choosing deals
- Our relatively small size in market has advantages as can focus on attractive niches and avoid pure volume focus
- Identify niche lending strategies and constantly adapt (NPL financing, logistics, residential real estate funds)
- Loans are generally structured as 5-year or shorter term loans with a strong covenant package
- Real estate funds are primary clients given ability to support investments, strong track record and disciplined approach to investing.
- BAWAG lends to many of the largest and best known funds in real estate and continues to develop relationships with additional funds

KEY PORTFOLIO STATISTICS

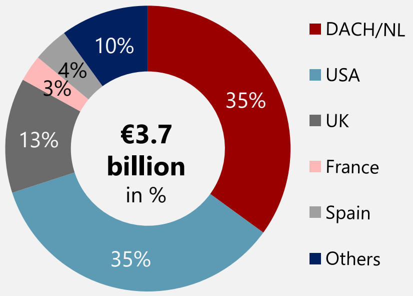
- Weighted average portfolio LTV <60%
- NPL ratio of 1.4% … RWA density 67%
- Collateral backing portfolio is granular with ~34% of pool being direct residential
- 2021 ECB stress test resulted in cumulative 3-year loss of ~2% assuming 30% commercial real estate price reduction

Corporate Lending

By industry



By geography



Note: Figures as of June 2021

LENDING FOCUS AREAS & UNDERWRITING

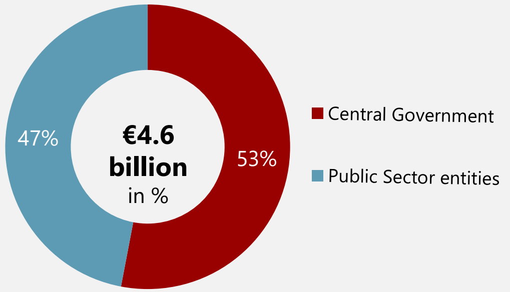
- Focus on corporates that produce strong cash flow in defensive industries with reasonable leverage
- Compete on speed, flexibility and reliability over pricing … our smaller size is an advantage – focus on small and attractive niches
- We have been cautious on the leverage loan market and participating in more aggressive financing structures over the past few years
- DACH clients with focus on payments component … challenging risk-adjusted return profile over the past few years

KEY PORTFOLIO STATISTICS

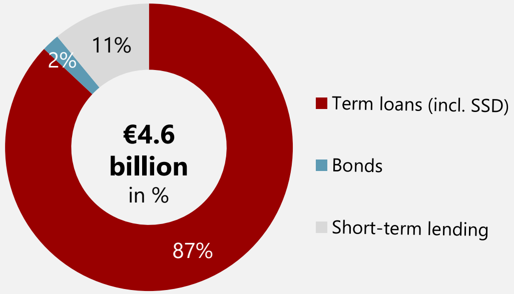
- Portfolio average net leverage of <4.0
- NPL ratio of 2.1% … conservative RWA density 75%
- ~50% portfolio comprised of resilient industries … Pharma & Healthcare, Food & beverages and Services
- 2021 ECB stress test: <2% loss despite cumulative GDP impacts of (3.5%) during 3-year recession

Public Sector

Customer types



By funding & type



Note: Figures as of June 2021

LENDING FOCUS AREAS & UNDERWRITING

- Focus on sovereign, federal state, and municipalities in Austria and Germany
- Strong market share and presence in Austria ~15%
- Provide payments services to federal, state and municipalities as well as social insurance companies
- Provide term loan facilities and working capital with average term loan of 20 years
- Planning to provide green financing products and green public sector covered bonds in the future

KEY PORTFOLIO STATISTICS

- 0 non-performing loans … RWA density of 8%
- Weighted average life of the loan portfolio of 13 years
- Portfolio comprised of >80% AAA or AA entities … Sovereign exposure to Austria (95%) and Germany (5%)
- 76% of the portfolio eligible for EIB/ECB funding as well

Our Agenda

1 Business overview

2 Financials update

3 Business units update

4 **Risk management and compliance**

5 Recap

BAWAG's low-risk profile

High asset quality driven by disciplined underwriting

1.5% NPL ratio
~25 bps historical risk costs
(2012 – 2020)

Proactive risk management

Focus on retail and secured lending in core markets

60% retail
93% exposure in AAA/AA sovereigns

Minimized market risk with no trading activities

Centralized risk management and simplified operations

Low risk AML footprint
Central risk framework across all channels, platforms

How we manage risk

FOUNDATION

1 **Maintain low risk profile**
- Led by risk culture and front-end alignment
- Risk / return discipline
- Low operational risk: Reduce AML risk through high-risk countries from customer network

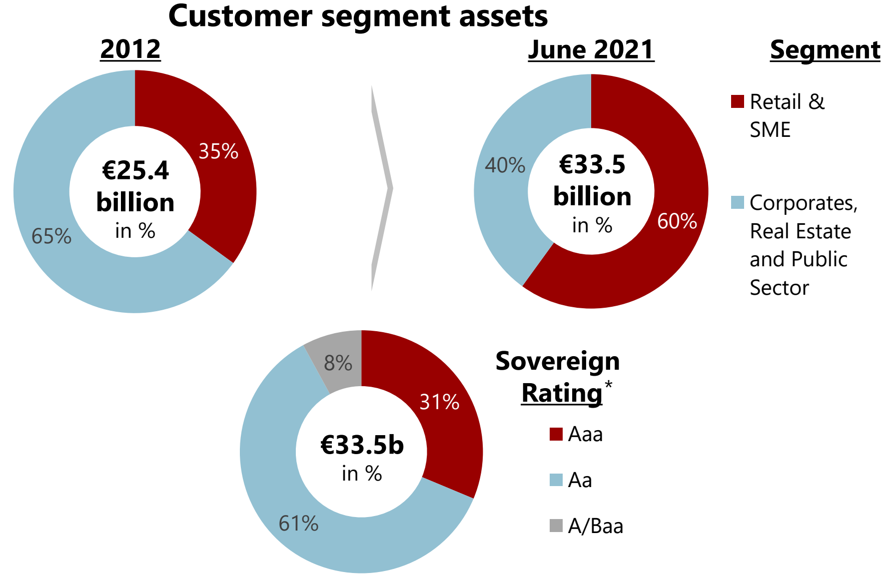
2 **Safety of core markets: DACH/NL, Western Europe and United States**

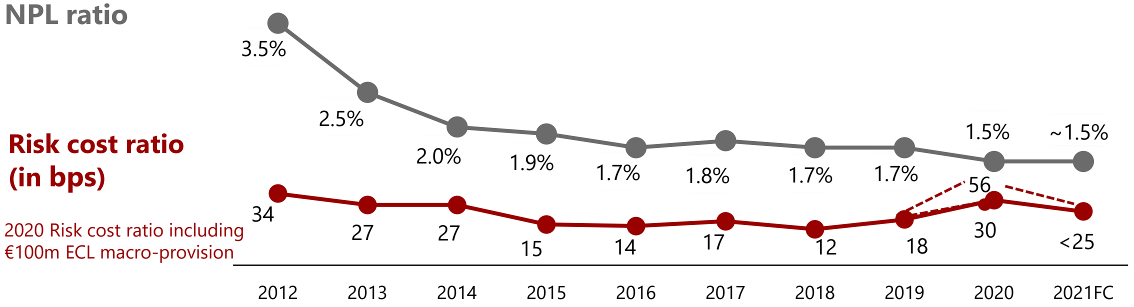
3 **Underwriting as competitive advantage**

4 **Institutionalized risk values and framework**
- Macro: Top-down assessment of new markets
- Micro: customer/product level; deal by deal
- Centralized risk framework and discipline: acquisitions, new channels integrated into risk framework

5 **ESG:** Risk culture has created strong starting position

RISK PROFILE

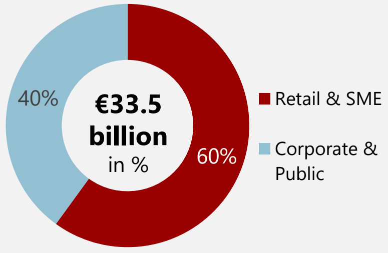




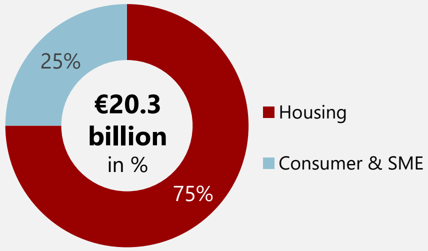
*Moody's country rating

Portfolio Overview – Retail & SME

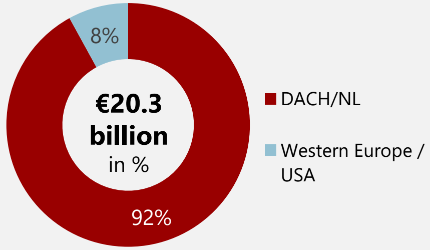
Customer Book



Retail By Product



By Geography



Retail & SME Overview

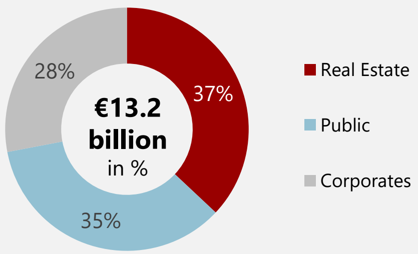
- 83% housing or secured exposures (leasing products)
- Consumer lending to primary customers
- 2.0% NPL ratio
- Total reserve ratio 1.5%

	Statistics	Underwriting
Housing (€15.2b)	• 92% DACH/NL region and 8% Western Europe • ~20% is backed by state or insurance guarantee • Average 2021 origination LTV of 69%[1)] • Average seasoning ~5.5 years • Average historic risk costs of ~5bps	• Significant affordability (DSTI) buffer and customer equity (LTV) in established markets • Focus on LTV <80% • Proactive green financing requirements create favorable credit and funding dynamics
Consumer & SME (€5.1b)	• ~50% unsecured lending, primarily consumer loans • 90% collateralization of SME/Leasing portfolio (~€2.3b) • Average historic risk costs of ~133bps	• Focus on risk-adjusted returns in prime/near-prime segment • Prime credit quality customers underwritten based on DSTI cushion • Strong primary banking customer base (80% of consumer loan exposure in Austria to current account customers)

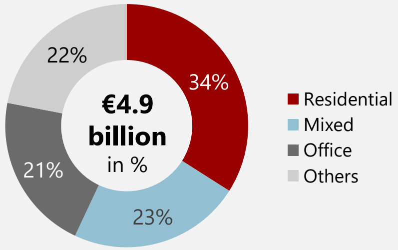
1) Excluding loans supported by guarantees (state or insurer)

Portfolio overview: Corporates, Real Estate & Public Sector

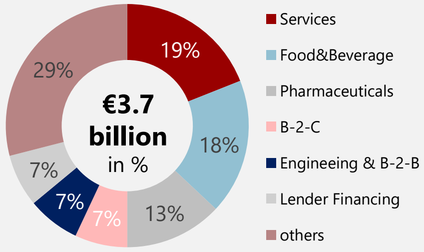
Asset Type



Real estate by type



Corporate Sectors



Corporates, Real Estate & Public Sector (€13.2 billion)

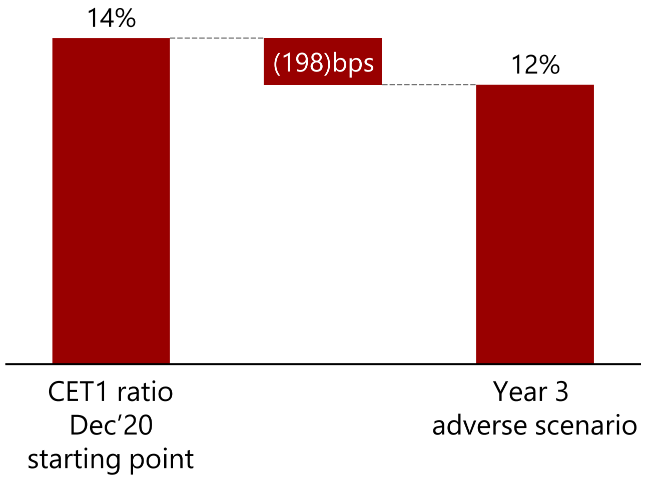
- Long-term credit standards maintained
- Highly collateralized, high cash flow first lien exposures
- 1.1% NPL ratio
- Total reserve ratio 1.0%

	Statistics	Underwriting
Public Sector (€4.6 billion)	• Portfolio comprised of >80% AAA or AA entities … Sovereign exposure to Austria (95%) and Germany (5%) • 0% risk costs historically	• Exposures to municipalities / PSEs (Austria) • Maintain market position and cash management business
Real Estate (€4.9 billion)	• ~34% of underlying assets are direct residential real estate • Weighted average portfolio LTV <60% • NPL ratio 1.4%	• Historically disciplined underwriting: - Senior secured - Average day 1 LTC/V < 65% - ICR > 2.0x
Corporates (€3.7 billion)	• Resilient industries: Pharma & Healthcare, Food & beverages and Services accounting for ~50% of loan book • Continued low NPL ratio in 2021 of 2.1% • De-minimis exposure to high risk, cyclical sectors	• Disciplined, conservative underwriting: focus on risk-adjusted returns and not volume growth • Western Europe/United States with market positions in resilient (low cyclical risk) industries • Senior, primarily first lien positions … companies with strong free cash flow generation • Minimal exposure to uncommitted lines

Resilient portfolio

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

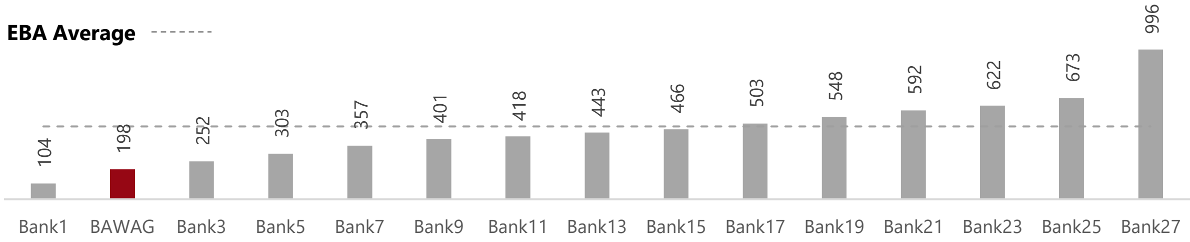
BAWAG 3-Year CET1 impact of -198bps vs ECB avg. of -520bps



Cumulative (3 year) impacts

- >€100m dividends distributed
- Profitable in years 2 and 3
- >270bps buffer from SREP minimum
- <+7% RWA impact

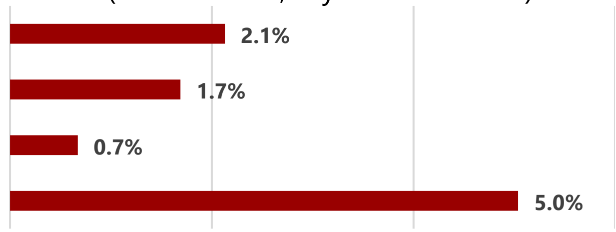
CET1% STRESSED CASE REDUCTION VS PEERS (ADVERSE CASE)



SEGMENT ANALYSIS

Main portfolios	Exposure* (in €b)	Assets* (in €b)
Real-Estate	5.3	5.0
Corporates	4.7	4.0
Mortgages	14.9	14.3
Consumer lending	5.6	2.6

Credit losses
(adverse case, 3-year cumulative)



- **Real-Estate:** ~2% cumulated loss despite -30% stress in CRE values
  - Collateralization levels, structural protections provide resilience
- **Corporates:** <2% loss despite cumulative GDP impacts of (-3.5% during 3-year recession)
- **Residential mortgages:** 0.7% loss (~20% stress in housing prices)
- **Consumer lending:** Max credit loss of 5% in unsecured exposures, in line with peers
  - Overall losses mitigated by conservative underwriting, share of secured lending and low starting LTVs

* Stress test was run on YE 2020 figures

ESG as a part of proactive risk management

Overview: Operationalizing ESG with a low ESG risk starting point

LENDING PORTFOLIO

- Low exposure to industries with significant ESG risk
- Low tolerance for transition risk in credit assessments
- €0.2b (~2%) exposure to restricted or high ESG risk industries
- Below average for EU banks and PACTA assessment
- De-minimis Oil and Gas exposures

GREEN FINANCING & FUNDING

- Targeting green financing and green bond issuances … issued €500 million green covered bond in August 2021
- Incentives for customers that meet green standards
- Dedicated green financing products for our retail and corporate/public sector clients

REDUCING OUR OWN EMISSIONS

- Several initiatives in the past to reduce own scope 1 and scope 2 CO2 emissions …. near 100% usage of green electricity across the group today
- Reducing our own negative footprint also supports our strategy to reduce complexity and improve efficiency
- Further initiatives planned to continue reducing CO2 emissions

	BASELINE	2025 TARGETS
CO2 emission (own scope 1-2)	~2,900 tCO_2 in 2020	**>50% reduction**
Women quota (Supervisory Board & Senior Leadership Team respectively)	17% SB 15% SLT H1 2021	**33%**
Green lending new business	€0.8 billion in 2020	**>€1.6 billion**

Portfolio management

Consistent strategy and discipline as risk performance continues to differentiate

PROACTIVE RISK MANAGEMENT

1 **Mix shift: secured lending continues to favorably impact loss levels**

- Secured & Public Sector lending migrating to > 85% of customer lending
- Unsecured lending focused on prime and near-prime customers

2 **Focus on risk-adjusted returns and disciplined underwriting**

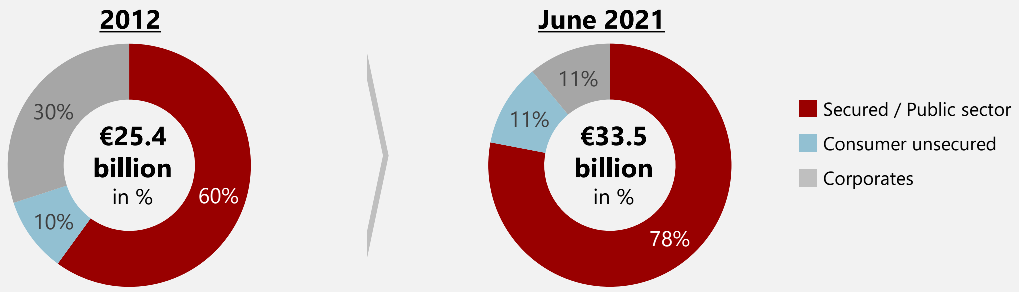
3 **Proactive loss mitigation: reducing defaults and time in default**

- Retail & SME: Active early collections, resolution target of 18 months
- Corporate / Real-Estate: Strong collateral and structural protections, collateralization and restructuring actions to ensure risk reduction

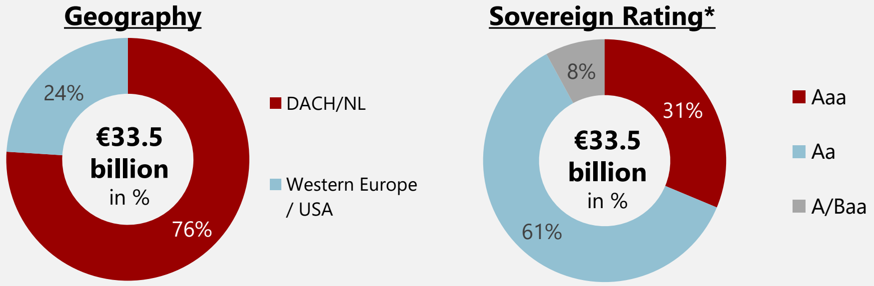
4 **Consistent risk framework applied to new channels and acquisitions**

- Growth built on framework in place … operational integration critical
- New opportunities with minimized credit risk

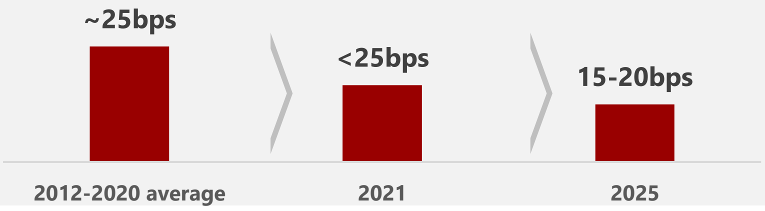
Continued mix shift to secured and public sector lending



Focus on core markets (figures as of June 2021)



Improving risk cost ratio … 15-20bps going forward



* Country Rating Moody's

Maintaining a robust compliance culture

STRATEGIC RATIONALE

CONSOLIDATION & FUNCTIONAL CENTRALIZATION
governance topics continuously combined and centralized across the group

BUSINESS GROWTH
key to review and assess local laws and regulations from all lenses (tax, legal, regulatory, etc.) when entering new markets

INDEPENDENCE
organizational separation of governance topics

AWARENESS
elevation of topics to Management Board level (internal and external visibility)

CONTINUITY
previous approach continued - majority of governance topics were consolidated already under the General Counsel Office

DYNAMIC
adjusting our governance to changing environment and framework (e.g. establishment of ESG Committee at Supervisory Board level)

NEW MANAGEMENT BOARD FUNCTION

Strategy and business inherently supports governance

BAWAG GROUP's business model and strategy limit certain risk-areas through focus on …

Commercial banking	Low risk and highly regulated countries	Low risk industries	Simple and transparent core products	Simplification and harmonization
limits risk of money laundering	limits risk of money laundering and ensures high regulatory standards	limits risk of money laundering	addresses MiFID and data protection compliance	supports a robust and transparent governance structure

… and is in addition strengthened by a clear governance approach through …

CENTRALIZATION of FUNCTIONS and SETTING STANDARDS
of group wide responsibilities for governance topics, whilst always ensuring compliance with local regulatory requirements … this allows roll-out of group-wide policies

CLEAR OWNERSHIP and REPORTING LINES
of allocated responsibilities not to end at entity level with clear reporting lines … allows for clear and consistent information flow to ensure a top down and seamless execution

PROACTIVE SUPPORT
of business and central function units (e.g. real time involvement in product design/production process or distribution channels/time to market)

INTEGRATION and EMBEDDING BAWAG CULTURE
as natural driver for integration – direct communication between subs and headquarter (supports "group thinking" vs "entity thinking") … BAWAG culture induced by placing BAWAG senior leaders into local management roles

Example: Simplification of group structure as driver to enhance governance and efficiency

SIMPLIFICATION OF GROUP AND CULTURE INDUCEMENT IN NEWLY ACQUIRED BUSINESSES…

1. Simplification by way of **intra-group mergers** (enhances group oversight - reduce overhead to run separate regulated entities)
2. Simplification by way of **integration/centralization** - to extent legally possible and commercially prudent (enhance group oversight - leverage group functions)
3. **Experienced M&A and integration team** which has worked together for many years

	2019	2020	2020	2021
Entity	BAWAG PSK Leasing	easybank	IMMO-BANK	SÜDWESTBANK
Merged into	easyleasing	BAWAG P.S.K	BAWAG P.S.K. Wohnbaubank	BAWAG P.S.K.

MAIN OPERATING ENTITIES

BAWAG Group
(Holding)

- BANKING: **BAWAG P.S.K.**, **start:bausparkasse** (Austria, Germany)
- LEASING: **easyleasing**, **BFL Leasing**
- FACTORING: **Health Coevo**, **Zahnärztekasse**

Our Agenda

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5 Recap

Recapping targets & capital distribution

MEDIUM TERM 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

Dividends	~€1.4 billion
Share buyback 2022 (Regulatory application to be filed in Q4 2021)	>12.25% CET1 % €436 million excess capital as of H1 2021
Additional capital thru 2025	~€0.8 billion

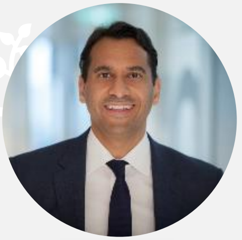
BAWAG Group franchise

Franchise	Multi-brand and multi-channel commercial bank with over **2.3 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) ~40%** driven by simplification, technology and process focus
Good stewards of capital	Since IPO, completed **5 acquisitions** and **distributed €1.13 billion capital** **New capital distribution policy: Dividend payout from 50% to 55% from 2022 … targeting share buyback in 2022**
Medium term 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**

Supplemental pages

Management Board & Supervisory Board

MANAGEMENT BOARD



Anas Abuzaakouk
Chief Executive Officer

David O'Leary
Chief Risk Officer

Enver Sirucic
Deputy CEO
& Chief Financial Officer

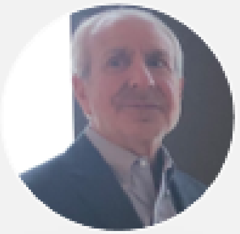
Andrew Wise
Chief Investment Officer &
Head of Non-Retail Lending

Sat Shah
Deputy CEO
& Head of Retail & SME

Guido Jestädt
Chief Administrative
Officer

SUPERVISORY BOARD

Egbert Fleischer
Chairperson



Frederick Haddad
Chairperson of
Risk & Credit committee

Verena Spitz
Works' council delegate

Kim Fennebresque
Deputy Chairperson

Gerrit Schneider
Chairperson of
Audit & Compliance committee

Beatrix Pröll
Works' council delegate

Adam Rosmarin

Tamara Kapeller
Chairperson of
ESG committee

Konstantin Latsunas
Works' council delegate

Further embedding ESG into our strategy

ESG governance

Initiatives

Environment

- Reduce own Scope 1-2 CO2 emissions by >50% by 2025 vs. 2020 … closed to 100% green electricity
- Increasing green lending volume over time … annual green lending new business target of >€1.6 billion by 2025
- Continuously increasing ESG-related products – both for environmental and social factors
- Lending/exclusion criteria for specific industries introduced in Q1 2021 … low or no volumes in customer book for prohibited sectors already today
- Issued €500m green covered bond in August '21

Social

- **Women target quota** introduced in Q1 '21: 33% in Supervisory Board and 33% in senior leadership team (including Managing Board) until 2025
- 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

Governance

- Establishing a clear governance to address climate risks … addressing supervisory expectations and regulations

M&A track record .. 11 acquisitions completed or signed 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

2016

IMMO-BANK

€1.6 billion ASSETS
5K CUSTOMERS

start bausparkasse

€2 billion ASSETS

2017

PayLife SIX commercial card issuing business

1.7 million CARDS
>**500K** CUSTOMERS

SÜDWESTBANK

€7.4 billion ASSETS
100K CUSTOMERS

2018

Deutscher Ring Bausparkasse AG[2)]

€0.5 billion ASSETS
85K CUSTOMERS

2019

BFL DIE IT-FINANZIERER

€0.6 billion ASSETS
50K CUSTOMERS

Health AG[3)]
Zahnärztekasse AG

€0.1 billion ASSETS,
€1 billion FACTORING VOLUME
3K CUSTOMERS

2021

DEPFA BANK PLC

Signed deal to acquire DEPFA bank plc, closing expected in Q4 2021

Hello bank! Austria

Signed deal to acquire Hello bank!, closing expected Q4 2021 / Q1 2022

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

City of Linz overview

- Receivable of €254 million on balance sheet as of 30 June 2021
- 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)

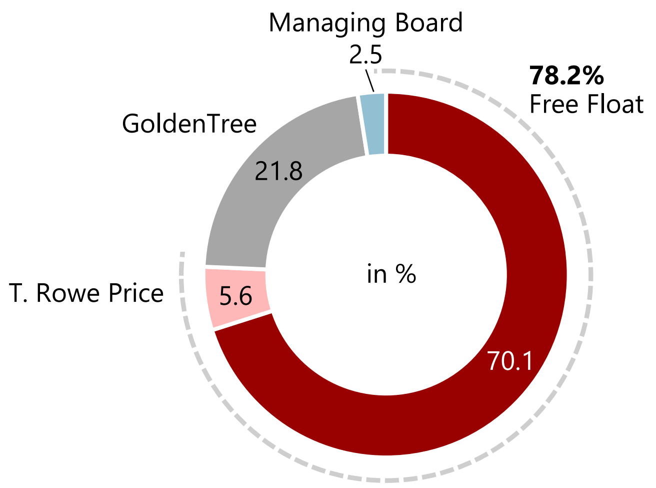
1) Dividend payout would be based on net profit excluding City of Linz impact

Investor relations calendar

UPCOMING ROADSHOWS AND CONFERENCES

21 September	UK roadshow
22 September	BAML conference
23 September	18th Bernstein Strategic Decision Conference
27 September	Scandinavia roadshow
27 September	Benelux roadshow
28 September	US and UK roadshow
28 September	France, Spain, Italy roadshow
29 September	Asia / Australia roadshow
01 October	Mid-East roadshow
04 October	Germany roadshow
05 October	Switzerland roadshow

SHAREHOLDER STRUCTURE



Number of shares: 89,142,237; Shares outstanding as of 20 September 2021: 88,855,047

BAWAG Group

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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

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 (calculation according to CRR)

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 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:

Dividends
Dividends in 2017 refers to one quarter only due to IPO in October 2017; dividend shown refers to dividend paid/earmarked for respective financial year

European banks benchmark (page 6)
Benchmark Portfolio consists of all listed SSM banks + selected Nordic Peers with available data set (S&P), defined as net profit on continuing operations before non-recurring, impairment and tax expense; **RoTCE** – calculated (net profit/ (avg equity - intangibles); CIR: calculated (operating expenses/ operating income) BAWAG figures as disclosed.

Risk cost ratio
2012/2013 excluding impairments from non-core participations

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