Q3 2020 Earnings

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BAWAG Group

Q3 2020 Highlights and segment performance

Detailed financials

Group Overview & Strategy

Highlights Q3 2020

EARNINGS

Net Profit of €79m, EPS of €0.90, and RoTCE 11.1%
Pre-provision profit of €165m and CIR 43.2%
Risk cost of €50m, of which €14m general reserves … applying conservative provisioning
1-off item: Q3 '20 deposit insurance charge of €12m due to Commerzialbank fraud

BALANCE SHEET & CAPITAL

Interest bearing assets: +9% vYE; Customer loan growth: +4% vYE
CET1 ratio (post dividend) up +60bps in Q3 '20 to 14.0% as of September 2020
Full year 2019 and YTD '20 **dividend deducted from capital (€331m)**
Issued **€175m AT1 and €200m Tier 2** to optimize P2R … **CET1 ratio target reduced to 12.25%**

OUTLOOK

Targeting **RoTCE ~10%** for full year 2020
Annual General Meeting (2019 resolutions) on 30 October 2020
Dividend distributions pending guidance from ECB/regulators
Committed to medium-term targets: RoTCE >15% and CIR <40%

Note: Comparison vPY, unless stated otherwise

Financial performance

Key highlights

P&L | € millions	Q3 '20	vPY	vPQ	YTD	vPY
Core revenues	298	2%	5%	873	1%
Operating income	290	(8%)	2%	870	(6%)
Operating expenses	(125)	(6%)	-	(375)	(5%)
Pre-provision profit	**165**	**(9%)**	**3%**	**495**	**(7%)**
Regulatory charges	(14)	576%	468%	(53)	35%
Risk costs	(50)	191%	(33%)	(179)	305%
Profit before tax	**101**	**(38%)**	**25%**	**263**	**(42%)**
Net profit	**79**	**(37%)**	**29%**	**201**	**(41%)**
Ratios					
RoCE	9.3%	(4.5pts)	1.9pts	8.0%	(4.8pts)
RoTCE	11.1%	(5.3pts)	2.2pts	9.6%	(5.5pts)
CIR	43.2%	0.8pts	(0.7pts)	43.1%	0.4pts
Risk cost ratio	0.49%	0.31pts	(0.25pts)	0.60%	0.45pts
Normalized					
Net profit	77	(34%)	47%	209	(40%)
RoCE	9.1%	(4.0pts)	2.7pts	8.3%	(4.8pts)
RoTCE	10.9%	(4.6pts)	3.2pts	10.0%	(5.4pts)

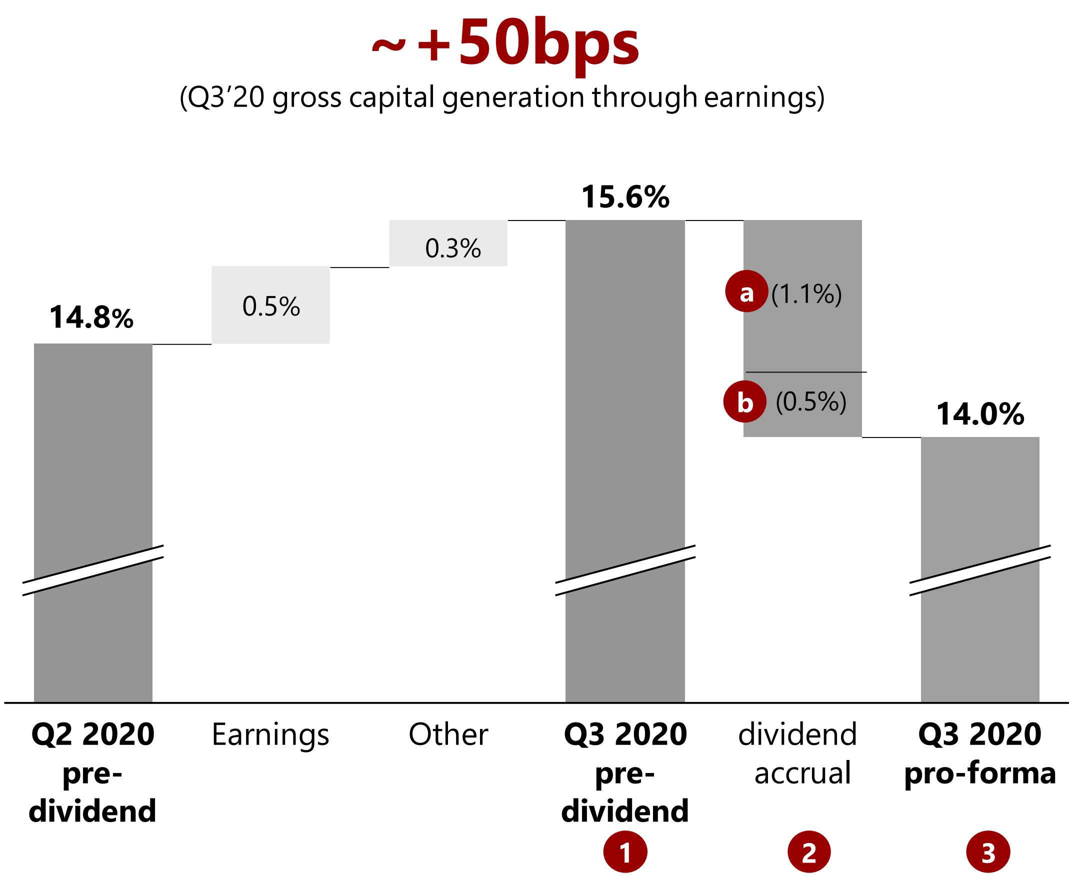
Balance Sheet & Capital | € millions	Q3 '20	Q2 '20	vPQ	vYE
Total assets	51,238	51,278	-	12%
Interest-bearing assets	40,274	40,505	(1%)	9%
Customer loans	31,545	31,372	1%	4%
Customer deposits	30,433	30,255	1%	-
Common Equity	3,435	3,366	2%	4%
Tangible Common Equity	2,882	2,811	3%	6%
CET1 Capital	2,832	2,777	2%	5%
Risk-weighted assets	20,246	20,750	(2%)	(1%)
CET1 Ratio (post dividend)	**14.0%**	**13.4%**	**0.6pts**	**0.7pts**
Liquidity Coverage Ratio	190%	209%	(19pts)	44pts
Leverage ratio	6.4%	5.9%	0.5pts	(0.1pts)

Per share data	Q3 '20	vPY	vPQ	YTD	vPY
Earnings (€)	0.90	(29%)	28%	2.29	(34%)
Book value (€)	39.07	6%	2%	39.07	6%
Tangible book value (€)	32.78	5%	3%	32.78	5%

Note: €331m dividend deducted from Equity balances and CET1 capital in balance sheet, capital, ratios and per share data.

Capital development … CET1 ratio (FL)

Strong capital position



1. Q3 '20 CET1 ratio excluding dividend at 15.6%
2. **Dividend deduction of 160bps (€331m):**
   - a. FY '19 dividend ~€230m and
   - b. YTD dividend accrual of ~€101m per dividend policy (50% of net profit)
3. CET1 ratio post 2019 and 2020 dividends at 14.0%

› **CET1 ratio target reduced to 12.25%** reflecting change in P2R composition and filled AT1/T2 buckets during Q3 '20

Outlook:

Projected impact from software intangibles of ~+25bps (net of prudential filter) in Q4 '20

Retail & SME

Financial performance

€ millions	Q3 '20	Q3 '19	vPY	Q2 '20	vPQ
Core revenues	219.6	219.1	-	213.8	3%
Net interest income	165.3	158.7	4%	166.2	(1%)
Net commission income	54.2	60.3	(10%)	47.7	14%
Operating income	222.3	220.1	1%	215.6	3%
Operating expenses	(90.3)	(97.4)	(7%)	(90.0)	-
Pre-provision profit	**132.1**	**122.7**	**8%**	**125.6**	**5%**
Regulatory charges	(1.0)	(1.4)	(29%)	(0.7)	43%
Risk costs	(27.0)	(18.1)	49%	(35.7)	(24%)
Profit before tax	**104.1**	**103.2**	**1%**	**89.1**	**17%**
Net profit	**78.1**	**77.4**	**1%**	**66.8**	**17%**

Ratios

in %	Q3 '20	Q3 '19	vPY	Q2 '20	vPQ
RoCE	21.2%	19.8%	1.4pts	18.5%	2.7pts
RoTCE	25.1%	23.1%	2.0pts	22.1%	3.0pts
CIR	40.6%	44.3%	(3.7pts)	41.7%	(1.1pts)
NPL ratio	1.9%	1.9%	-	1.8%	0.1pts
Risk cost ratio	0.57%	0.41%	0.16pts	0.78%	(0.21pts)

Customer development

€ millions	Q3 '20	Q3 '19	vPY	Q2 '20	vPQ
Housing loans	11,749	10,299	14%	11,030	7%
Consumer and SME	5,539	5,472	1%	5,547	-
thereof: secured portfolio	2,481	2,383	4%	2,505	(1%)
Portfolios	1,781	1,882	(5%)	1,916	(7%)
thereof: UK & French mortgage portfolio	1,469	1,812	(19%)	1,534	(4%)
Total assets	**19,069**	17,653	**8%**	18,493	**3%**
Total assets (avg)	**18,782**	17,493	**7%**	18,287	**3%**
Risk-weighted assets	**8,278**	8,235	**1%**	8,409	**(2%)**
Customer deposits	**24,671**	24,018	**3%**	24,878	**(1%)**

Pre-tax profit of €104m, up +1% vPY despite higher risk costs ... net asset growth +8% vPY and +3% vPQ driven by housing loans

Pre-provision profit of €132m, up +8% vPY ... NII up +4% and costs down (7%); offset by (10%) decline in fee income resulting from COVID-19 triggered lower transaction business

Risk costs of €(27)m in the quarter, up 49% vPY ... continuing to prudently build-up reserves

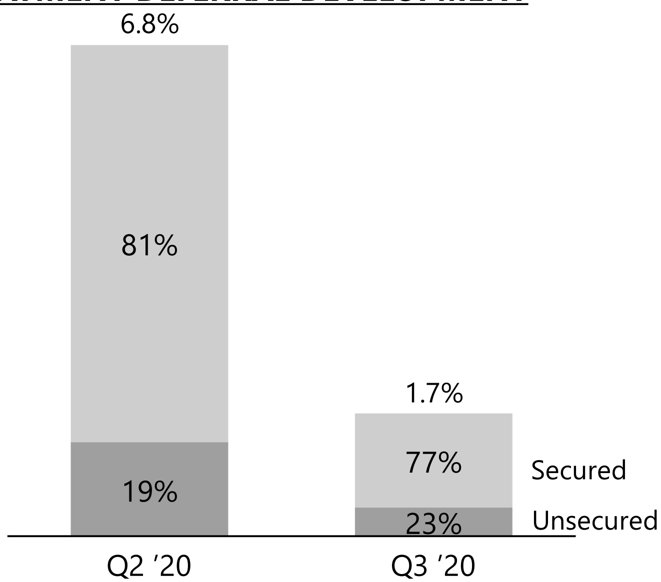
Focused on executing various operational and strategic initiatives ... consolidated Retail & SME domestic and international business during Q3 '20 to drive greater simplification and standardization across the business

Retail & SME

Portfolio overview of €19.1b of customer loans and leases

CREDIT PROFILE	Assets Q3 '20 (€b)	NPL ratio	Reserve development				Reserve ratio				Payment holidays		paying ratio (expired deferrals)
			YE '19	Q1 '20	Q2 '20	Q3 '20	YE '19	Q1 '20	Q2 '20	Q3 '20	Q2'20	22 October	
Secured	16.0	1.7%	100	105	106	105	0.66%	0.69%	0.68%	0.66%	6.6%	1.6%	94%
Unsecured	3.1	2.6%	75	99	124	149	2.39%	3.14%	4.08%	4.88%	7.7%	2.6%	90%
Total Retail & SME	**19.1**	**1.9%**	**176**	**204**	**230**	**254**	**0.96%**	**1.11%**	**1.24%**	**1.33%**	**6.8%**	**1.7%**	**94%**

PAYMENT DEFERRAL DEVELOPMENT



KEY DEVELOPMENTS

Highly collateralized Retail & SME business (84%) … primarily mortgages

Unsecured lending primarily personal loans to primary banking customers (~80%)

Total reserve build of +€78m (+44%) vYE and increase in reserve ratio from 96bps to 133bps vs YE '19 (+37bps)

94% of expired payment deferrals are current (paying again)

In Austria, public moratorium extended 3-months from 31 October 2020 to 31 January 2021 … to-date, only 0.2% request for extensions

Corporates & Public

Financial performance

€ millions	Q3 '20	Q3 '19	vPY	Q2 '20	vPQ
Core revenues	68.6	72.5	(5%)	68.4	-
Net interest income	59.3	61.7	(4%)	59.5	-
Net commission income	9.3	10.8	(14%)	8.9	4%
Operating income	67.5	71.4	(5%)	68.7	(2%)
Operating expenses	(19.6)	(25.0)	(22%)	(20.5)	(4%)
Pre-provision profit	**48.0**	**46.4**	**3%**	**48.2**	**-**
Regulatory charges	(1.0)	(0.6)	67%	(1.0)	-
Risk costs	(20.9)	(0.2)	>100%	(28.3)	(26%)
Profit before tax	**26.1**	**45.7**	**(43%)**	**18.9**	**38%**
Net profit	**19.6**	**34.2**	**(43%)**	**14.2**	**38%**

Ratios

in %	Q3 '20	Q3 '19	vPY	Q2 '20	vPQ
RoCE	7.3%	10.8%	(3.5pts)	5.4%	1.9pts
RoTCE	9.0%	13.2%	(4.2pts)	6.7%	2.3pts
CIR	29.0%	35.0%	(6.0pts)	29.8%	(0.8pts)
NPL ratio	1.1%	1.6%	(0.5pts)	1.1%	-
Risk cost ratio	0.61%	0.01%	0.60pts	0.81%	(0.20pts)

Customer development

€ millions	Q3 '20	Q3 '19	vPY	Q2 '20	vPQ
Corporate lending	4,264	6,566	(35%)	4,483	(5%)
Asset backed lending	4,986	4,467	12%	5,055	(1%)
Public clients	4,335	3,347	30%	4,364	(1%)
Total assets	**13,585**	14,380	**(6%)**	13,902	**(2%)**
Total assets (avg)	**13,603**	13,996	**(3%)**	13,845	**(2%)**
Risk-weighted assets	**7,443**	8,411	**(12%)**	7,652	**(3%)**
Customer deposits	**5,170**	6,028	**(14%)**	4,822	**7%**

Pre-tax profit €26m, down (43%) vPY impacted by higher risk costs … net asset down (2%) vPQ and down (6%) vPY driven by corporate lending

Pre-provision profit €48m, up +3% vPY … Operating income down (5%) offset by reduction in costs of (22%)

Risk costs of €(21)m during the quarter, of which €(16)m specific reserves … taking specific reserves in exposures to cyclical sectors

Maintaining disciplined underwriting … will remain patient and continue to focus on risk-adjusted returns

Corporates & Public

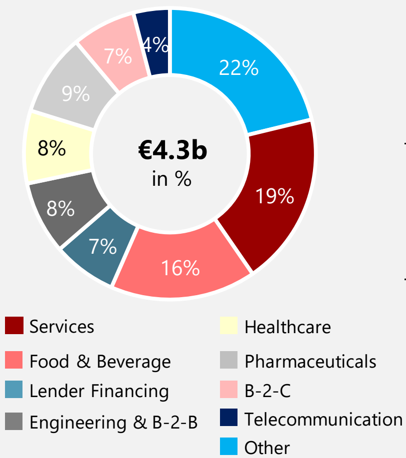
Portfolio overview of €13.6 billion of customer loans … whereof €4.3b in public sector

Payment Deferral overview

	Assets Q3 '20 (€b)	NPL ratio	Reserve development				Reserve ratio				Payment holidays		paying ratio (expired deferrals)
			YE '19	Q1 '20	Q2 '20	Q3 '20	YE '19	Q1 '20	Q2 '20	Q3 '20	Q2'20	22 October	
Corporate and Asset Backed Lending [1)]	**9.3**	**1.6%**	**76**	**89**	**113**	**130**	**0.78%**	**0.91%**	**1.19%**	**1.40%**	**1.3%**	**0.6%**	**100%**

1) Public sector assets of €4.3b; no NPL nor payment holidays

CORPORATE LENDING … €4.3b; (5%) vPQ



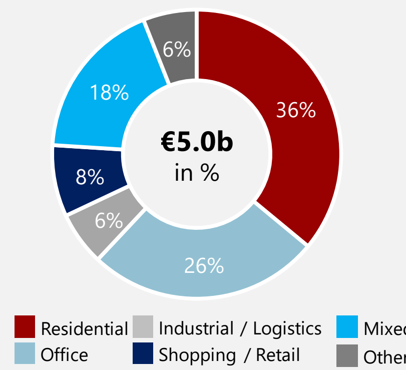
Cyclical sectors	Net book value (€m)	NPL volume	*%share of* Corporate lending	Customer Business
Shipping	25	-	0.59%	0.08%
Retailers	15	9	0.34%	0.04%
Oil & Gas	7	7	0.16%	0.02%
Hotels	13	-	0.31%	0.04%
Airlines	-	-	-	-
Total	**60**	**15**	**1.40%**	**0.18%**

– Disciplined and conservative underwriting over the years focused on risk-adjusted returns and not chasing volume growth

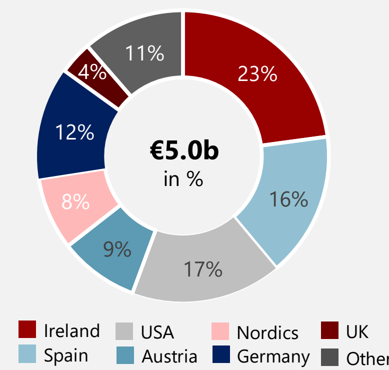
– Proactively managing higher-risk cyclical exposures … €60m net book value down by ~25% vPQ … another 35-40% reduction in 4Q from redemptions / amortizations

ASSET BACKED LENDING … €5.0b; (1%) vPQ

By underlying



By geography



Underwriting overview

Historically disciplined underwriting:

- Senior secured
- Day 1 LTC/V < 65%
- Interest Coverage Ratio (ICR >2.0x)

Commentary

- Solid portfolio performance … Positive customer responses and actions to date
- As of 30 September, direct exposure to Hotels/Retail of ~ 8% … over 32% avg. pay down, ~6 months interest reserve

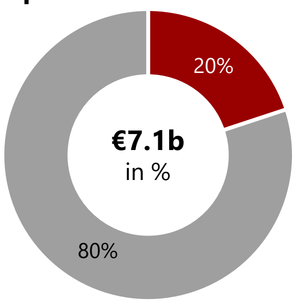
Investment book and Cash

Continued to deploy excess cash into high-quality securities

	YE '19		Q3 '20

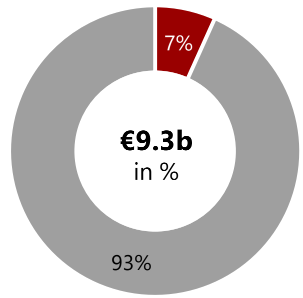
Cash & Cash equivalent

YE '19



+€ 2.2b

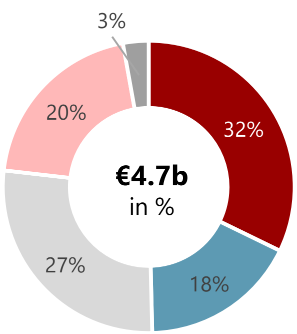
Q3 '20



Cash   Cash equivalent

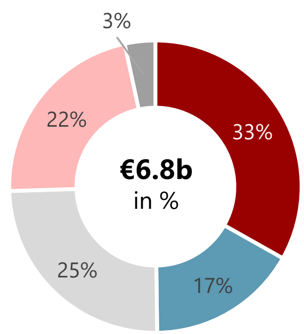
Investment book

YE '19



+€ 2.1b

Q3 '20



AAA   AA   A   BBB   BB

As of Q3 '20, cash and cash equivalents (mainly money at central banks) at €9.3b ... TLTRO III of €5.8b in Q2 '20

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
- 97% portfolio investment grade, with 75% A or higher
- Weighted average life of 4.4 years
- ~400 positions, average size ~€18m

Q3 2020 Highlights and segment performance

Detailed financials

Group Overview & Strategy

P&L & key ratios

P&L | € millions	Q3 '20	Q3 '19	vPY	vPQ
Net interest income	234.8	220.0	7%	3%
Net commission income	62.8	70.8	(11%)	13%
Core revenues	**297.6**	**290.8**	**2%**	**5%**
Other revenues	(7.4)	24.1	n/a	n/a
Operating income	**290.2**	**314.9**	**(8%)**	**2%**
Operating expenses	**(125.3)**	**(133.4)**	**(6%)**	**-**
Pre-provision profit	**164.9**	**181.5**	**(9%)**	**3%**
Regulatory charges	(14.2)	(2.1)	576%	468%
Risk costs	(49.7)	(17.1)	191%	(33%)
Profit before tax	**101.3**	**163.5**	**(38%)**	**25%**
Income taxes	(22.3)	(39.1)	(43%)	16%
Net profit	**78.8**	**124.4**	**(37%)**	**29%**

Key ratios	Q3 '20	Q3 '19	vPY	vPQ
Return on Common Equity	9.3%	13.8%	(4.5pts)	1.9pts
Return on Tangible Common Equity	11.1%	16.4%	(5.3pts)	2.2pts
Net interest margin	2.31%	2.28%	0.03pts	0.04pts
Cost-income ratio	43.2%	42.4%	0.8pts	(0.7pts)
Risk cost ratio	0.49%	0.18%	0.31pts	(0.25pts)
Earnings per share (in €)	0.90	1.26	(29%)	28%
Tangible book value per share (in €)	32.78	31.13	5%	3%

Net interest income up +3% vPQ due to higher interest-bearing assets in prior quarters and positive effect of TLTRO

NCI +13% vPQ … most significant impact of COVID-19 impacts in Q2 '20, slight recovery for rest of the year

Risk costs of €(50)m … remaining cautious and conservative

Note: €331m dividend deducted from Equity balances and CET1 capital in balance sheet, capital, ratios and per share data.

Balance sheet

Growing overall balance sheet thru increased interest-bearing assets

Balance sheet | € billions	Q3 '20	Q4 '19	Delta
Customer loans	31.5	30.5	4%
Securities and bonds	7.8	5.4	45%
Credit institutions and cash	9.3	7.1	30%
Other assets	2.6	2.7	(2%)
Total assets	**51.2**	**45.7**	**12%**
thereof Average interest-bearing assets	40.4	37.6	7%
Customer deposits	30.4	30.4	-
Own issues	6.5	5.4	20%
Credit institutions	7.5	3.1	144%
Other liabilities	2.5	2.9	(14%)
Common equity	3.4	3.3	4%
Dividend accrual	0.3	0.2	43%
AT1 capital	0.5	0.3	59%
Total liabilities & equity	**51.2**	**45.7**	**12%**

Capital & RWA | € billions	Q3 '20	Q4 '19	Delta
Common equity	3.4	3.3	4%
Tangible common equity	2.9	2.7	6%
CET1 capital	2.8	2.7	5%
Risk-weighted assets	20.2	20.4	(1%)
CET1 ratio (post dividend)	14.0%	13.3%	0.7pts
Leverage ratio	6.4%	6.5%	(0.1pts)

Growing interest-bearing assets thru mix of customer loans (+4%) and securities (+45%)

Risk weighted assets slight decrease vYE reflecting change in asset mix

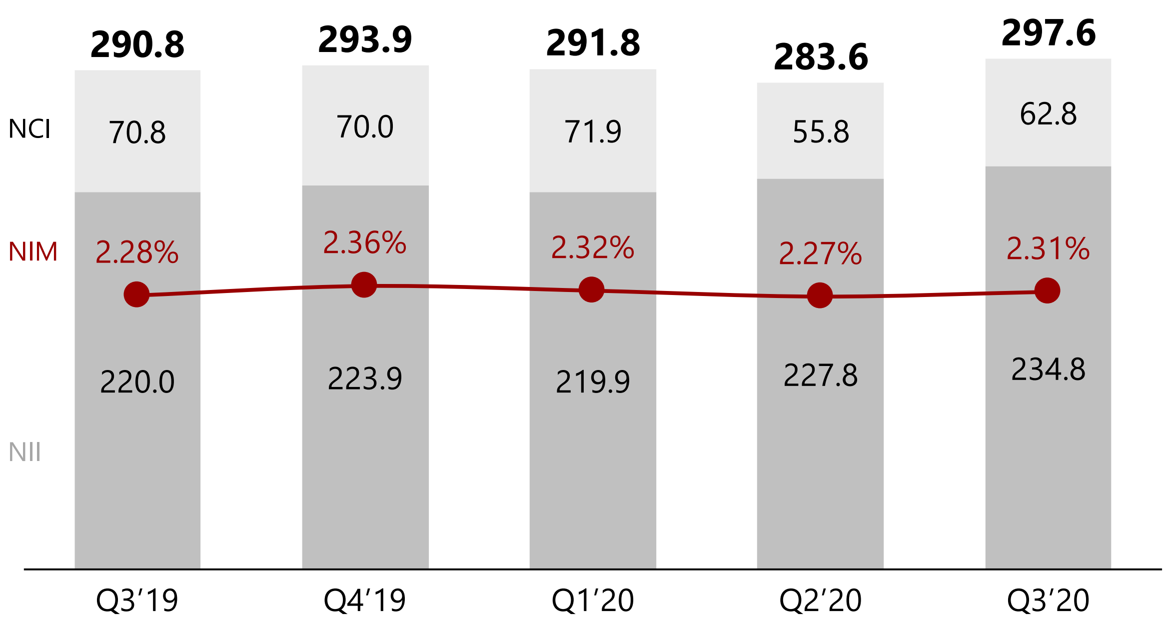
Tangible Common Equity up +6% vYE .... CET1 ratio improved to 14.0% after dividend (+60bps versus Q2 '20)

Note: €331m dividend deducted from Equity balances, CET1 capital and capital ratios.

P&L details – core revenues

Solid core revenues in Q3 … NCI still impacted by COVID-19 effects

€ millions



Customer loans | Average interest-bearing assets | € billions

Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
30.7	30.5	31.1	31.4	31.5
38.6	37.6	38.1	40.4	40.4

Net interest income (NII) up 3% vPQ … net interest margin (NIM) at 2.31% in Q3 '20

- Positive trend resulting from TLTRO III impact
- Trend expected to continue for the rest of the year
- Changing asset mix over time (more secured vs. unsecured)

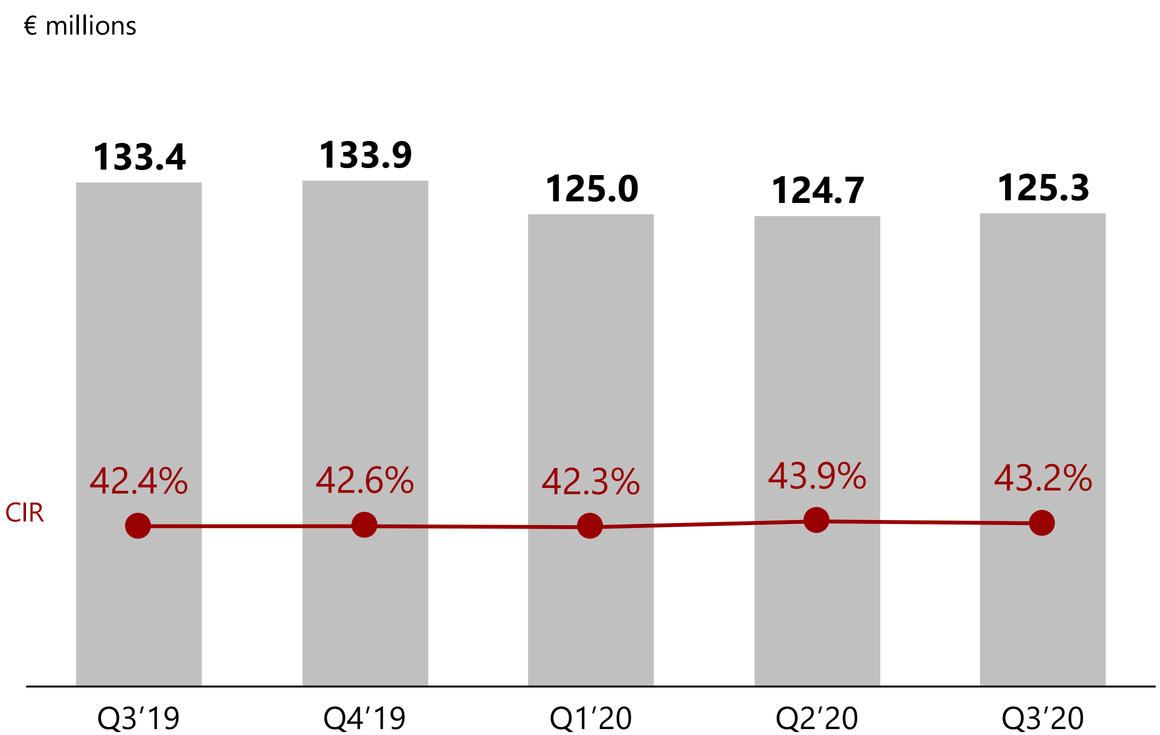
Net commission income (NCI) up 13% vPQ

- Q2 '20 was a trough of activity … still subdued in selected business areas compared to previous year
- Currently at ~90% of pre-COVID levels

Outlook for Q4 '20:
stable development of core revenues compared to Q3 '20

P&L details – operating expenses

Absolute costs lower versus prior year



Cost-income ratio at 43.2% in Q3 '20 and 43.1% YTD

Year-over-year decrease resulting from ongoing efficiency and centralization measures

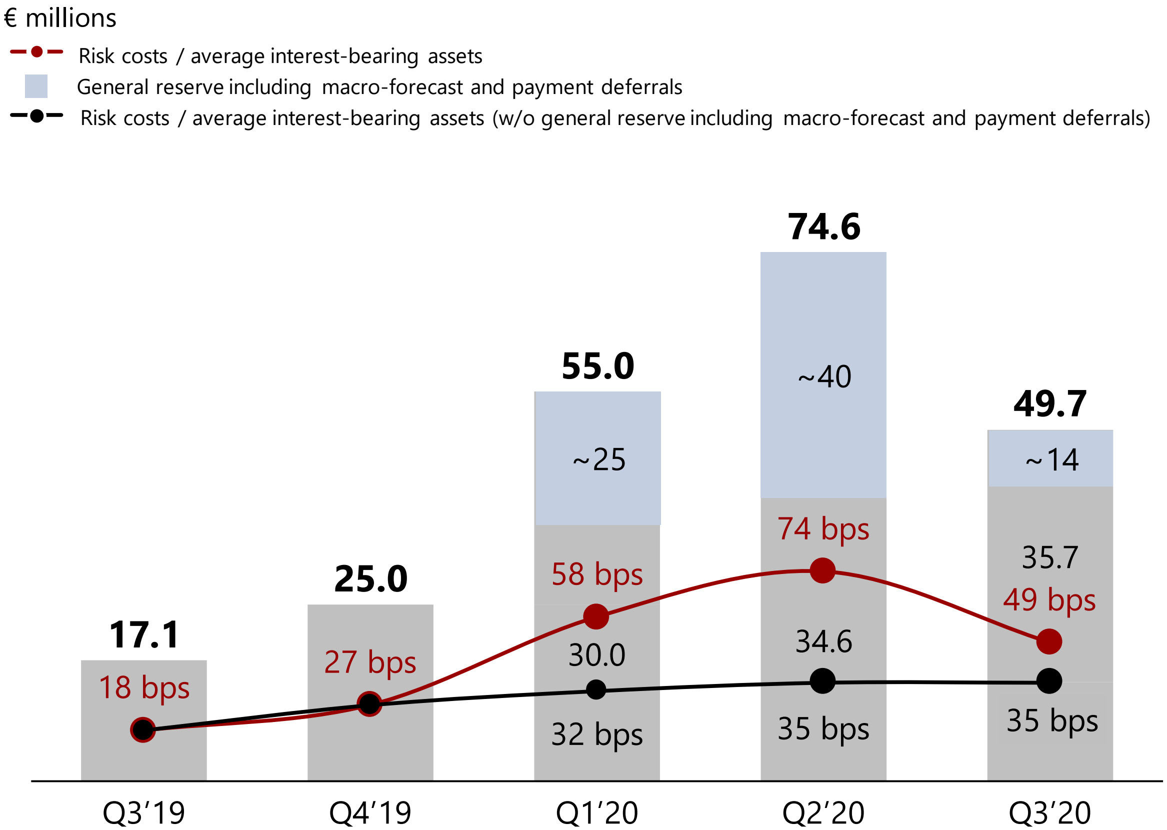
Planting the seeds for greater scale, greater digital engagement both with customers and employees, and **greater simplification and standardization across the Bank**

Working on measures to meet target of below 40% cost-income ratio

Outlook for 2020:
underlying costs will be 5% lower versus 2019 …
planning to take up to €25m restructuring cost in Q4 '20 to accelerate future efficiency measures

P&L details – risk costs

Strong underlying asset quality



NPL ratio (as reported and excluding CoL)

1.8%	1.7%	1.6%	1.5%	1.5%
1.3%	1.1%	1.1%	1.0%	1.1%

Q3 '20 risk costs at ~€50m … ratio at 49bps

- €16m specific reserves in our Corporates business to address cyclical exposures
- €14m additional general reserve
- Normal risk cost run-rate in Retail & SME of ~€20m

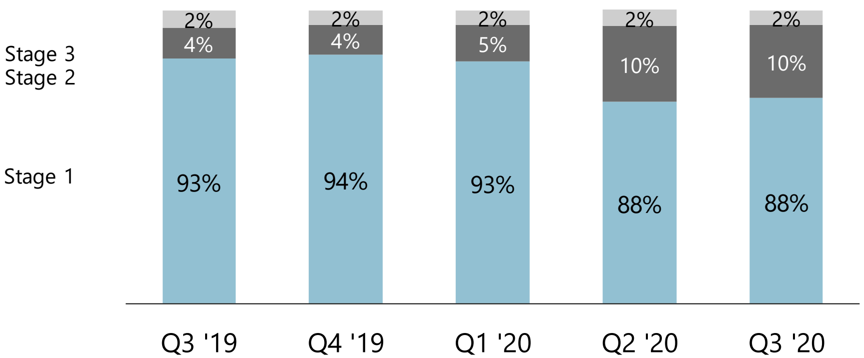
Maintain safe & secure balance sheet & portfolio risk management

- Business focused on developed markets … ~75% DACH/NL region and ~25% Western Europe / United States
- 77% of loan portfolio is secured or public sector lending

Outlook for risk costs:
Risk cost in H2 '20 will be below H1 '20

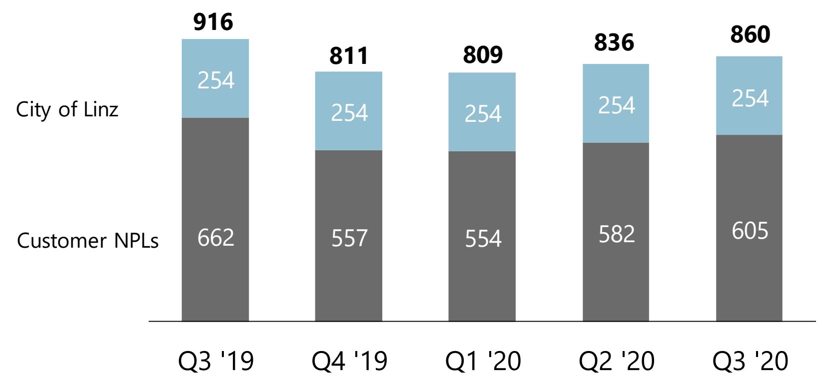
Details on reserves

IFRS 9 MIGRATION – CUSTOMER SEGMENT ASSETS



	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20
Customer business	**32.0**	**31.3**	**31.8**	**32.4**	**32.7**
Less public sector	*3.3*	*3.4*	*3.7*	*4.4*	*4.3*
Asset base	**28.7**	**27.9**	**28.1**	**28.0**	**28.3**

Non-performing stage 3 loans, in €m



	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20
NPL ratio (%)	1.8%	1.7%	1.6%	1.5%	1.5%
NPL ratio excl. City of Linz	1.3%	1.1%	1.1%	1.0%	1.1%
NPL cash coverage ratio (%)	36%	37%	39%	39%	43%

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

	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20
Stage 1	37	35	53	60	64
Stage 2	19	17	22	56	58
Stage 3	238	205	218	226	262
Total reserves	**293**	**256**	**293**	**343**	**384**

NPL ratio (excluding City of Linz) at 1.1%, with cash coverage of 43%

Reserves up €128m vYE (+50%), of which ECLs up €70m (+135%) and Stage 3 reserves up €58m (+28%) … we will continue to remain prudent and apply conservative provisioning

ECL reserves based on ECB macroeconomic forecast for Euro-area published in June for adverse scenario (-12.6% in 2020, +3.3% in 2021) … will not make any model updates this year unless assumptions worsen

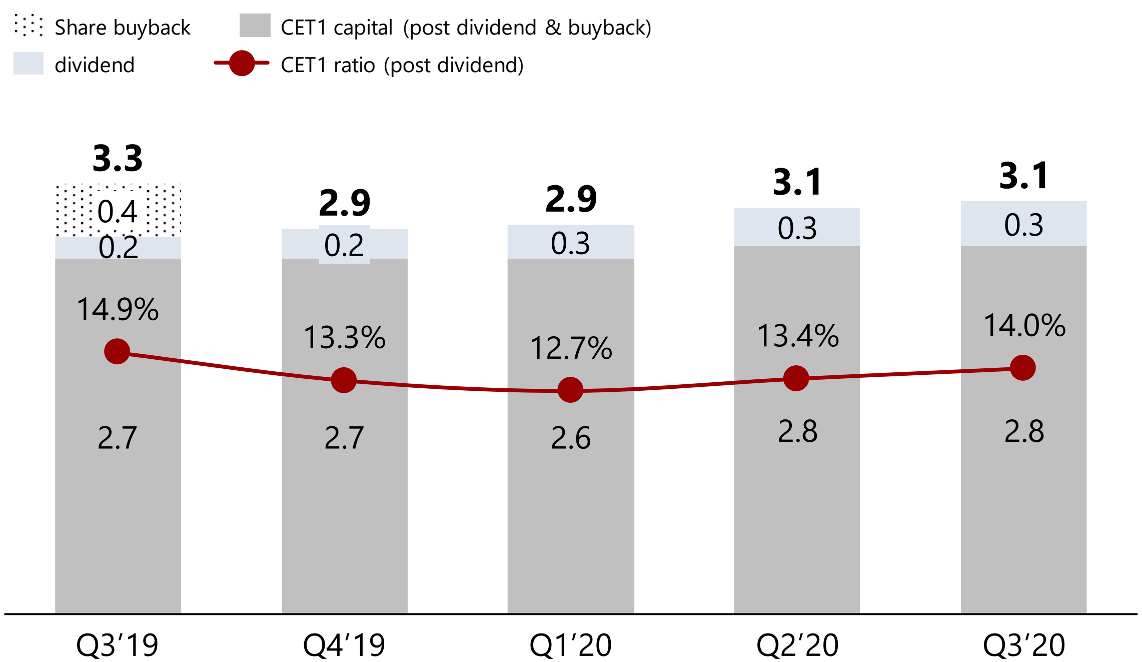
City of Linz receivable marked at 60% … Assuming worst case scenario, CET1 impact of (~20bps)

Regulatory Capital

Strong capital position

€ billions

CET1 Capital and ratios



RWA | € billions | **Tier 1 ratio[1]** | **Total capital ratio[1]**

20.6	20.4	20.9	20.8	20.2
16.4%	14.7%	14.1%	14.8%	16.3%
18.7%	17.0%	16.3%	17.0%	19.6%

1) Post dividend accrual

Impact of various capital measures:

- Software intangibles: Impact of ~+25bps (net of prudential filter) to CET1 to be recognized in Q4 '20
- Issued €175 million AT1 (5.125% coupon) and €200 million T2 (1.932% yield, ms +235bps) in Q3 '20
  - filling the P2R bucket and created additional RWA capacity
  - Tier 1 ratio and Total Capital ratios improved by ~150bps (T1) and ~260bps (Total Capital)

Updated CET1 target of 12.25%

MDA trigger at 9.13%

- target CET 1 ratio of 12.25% is >300bps above MDA trigger
- current CET 1 ratio (post dividend) ~500bps above MDA trigger

Outlook and Targets

Updated 2020 outlook

OUTLOOK 2020

	FY '20
Net interest income **FY '19: €879m**	**Increasing up to 4%**
Net fee and commission income **FY '19: €284m**	**Decreasing ~10%**
Other income **FY '19: €78m**	**€0 result for full year 2020**
Operational expenses **FY '19: €530m**	**Core expenses : Decreasing by ~5%;** **Booking up to €25m restructuring cost in Q4 '20**
Risk costs **FY '19: €69m**	**H2 '20 lower than H1 '20 risk costs**
Return on tangible common equity: **FY '19: 16.1%**	**Targeting ~10%**

MEDIUM-TERM TARGETS

Based on normalized environment

Return on tangible common equity (RoTCE)

>15%

Cost-income ratio

<40%

AGM

30 October 2020

Dividend distributions pending guidance from ECB/regulators

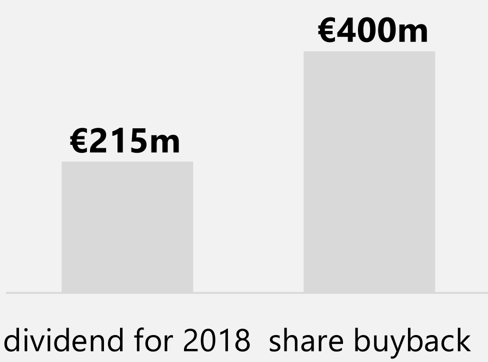
Capital Markets Day

Sep '21

Capital distribution

What we plan to present to AGM (2019 resolutions) on 30 October 2020

Capital distribution in 2019



- Dividend policy of **50% payout ratio**
- Share buyback of €400m (11% of shares outstanding) executed in November 2019 … new share capital: 89,142,237 shares
- **~140% Total Payout Ratio** for 2018 paid in 2019

Future capital distribution

~€230m

dividend for 2019 earmarked for future payout

~€101m

YTD dividend accrual for 2020 as per dividend policy

- ECB recommended not to pay dividend until 1 January 2021 … further guidance will be provided in December
- Taking into consideration any further formal guidance or recommendations, dividends will be presented to be resolved:
  - 2019 dividend upon to the next (extraordinary) general meeting (2021)
  - 2020 dividend upon to the next general meeting in 2021
- **New CET1 ratio threshold for capital distribution is 12.25%**

Q3 2020 Highlights and segment performance

Detailed financials

Group Overview & Strategy

BAWAG Group

COMPANY PROFILE

One of Austria's leading retail banks with **2.4 million customers & solid market shares**

2019 results: €459m net profit, 16.1% RoTCE, CIR 42.7% and CET1 ratio 13.3%

Focused on developed markets … DACH region, Western Europe and the United States

Organic & inorganic growth in DACH region and developed markets

Simple & consistent product offering across multiple channels

Developing more towards a Retail & SME franchise … targeting mid-term 80% profit contribution from Retail & SME (versus 67% in 2019)

CAPITAL MANAGEMENT

Focused on organic and inorganic growth

Dividend policy of 50% payout ratio of net profits

Committed to returning excess capital to shareholders

MEDIUM-TERM TARGETS

Based on normalized environment

Return on tangible common equity (RoTCE)

>15%

Cost-income ratio

<40%

OUR STRATEGY

Growth in our **core markets**

Focus on **Customer Centricity**

Efficiency and **operational excellence**

Safe and secure

Strategy

4 pillars of our growth strategy

Growing in our core markets

- Our foundation is Austria with focus on DACH region and developed markets
- Grow into current account market share entitlement of up to 20% in Austria across core retail products
- Organic growth drivers … Partnerships & platforms, enhancing digital engagement and growing share of wallet of 2.4 million customer base
- Inorganic growth drivers … pursuing earnings-accretive M&A meeting our Group RoTCE targets >15%

Focus on Customer Centricity

- Build multi-channel and multi-brand franchise from branches-to-partners-to-brokers-to-platforms-to-digital products across the entire Retail & SME franchise
- Physical network focused on high-touch and high-quality advisory
- Leverage technology to simplify processes and reduce complexity
- Enhance analytical capabilities to improve customer experience
- New partnerships and lending platforms to provide 24/7 customer access

Drive efficiency through operational excellence

- Our DNA is to focus on the things we control …"Self-help" management
- Simplify, standardize, and automate products offerings across all channels
- Create simple processes … wing-to-wing digitization focus across the Bank
- Continuously optimize our processes, footprint, and technology infrastructure
- Embrace various forms of technological change … will transform banking

Maintaining a safe and secure risk profile

- Maintaining strong capital position, stable retail deposits and low risk profile
- Focus on mature, developed and sustainable markets
- Applying conservative and disciplined underwriting in markets we understand
- Maintain fortress balance sheet
- Proactively manage and mitigate non-financial risk

Committed to responsible and profitable growth considering ESG

Bank transformation

Focusing on things we control and driving operational excellence

KEY METRICS

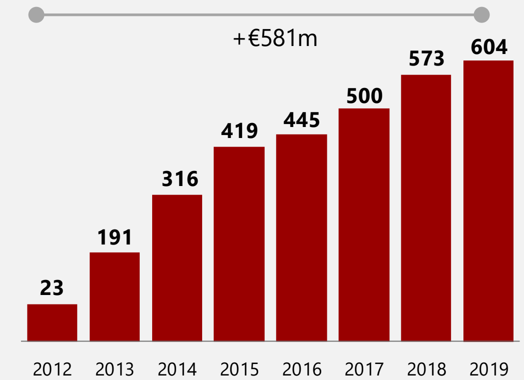
	2012	2013	2014	2015	2016	2017	2018	2019
RoTCE	3%	11%	15%	17%	18%	15%	15%	**16%**
C/I ratio	70%	68%	54%	48%	46%	47%	44%	**43%**
CET1 (FL) post dividend	6.2%	9.4%	12.2%	12.3%	13.6%	13.5%	14.5%	**13.3%**
NPL ratio	3.5%	2.5%	2.0%	1.9%	1.7%	1.8%	1.7%	**1.7%**
Assets (€b)	41.5	36.6	34.9	35.7	39.7	46.1	44.7	**45.7**

KEY TOPICS

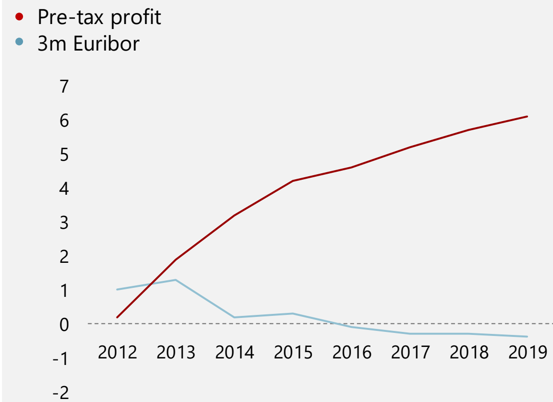
- Structurally **fixed cost base**
- Focus on **simple core products**
- **Focus on core markets** ... exited CEE and non-core assets
- **Discontinued trading activities**
- **Significantly increased profitability** despite declining / negative rates
- More than **doubled CET1** ratio
- **Returned/earmarked over €900m* capital since IPO in 2017**
- Completed **9 acquisitions** in DACH region since 2015

Increased profitability ...

Pre-tax profit (€ millions)



... without relying on interest rates



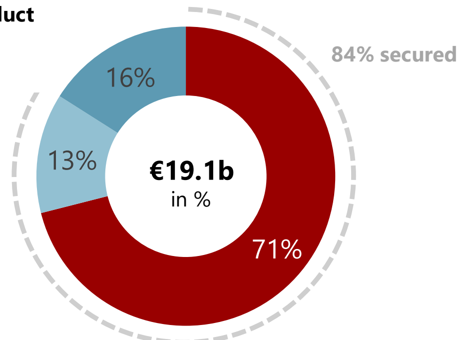
* Comprised of €400m share buyback executed in 2019 and €500m dividend, of which €230m FY 2019 dividend postponed, pending regulatory guidance

Customer businesses €32.7 billion

As of September 2020

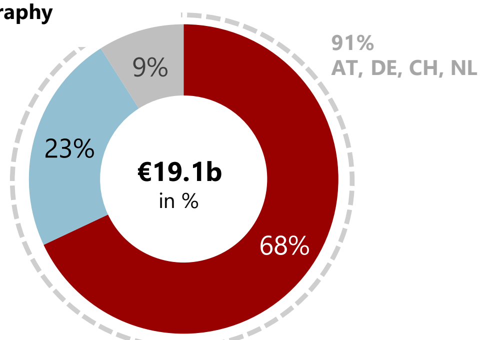
RETAIL & SME

By product



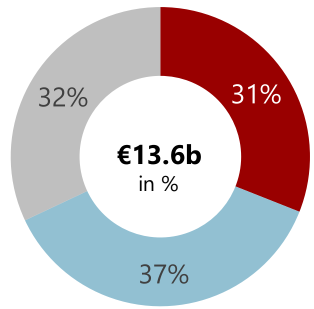
Housing loans · Consumer & SME (secured) · Consumer & SME (unsecured)

By geography

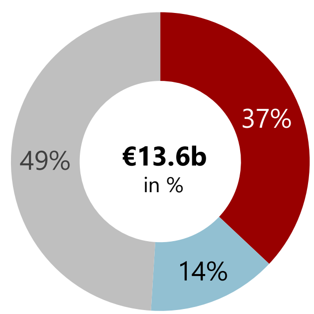


AT · DE, CH, NL · Western Europe / Other

CORPORATES & PUBLIC



Corporate lending · Asset backed lending · Public clients



AT · DE, CH, NL · Western Europe / USA

CUSTOMER BUSINESSES

€32.7 billion of which …

~77%
Secured or public sector lending

~75%
Lending in AT, DE, CH, NL

~25%
Western Europe & USA

Proven M&A track record

Experienced with bolt-on acquisitions to build out customer franchise

Germany	Q2 '19	Health AG [3]	€0.1b assets, €1b factoring volume	3k customers
Switzerland	Q1 '19	Zahnärztekasse AG		
Germany	Q2 '19	BFL DIE IT-FINANZIERER	€0.6b assets	50k customers
Germany	2018	Deutscher Ring Bausparkasse AG [2]	€0.5b assets	85k customers
Germany	2017	SÜDWESTBANK	€7.4b assets	100k customers
Austria	2017	PayLife, SIX commercial card issuing business	1.7m cards	>500k customers
Austria	2016	start bausparkasse	€2b assets	500k customers
Austria	2016	IMMO-BANK	€1.6b assets	5k customers
Austria	2015	VB LEASING [1] LIKE IT. LEASE IT.	€0.7b assets	50k customers

Continued focus on companies within the DACH region and core Europe

Assessing banks, specialty finance companies, performing loan portfolios complimentary financial service companies and FinTechs

Primary focus: Mortgages, Leasing, Consumer, Factoring, Cards, SMEs and niche Private Banking

Primarily targeting companies requiring operational turnaround through simplification, standardization and technology

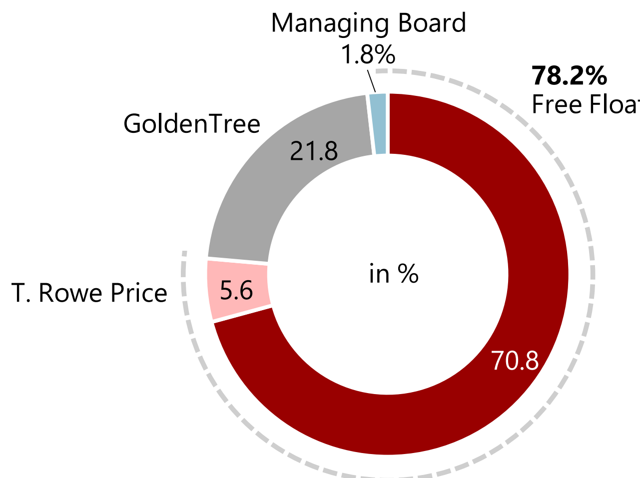
1) rebranded: easyleasing 2) rebranded: start:bausparkasse 3) rebranded: Health Coevo AG

Investor relations calendar

UPCOMING ROADSHOWS AND CONFERENCES

27 Oct	Digital one-on-one and group meetings
30 Oct	Annual General Meeting (virtual; https://www.bawaggroup.com/agm)
11 Nov	UBS Financials Conference
23 Nov	Citi Pan-Asia Conference
24 Nov	UBS German Senior Day
25 Nov	RCB Austrian Day

SHAREHOLDER STRUCTURE



BAWAG Group

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Annex – Definitions and abbreviations

After-tax earnings per share ('EPS')
Net profit / weighted average number of shares outstanding (diluted)

B/S leverage
Total assets / IFRS equity

Common Equity Tier 1 capital (CET1)
including interim profit and dividend accruals considered; at year-end dividend deducted; Q1 '20 deducts dividend for FY '19 and Q1 '20

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

FL … fully-loaded

Leverage ratio
Tier 1 capital / total exposure (calculation according to CRR)

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

NPL ratio
NPL exposure economic / exposure

Pre-tax earnings per share
Profit before tax / weighted average number of shares outstanding (diluted)

Return on common equity (RoCE)
Net profit / average IFRS equity excluding AT1 capital and deducted dividend accruals average equity based on 1 January 2018 due to IFRS 9 implementation

Return on tangible common equity (RoTCE)
Net profit / average IFRS tangible equity excluding AT1 capital and deducted dividend accruals; average equity based on 1 January 2018 due to IFRS 9 implementation

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

vPY … versus prior year period
vPQ … versus prior quarter period
vYE … versus year-end

Note: Tables in this presentation may contain rounding differences. Already published historic figures may vary due to adjustments.