

BAWAG GROUP PRELIMINARY FY 2023 RESULTS

February 1, 2024

AGENDA

1 Q4 2023 HIGHLIGHTS & CAPITAL DEPLOYMENT

2 ASSET QUALITY

3 DETAILED FINANCIALS & OUTLOOK

4 SUPPLEMENTAL INFORMATION

HIGHLIGHTS Q4 2023

EARNINGS

Q4 '23:

Net profit €177m, RoTCE of 25.7% and EPS of €2.15

Core revenues up 1% vPQ ... operational expenses up 1% vPQ

Pre-provision profit of €262m (2%) vPQ ... CIR at 32.0%

Risk costs of (€30m) or 29bps risk cost ratio ... ECL management overlay at €80m

FY '23: Net profit of €683m, RoTCE of 25.0%, CIR of 31.8%, and EPS of €8.31

BALANCE SHEET & CAPITAL

Average customer loans and average interest-bearing assets flat vPQ

Average customer deposits +2% vPQ ... average customer funding +2% vPQ

€175m buyback fully executed during Q4 '23 with 3.9m shares cancelled ... acquisition of Idaho First Bank completed in Q4 '23

Fortress balance sheet ... excess capital of €475m, €12.7b cash (excluding TLTRO) with LCR 215% and strong credit profile with NPL ratio of 1.0%

CET1 ratio at 14.7% after deducting €5.00 dividend per share

TARGETS & CAPITAL DEPLOYMENT

All 2023 targets achieved

2024 financial targets:

Profit before tax of >€920m ... excluding M&A

Return targets unchanged at:

RoTCE >20% and CIR < 34%

Excess capital of €475m provides dry powder for potential organic and inorganic opportunities ... ,currently no share buyback planned in 2024

Deploying 100-150bps CET1 capital for acquisition of Knab bank in the Netherlands (subject to regulatory approvals) ... PBT >€150m by 2026

2023:

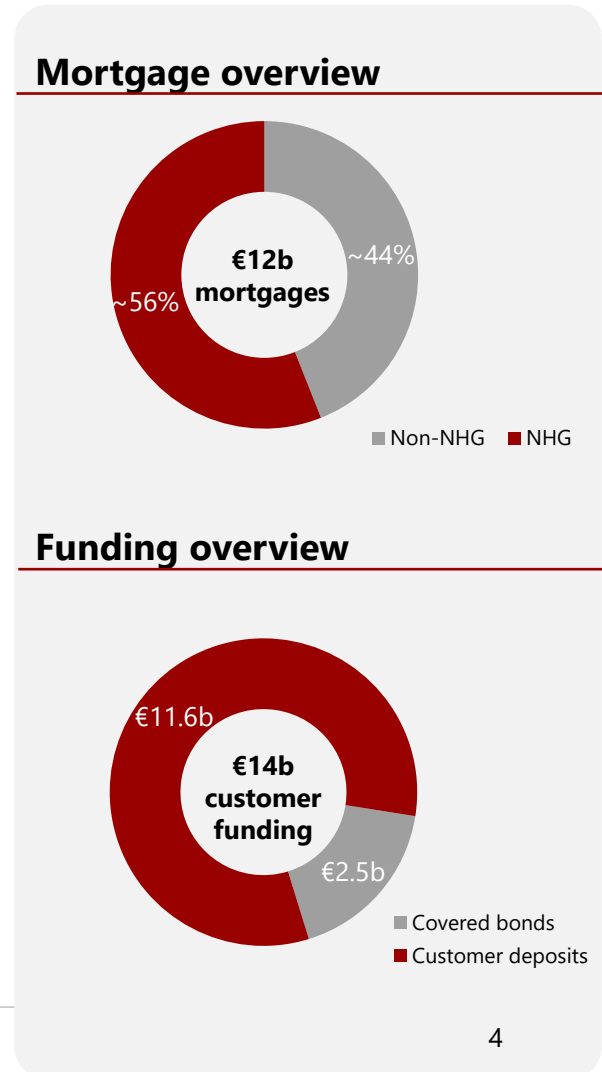
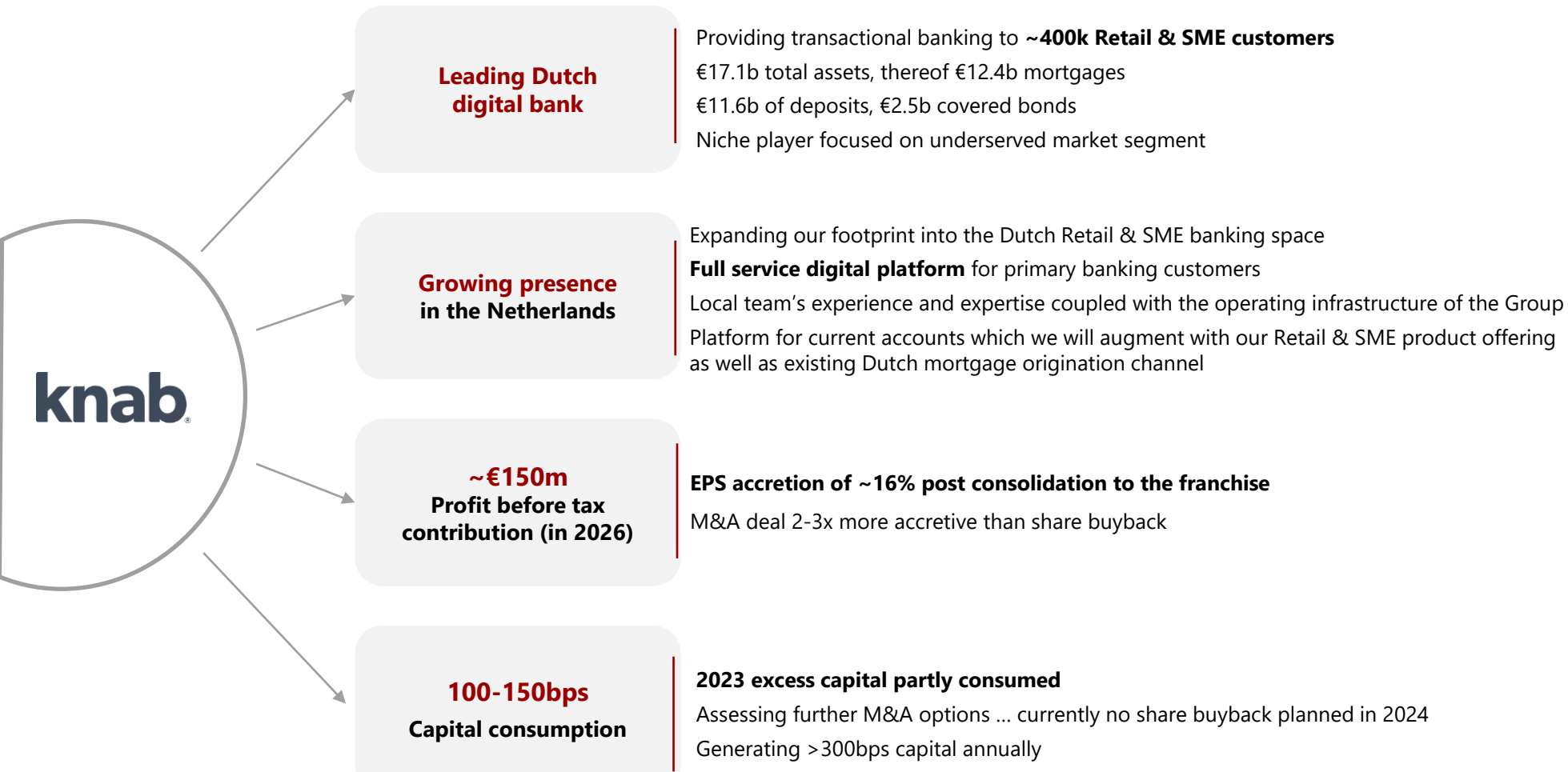
- Profit before tax €910m
- RoTCE 25.0%
- CIR 31.8%

- CET1 ratio at 14.7%
- €5.00 Dividend per share
- €475m excess capital

- 2024 Profit before tax target of >€920m
- Deploying excess capital ... acquisition of Knab bank in the Netherlands

GROWING OUR FRANCHISE IN LINE WITH OUR STRATEGY

Excess capital of €475m as of year-end 2023 providing dry-powder for signing M&A transaction



Note: Numbers of Knab as of half-year 2023 or full year 2022; transaction subject to regulatory approval

FINANCIAL PERFORMANCE

P&L € millions	2023	vPY	Q4 '23	vPY	vPQ
Core revenues	1,537.4	16%	394.0	14%	1%
Net interest income	1 230.2	20%	316.3	17%	1%
Net commission income	307.2	(1%)	77.7	4%	1%
Operating income	1 525.4	15%	385.7	17%	(1%)
Operating expenses	(485.3)	2%	(123.4)	4%	1%
Pre-provision profit	1 040.1	22%	262.3	23%	(2%)
Regulatory charges	(39.0)	(20%)	2.7	nm	nm
Risk costs	(93.2)	(24%)	(30.2)	(17%)	38%
Profit before tax	910.4	34%	236.4	33%	(3%)
Net profit	682.6	34%	176.7	34%	(5%)

Ratios	2023	vPY	Q4 '23	vPY	vPQ
RoCE	20.9%	5.3pts	21.6%	5.2pts	(1.6pts)
RoTCE	25.0%	6.4pts	25.7%	6.1pts	(1.9pts)
Net interest margin	2.90%	0.57pts	3.00%	0.57pts	0.03pts
CIR	31.8%	(4.1pts)	32.0%	(3.7pts)	0.7pts
Risk cost ratio	0.22%	(0.06pts)	0.29%	(0.04pts)	0.08pts

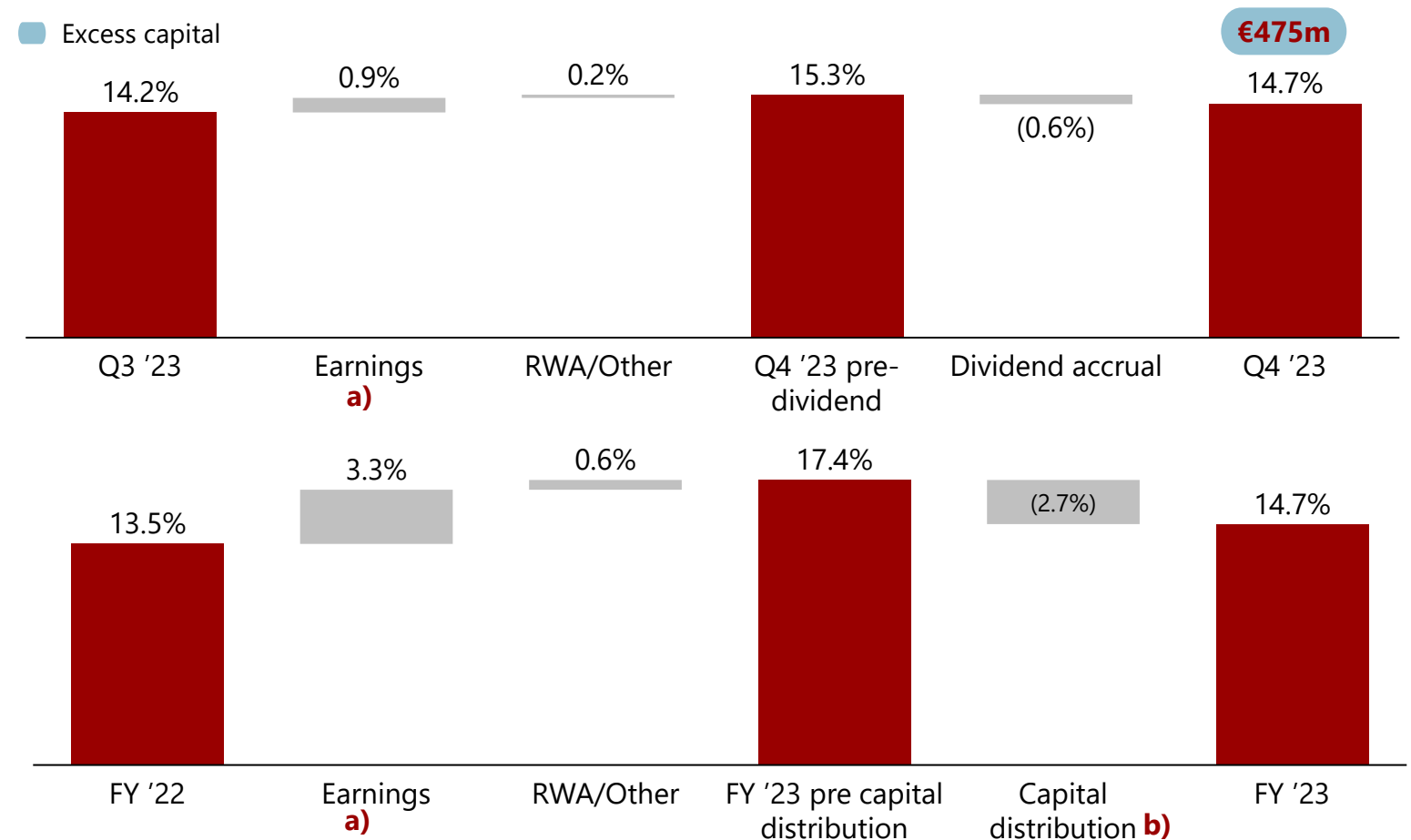
Balance Sheet & Capital € millions	Q4 '23	Q3 '23	vPQ	vPY
Total assets	55 448	52 857	5%	(2%)
Cash & Cash Equivalent excluding TLTRO	12 672	10 990	15%	63%
Interest-bearing assets (average)	41 864	41 902	-	(5%)
Customer funding (average)	45 435	44 721	2%	6%
Customer loans (average)	33 884	33 874	-	(7%)
Customer loans	33 622	33 783	-	(6%)
Customer deposits (average)	32 985	32 212	2%	-
Customer deposits	33 726	32 015	5%	(2%)
Common Equity	3 307	3 246	2%	3%
Tangible Common Equity	2 775	2 735	1%	3%
CET1 Capital	2 841	2 799	2%	2%
Risk-weighted assets	19 317	19 699	(2%)	(7%)
CET1 Ratio (post dividend)	14.7%	14.2%	0.5pts	1.2pts
Per share data	2023	2022	vPY	
Book value (€)	42.12	39.14	8%	
Tangible book value (€)	35.35	32.78	8%	
Shares outstanding (€ m)	78.51	82.15	(4%)	
Earnings per share (€)	8.31	5.81	43%	

Note: All equity, capital, ratios and per share data reflect deduction of €393m dividend accrual. 2022 numbers shown on an adjusted basis.

CAPITAL DEVELOPMENT

~90 basis points gross capital generation in Q4 '23

QUARTERLY CAPITAL DEVELOPMENT



CAPITAL DEVELOPMENT

a) Gross capital generation ~90bps in Q4 '23 and ~330bps in 2023 through earnings

CAPITAL DISTRIBUTION

b) Earmarked FY '23 dividend of €393m, equivalent to €5.00 dividend per share and €175m share buyback executed during Q4 '23 ... 3.9m shares cancelled

EXCESS CAPITAL

- CET1 ratio 14.7% post earmarked dividend of €393m
- Acquisition of Dexia Leasing portfolio ... closing in February
- Acquisition of Knab bank (NL) ... 100-150bps capital consumption

2024 CAPITAL REQUIREMENTS

Target CET1 ratio of 12.25% is 232bps above 2024 MDA trigger of 9.9% ... P2R at 2.15% and P2G at 0.50%

RETAIL & SME

FINANCIAL PERFORMANCE

€ millions	2023	vPY	Q4 '23	vPY	vPQ
Core revenues	1 138.6	11%	290.1	7%	-
Net interest income	865.6	15%	220.3	8%	(1%)
Net commission income	273.0	(1%)	69.8	4%	2%
Operating income	1 142.5	11%	291.1	7%	-
Operating expenses	(344.9)	1%	(87.4)	2%	4%
Pre-provision profit	797.6	16%	203.7	9%	(1%)
Regulatory charges	(9.7)	(47%)	4.6	207%	nm
Risk costs	(86.1)	7%	(24.9)	14%	15%
Profit before tax	701.8	19%	183.4	10%	1%
Net profit	526.4	19%	137.6	10%	1%

RATIOS

in %	2023	vPY	Q4 '23	vPY	vPQ
RoCE	32.3%	3.1pts	33.0%	0.8pts	(0.5pts)
RoTCE	38.2%	3.9pts	38.8%	0.7pts	(0.5pts)
CIR	30.2%	(3.0pts)	30.0%	(1.3pts)	0.9pts
NPL ratio	1.7%	0.1pts	1.7%	0.1pts	(0.1pts)
Risk cost ratio	0.39%	0.02pts	0.45%	0.06pts	0.05pts

CUSTOMER DEVELOPMENT

€ millions	2023	vPY	Q4 '23	vPQ
Housing loans	15 345	(4%)	15 345	(1%)
Consumer and SME	6 676	4%	6 676	4%
Total assets	22 021	(2%)	22 021	1%
Total assets (Ø)	22 064	-	21 991	-
Risk-weighted assets	9 354	(2%)	9 354	2%
Customer deposits	27 301	(2%)	27 301	2%
Customer deposits (Ø)	26 458	(4%)	26 191	-
Customer funding	37 456	6%	37 456	3%
Customer funding (Ø)	37 009	7%	37 189	-

DEVELOPMENTS in Q4 '23

Q4 '23 net profit of €138m, up 10% vPY due to higher pre-provision profits ... average assets flat vPY... housing loans down reflecting overall subdued market

Pre-provision profit of €204m for Q4 '23, up 9% vPY ... Core revenues up 7% and operating expenses up 2% vPY

Risk costs of (€25m) in Q4 '23, up 14% vPY ... risk cost ratio at 45bps

Subdued loan growth and advisory business in 2023 given overall cautious consumer sentiment and significant movement in rates

CORPORATES, REAL ESTATE & PUBLIC SECTOR

FINANCIAL PERFORMANCE

€ millions	2023	vPY	Q4 '23	vPY	vPQ
Core revenues	321.7	8%	79.6	7%	-
Net interest income	286.4	9%	71.5	8%	1%
Net commission income	35.3	5%	8.1	3%	(6%)
Operating income	318.0	1%	79.5	12%	3%
Operating expenses	(78.1)	9%	(20.7)	21%	4%
Pre-provision profit	239.9	(1%)	58.8	9%	2%
Regulatory charges	(10.0)	(17%)	(0.9)	13%	-
Risk costs	(5.2)	(86%)	(5.1)	(61%)	nm
Profit before tax	224.7	16%	52.8	31%	(6%)
Net profit	168.5	16%	39.6	31%	(6%)

RATIOS

in %	2023	vPY	Q4 '23	vPY	vPQ
RoCE	18.4%	4.1pts	17.7%	5.5pts	(0.9pts)
RoTCE	22.9%	5.1pts	22.1%	6.9pts	(1.2pts)
CIR	24.6%	1.8pts	26.0%	2.0pts	0.2pts
NPL ratio	0.8%	0.1pts	0.8%	0.1pts	(0.1pts)
Risk cost ratio	0.04%	(0.20pts)	0.15%	(0.20pts)	0.15pts

CUSTOMER DEVELOPMENT

€ millions	2023	vPY	Q4 '23	vPQ
Corporates	3 474	(8%)	3 474	(7%)
Real Estate	5 098	(16%)	5 098	(3%)
Public Sector	4 460	7%	4 460	3%
Short-term/money market lending	296	(39%)	296	58%
Total assets	13 328	(8%)	13 328	(1%)
Total assets (Ø)	13 946	(9%)	13 526	-
Risk-weighted assets	6 352	(15%)	6 352	(9%)
Customer deposits	6 875	16%	6 875	23%
Customer deposits (Ø)	5 661	3%	6 482	12%
Customer funding	8 325	11%	8 325	18%
Customer funding (Ø)	7 240	8%	7 934	9%

DEVELOPMENTS in Q4 '23

Q4 '23 net profit of €40m, up 31% vPY ... average assets flat vPQ

Pre-provision profit of €59m in Q4 '23, up 9% vPY ... Operating income up 12% to prior year

Risk costs of (€5.1m) in Q4 '23

NPL ratio remains low at 0.8% ... solid asset quality

Maintaining disciplined and conservative underwriting ... will continue to remain prudent and patient with focus on risk-adjusted returns never chasing volume growth

AGENDA

1 Q4 2023 HIGHLIGHTS & CAPITAL DEPLOYMENT

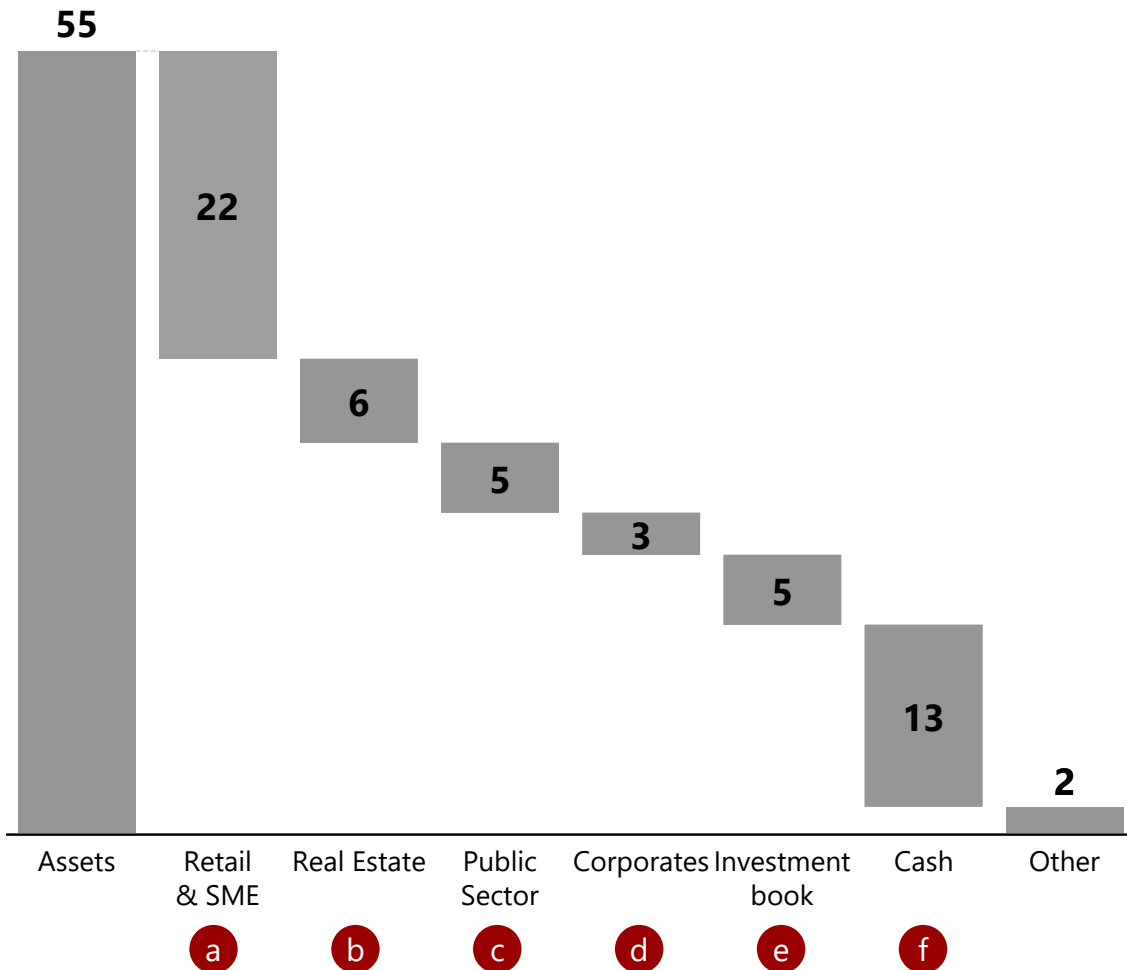
2 **ASSET QUALITY**

3 DETAILED FINANCIALS & OUTLOOK

4 SUPPLEMENTAL INFORMATION

BALANCE SHEET & ASSET QUALITY OVERVIEW

€ billion



- a** Retail & SME: 80% secured lending, primarily €15b of mortgages (Austria, Germany, Netherlands and Western Europe); LTV <60%, NPL Ratio 1.7%
- b** Real Estate: Average LTV ~55% , geographically diverse, 65% industrial/logistics or residential with strong underlying fundamentals, NPL ratio 1.5%
- c** Public: Lending primarily to Austrian federal, state and municipal governments, no NPLs
- d** Corporates: 45% W. Europe, 41% USA / Canada
Highly selective risk appetite
Senior secured lending
De-minimis exposure to cyclical industries
Net leverage <4.0x, NPL ratio 1.2%
- e** Investment book: 98% investment grade
- f** Cash representing approximately 23% of balance sheet ... very liquid balance sheet

DEVELOPMENTS

- NPL ratio 1.0% (flat with PY)
- Stage 2 loans 6% of customer book (5% YE 2023)
- Management overlay €80m, remain cautious for idiosyncratic risks and lag effects

RISK APPETITE

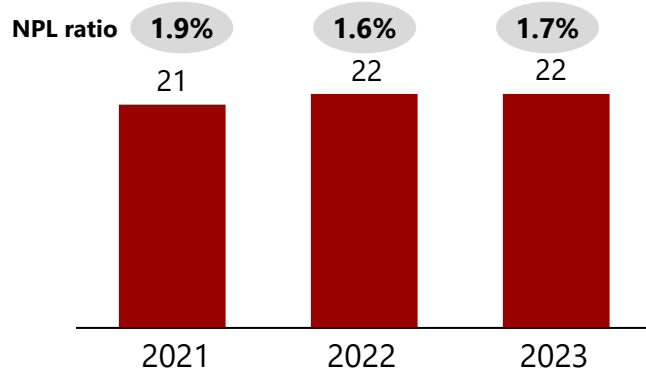
- ✓ Focus on DACH/NL, Western Europe/US
- ✓ Focus on secured lending
- ✓ Conservative credit risk profile ... Never compromise on credit risk for volume / margin growth
- ✓ Hedged interest rate risk
- ✓ Investment grade securities book
- ✗ No mezzanine financing
- ✗ No trading book or capital markets business
- ✗ No market risk RWA
- ✗ No exposure to high-risk AML countries
- ✗ De minimis CEE, no Russian exposure
- ✗ De-minimis fossil fuel exposure
- ✗ Low exposure to high-emitting sectors



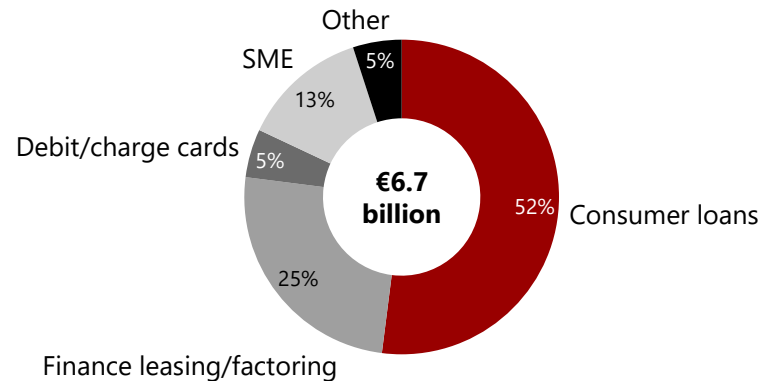
RETAIL & SME

RETAIL & SME OVERVIEW

Retail & SME assets, in €b



CONSUMER & SME



DEVELOPMENTS

Credit box tightened since 2022 to account for cost inflation and rates impact on customer ability to pay

Ensure stress-resilient customers with strong debt-service ratios and loan to income metrics

Fixed rate portfolio limits rate risk for customers

- ~90% of consumer loans and mortgage originations

- ~70% of housing loan portfolio

OUTLOOK

Normalized risk costs in 2023 to persist into 2024

Consumer loan macro-sensitivity remains primary risk for portfolio

Unemployment remains low (Austria, Germany), monitoring any trends that impact customer base

NPL ratio 1.7% (Q4 '23) consistent with prior years representing high credit quality and processes

HOUSING

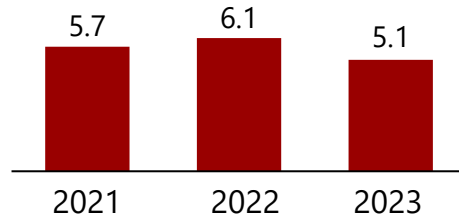
- 24% state or insurance guaranteed
- Weighted average LTV <60% (non-guaranteed loans), LTV at origination below 70% since 2020
- De-minimis loss history, driven by significant affordability buffer and customer equity in established markets

CONSUMER & SME

- Consumer loans: loss rates normalizing to pre-pandemic levels
- Selective credit appetite remains in place, cost inflation adjustments for all new underwriting
- Specialty finance: primarily cars, movables, with high utility value or liquid collateral, low loss profiles

COMMERCIAL REAL ESTATE LENDING

Total portfolio € billions



	2021	2022	2023
Residential	38%	42%	43%
Industrial / Logistics	17%	22%	22%
Office	23%	22%	21%
Hospitality	11%	7%	7%
Shopping / Retail	8%	5%	5%
Other	3%	2%	2%

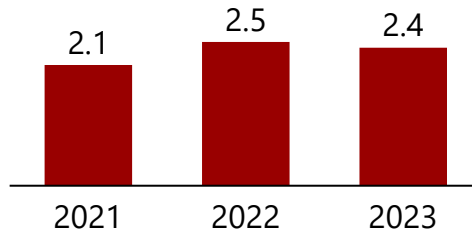
PORTFOLIO DEVELOPMENT

- Residential + Industrial / Logistics make up 65% of total portfolio ... Main drivers of growth in portfolio since 2020 ... strong supply / demand fundamentals
- Growth in US portfolio since 2020 from Residential + Industrial / Logistics assets ... 74% of portfolio
- Total office exposure reduced post-COVID given secular challenges
- NPL ratio 1.5% ...single-case US office default in Q3, underlying collateral conservatively valued
- Average LTV <60% for entire portfolio since 2020
- Management overlay sufficient to cover adverse case stress losses in line with ECB stress test

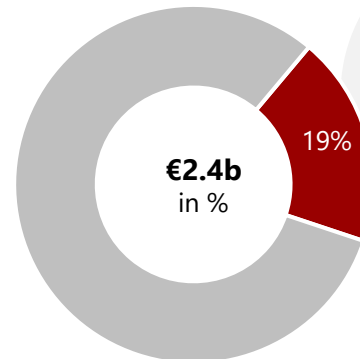
UNDERWRITING PRINCIPLES

- Focus on risk-adjusted returns across all cycles ... be patient lender with business that meets our risk appetite ... no volume targets
- Senior secured lender ... no mezzanine financing
- Focus on structural protections ... cross-collateralized loans, cash-flow sweeps, interest rate hedges, sponsor guarantees, etc.
- Portfolio total LTV consistently <60% with debt yields across Office portfolio >9%
- Maturity profile / refinancing risk is pro-actively managed

US portfolio € billions



	2021	2022	2023
Residential	39%	41%	46%
Industrial / Logistics	18%	26%	28%
Office	24%	26%	19%
Hospitality	17%	7%	7%
Shopping / Retail	2%	0%	0%

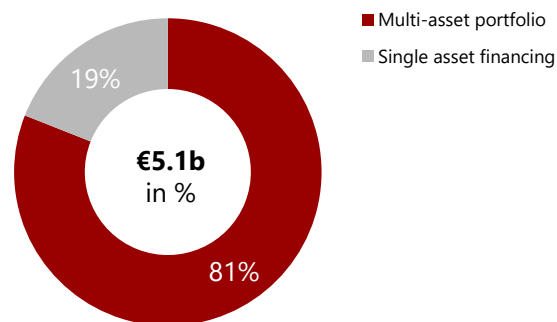


US OFFICE EXPOSURE:

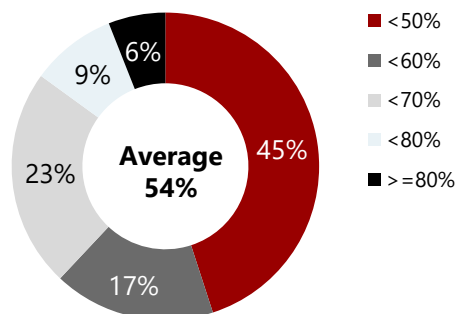
- Assets of €459m ... flat vPQ
- Class A buildings in primary markets (Atlanta 29%, Houston 25%, LA metro 22%, NYC Midtown 10%, Washington DC 9%)
- Performing book resilient despite market stress:
 - Average senior debt yield ~9.5%
 - LTV < 70%
 - Weighted average lease terms of ~6.5 years and solid tenants with average occupancy levels ~80%
 - <1% of total assets, ~1% of customer loans, 9% of total CRE

COMMERCIAL REAL ESTATE LENDING

COLLATERAL STRUCTURE



LTV



STRUCTURAL FEATURES

- 100% senior secured financings, no mezzanine or junior lending
- 81% multi-asset collateral pools structured as portfolio financing, significantly enhances risk profile
 - Cross collateralization protections and granular collateral
 - Diversification benefits and enhanced liquidity for to monetize assets
- €38m average deal size, 94% of book <80% LTV
- Structural protections through cash-flow sweeps, interest rate hedge requirements, interest reserves, sponsor guarantees
- Long-term underwriting standards target <60% LTV preserve collateral levels

PORTFOLIO

€ billions

	Europe		US	
	Assets	LTV	Assets	LTV
Residential	1.1	47%	1.1	57%
Industrial/logistics	0.4	47%	0.7	66%
Office	0.6	58%	0.4	67%
Hospitality	0.2	42%	0.2	39%
Retail	0.3	49%	-	-
Others	0.1	58%	-	-
Total	2.7	50%	2.4	60%

ASSET CLASSES DETAILS

- **Residential:** Primarily granular collateral types in supply constrained markets
 - Average properties per deal structure: US 179, Non-US 56
- **Industrial/logistics:** market fundamentals and values remain strong US/non-US, 100% cross-collateralized portfolio financing structures
- **Office:** Debt yields supportive of financing, conservative view of cash flows and value given lack transaction activity
- **Hospitality and retail:** Seasoned assets with significant collateral cushion

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P&L & KEY RATIOS

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Net commission income	307.2	(1%)	77.7	4%	1%
Core revenues	1,537.4	16%	394.0	14%	1%
Other revenues	(12.0)	88%	(8.3)	(40%)	nm
Operating income	1,525.4	15%	385.7	17%	(1%)
Operating expenses	(485.3)	2%	(123.4)	4%	1%
Pre-provision profit	1,040.1	22%	262.3	23%	(2%)
Regulatory charges	(39.0)	(20%)	2.7	nm	nm
Risk costs	(93.2)	(24%)	(30.2)	(17%)	38%
Profit before tax	910.4	34%	236.4	33%	(3%)
Income taxes	(227.8)	33%	(59.7)	31%	5%
Net profit	682.6	34%	176.7	34%	(5%)

Key ratios	2023	vPY	Q4 '23	vPY	vPQ
RoCE	20.9%	5.3pts	21.6%	5.2pts	(1.6pts)
RoTCE	25.0%	6.4pts	25.7%	6.1pts	(1.9pts)
Net interest margin	2.90%	0.57pts	3.00%	0.57pts	0.03pts
CIR	31.8%	(4.1pts)	32.0%	(3.7pts)	0.7pts
Risk cost ratio	0.22%	(0.06pts)	0.29%	(0.04pts)	0.08pts
Earnings per share (€)	8.31	43%	2.15	42%	(4%)
Tangible book value (€)	35.35	8%	35.35	8%	6%

DEVELOPMENTS in Q4 '23

Net interest income up 1% vPQ ... net interest margin (NIM) at 3.0% in Q4 '23

Net commission income at €78m ... up 1% versus prior quarter

Cost-income ratio of 32.0% in Q4 '23 ... ongoing disciplined cost control

Regulatory charges with €3m net release in Q4 '23 ... resolution and deposit guarantee scheme funds almost fully funded

Risk costs of €(30)m in Q4 '23... management overlay at €80m

BALANCE SHEET

Balance sheet € millions	2023	vPY	Q4 '23	vPY	vPQ
Total assets	55,448	(2%)	55,448	(2%)	5%
thereof Ø interest-bearing assets	42,464	(3%)	41,864	(5%)	-
Customer loans	33,362	(7%)	33,362	(7%)	(1%)
Securities and bonds	6,590	9%	6,590	9%	4%
Credit institutions and cash	13,257	1%	13,257	1%	15%
Other assets	2,239	47%	2,239	47%	91%
Total liabilities & equity	55,448	(2%)	55,448	(2%)	5%
thereof Ø customer funding	44,494	6%	45,435	6%	2%
Customer deposits	33,275	(3%)	33,275	(3%)	4%
Own issues	13,725	34%	13,725	34%	5%
Credit institutions	1,809	(71%)	1,809	(71%)	16%
Other liabilities	2,469	49%	2,469	49%	20%
Equity	4,170	4%	4,170	4%	-

Capital & RWA € millions	2023	vPY	Q4 '23	vPY	vPQ
Common equity	3,307	3%	3,307	3%	2%
Tangible common equity	2,775	3%	2,775	3%	1%
CET1 capital	2,841	2%	2,841	2%	2%
Risk-weighted assets	19,317	(7%)	19,317	(7%)	(2%)
CET1 ratio (post dividend)	14.7%	1.2pts	14.7%	1.2pts	0.5pts
Leverage ratio	5.7%	0.1pts	5.7%	0.2pts	(0.3pts)
Liquidity coverage ratio	215%	(10pts)	215%	(10pts)	(3pts)

DEVELOPMENTS in Q4 '23

Total assets up 5% vPQ, and risk-weighted assets (2%) vPQ ... mostly due to higher cash balance

Average customer deposits up 2% in Q4 '23 ... average customer funding up 2% vPQ

Cash & cash equivalents at €12.7b or 23% of balance sheet ... LCR at 215%

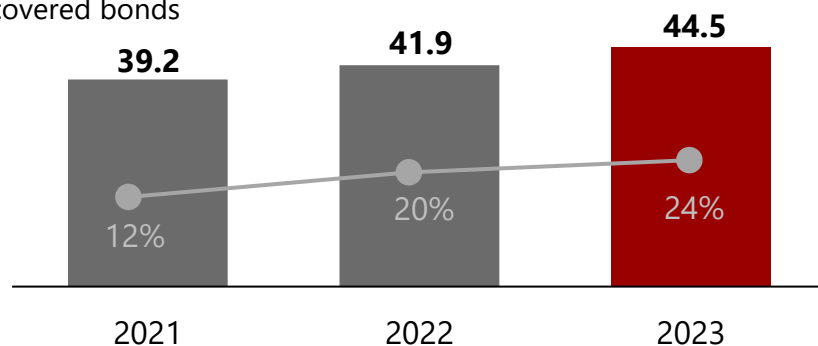
CET1 ratio at 14.7% post deduction of €393m dividend accrual for 2023 ... €5.0 dividend per share will be proposed to AGM on April 8, 2024

FUNDING OVERVIEW

Customer funding (average) ... ~93% total funding

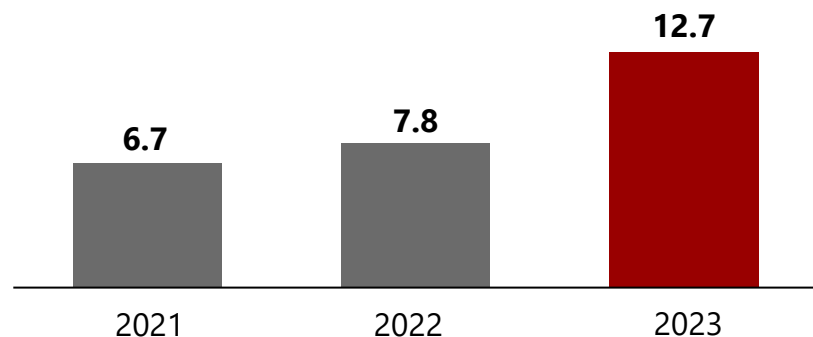
€ billion

● Share of covered bonds



Cash & Cash equivalent excluding TLTRO

€ billion



LCR	239%	225%	215%
Cash / Balance sheet	12%	14%	23%

DEPOSITS

- Retail & SME average deposits €26.5b, thereof ~80% insured by deposit guarantee scheme ... Average deposit size of €12k
- Corporates & Public Sector average deposits €5.7b... largest share in public sector, which are predominantly transactional current accounts
- Overall betas increased to ~25% in Q4 '23 ... expected to grow to 30%-35% in 2024

COVERED BONDS

- Austrian covered bond program with mortgages and public sector loans as collateral
- €11b notional ... higher issuance levels early in the year
- Almost no maturities in the coming years, current average remaining life ~7 years
- Matched against housing loans with average duration of ~8 years
- Additional funding capacity of a few billion after having paid back the TLTRO funds

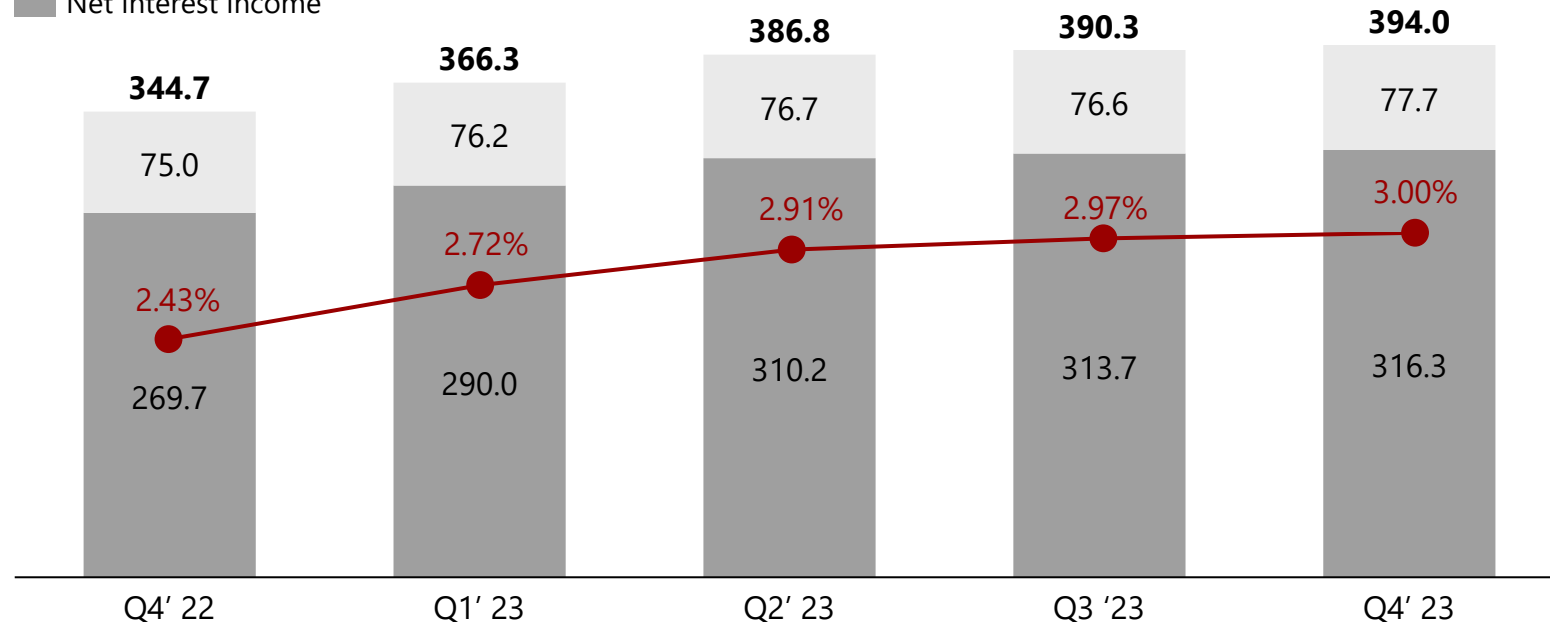
CASH DEVELOPMENT & TRENDS

- LCR at 215% ... Cash balance €12.7b (excluding TLTRO)
- €0.6b TLTRO remaining
- Maintained excess liquidity over the years to address market opportunities ... continuing to stay patient and maintain liquid balance sheet

CORE REVENUES

€ millions

- Net interest margin
- Net commission income
- Net interest income



NIM FY '23: 290bps

Net interest income (NII) up 1% vPQ ... net interest margin (NIM) at 3.00% in Q4 '23

- Average customer loans flat vPQ

Net commission income (NCI) up 1% vPQ

- Advisory business up and payments business slightly down after seasonal effect in Q3 '24

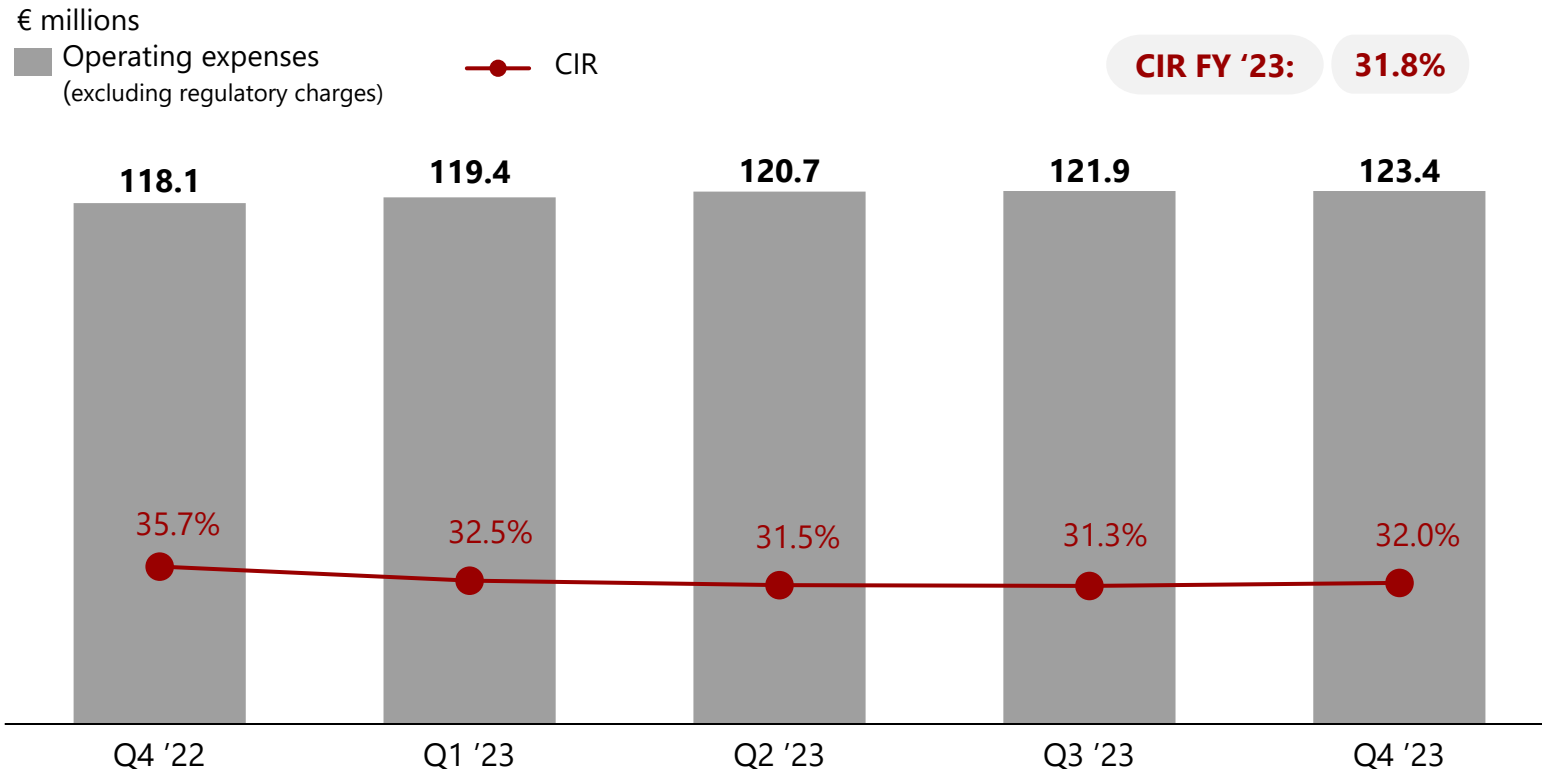
Outlook in 2024

- Core revenues growth of ~1% in 2024
- Net interest income expected to increase by ~1%
- Expecting customer loans to be static-to-slightly increasing

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

36.4	35.5	35.0	33.9	33.9
44.0	43.3	42.8	41.9	41.9

OPERATING EXPENSES



CIR at 32.0% in Q4 '23 up 0.7bps vPQ

- Focused on absolute cost targets and proactive cost management
- Executed multiple initiatives focused on greater scale, greater digital engagement and continued rollout of simplification roadmap across the Group
- Targeted investments over the years resulting in long-term productivity gains across the business

Outlook for 2024

- Operating expenses to increase ~3%
- Regulatory charges expected at ~€16m p.a., evenly spread across quarters
- CIR of <34%

Regulatory charges | € million

Q4 '22	Q1 '23	Q2 '23	Q3 '23	Q4 '23
0.1	(41.0)	2.6	(3.3)	2.7

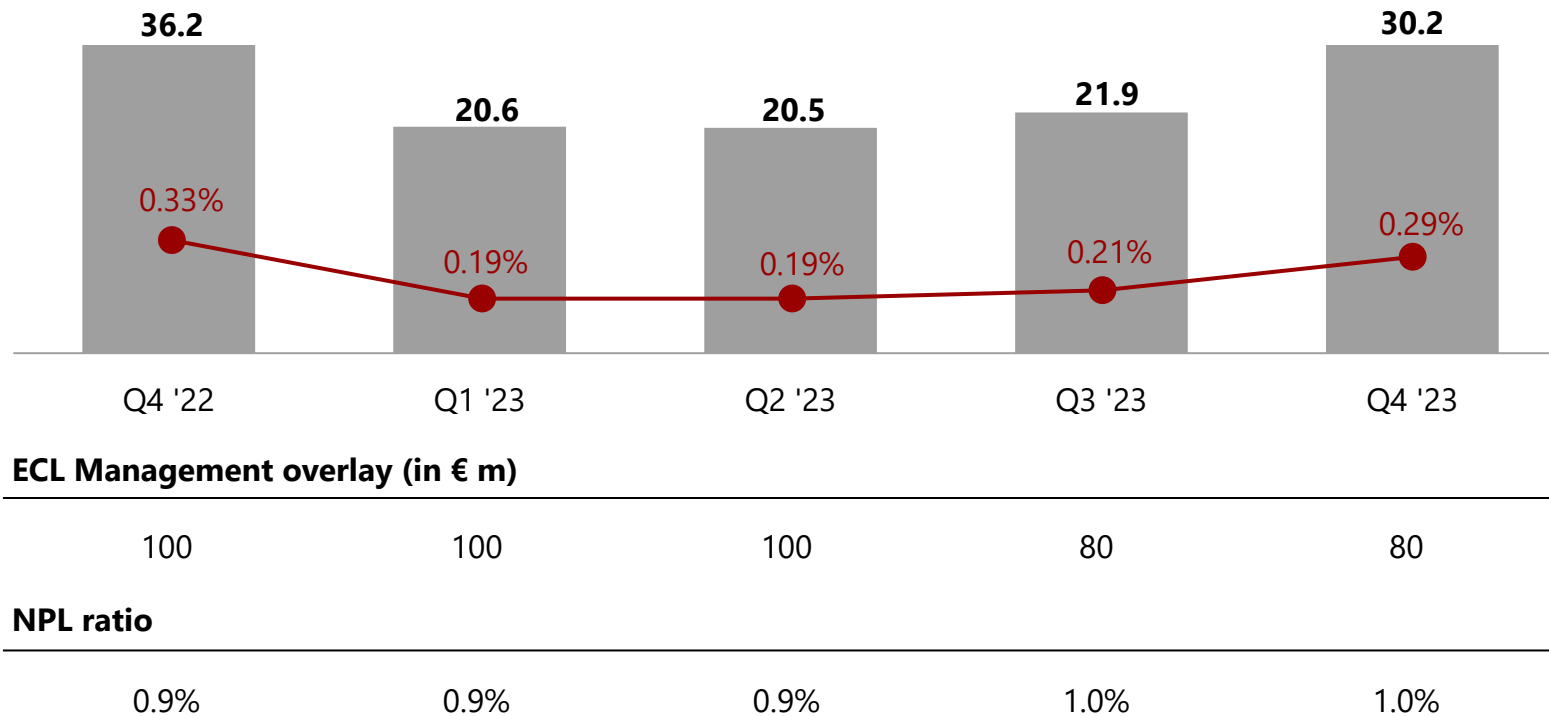
RISK COSTS

€ millions

● Risk costs/average interest-bearing assets

Risk cost ratio FY '23:

22bps



ECL Management overlay (in € m)

100 100 100 80 80

NPL ratio

0.9% 0.9% 0.9% 1.0% 1.0%

Q4 '23 risk costs €30m ... risk cost ratio 29bps

- Ongoing strong credit performance ... NPL ratio of 1.0%
- ECL management overlay in Q4 '23 stable at €80m vPQ

Maintain safe & secure balance sheet

- Focused on developed and mature markets ... ~75% DACH/NL region & ~25% Western Europe/United States
- Conservative underwriting with a focus on secured lending ... ~80% of customer loans is secured or public sector lending
- No direct exposure to Russia or Ukraine and de minimis secondary exposures

Outlook for 2024

- Risk cost ratio of 25-30bps in 2024

2024 OUTLOOK AND TARGETS

P&L OUTLOOK (excluding M&A)

Net interest income

FY '23: €1,230m

+1%

Core revenues

FY '23: €1,537m

+1%

Operating expenses

FY '23: €485m

~3% increase

Regulatory charges

FY '23: €39m

~€16m

Risk cost ratio

FY '23: 22bps

25-30bps

2024 FINANCIAL TARGETS (excluding M&A)

Profit before tax

FY '23: €910m

> €920m

2024 & BEYOND RETURN TARGETS

Return on tangible common equity

> 20%

Cost-income ratio

< 34%

AGENDA

1 Q4 2023 HIGHLIGHTS & CAPITAL DEPLOYMENT

2 ASSET QUALITY

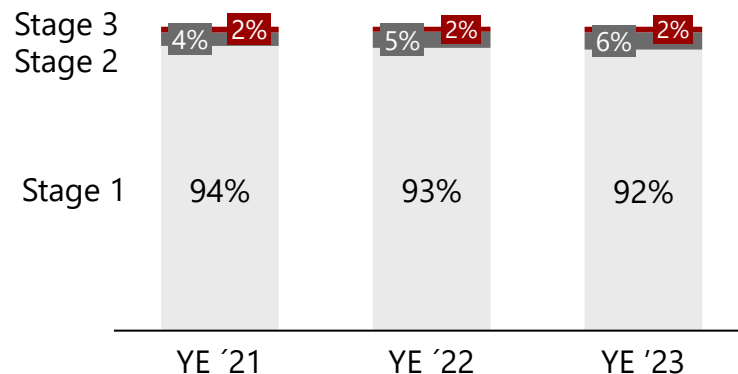
3 DETAILED FINANCIALS & OUTLOOK

4 SUPPLEMENTAL INFORMATION

DETAILS ON RESERVES

Continuing to remain prudent in current environment

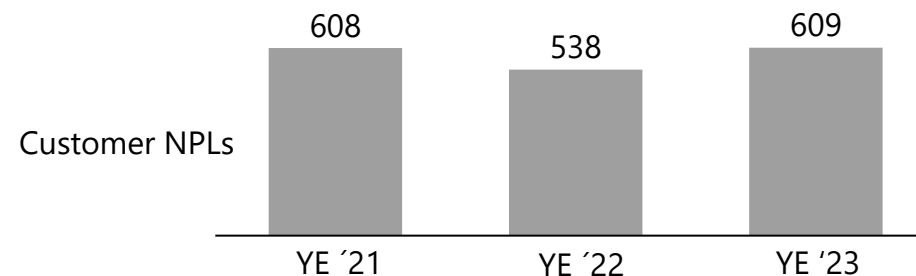
IFRS 9 MIGRATION – CUSTOMER SEGMENT ASSETS



ECLs (STAGE 1&2) , SPECIFIC RESERVES (STAGE 3) in € million

	YE '21	YE '22	YE '23
Stage 1	37	47	39
Stage 2	102	133	120
Stage 3 / Prudential filter	283	281	272
Total Reserves	422	461	431
Total Reserves Ratio %	1.36%	1.43%	1.41%

NON-PERFORMING (STAGE 3) LOANS, in € million



NPL ratio	1.0%	0.9%	1.0%
NPL cash coverage ratio	46%	52%	45%

KEY DEVELOPMENTS

Customer NPLs up (3.5%) vPQ to €609m following the standard NPL development due to retail run rate

NPL ratio remains low at 1.0% ... cash coverage in Q4 '23 at 45%

Stage 2 assets remain low (6% of customer assets) reflective of resilient asset quality across segments

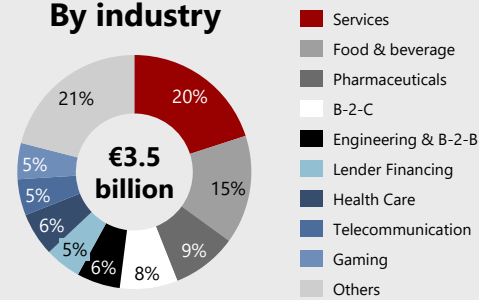
Total reserves of €431m... reserve ratio at 1.4%

Total ECL €159m, of which €80m (50%) comprised of management overlay ... substantial cover for potential adverse developments and idiosyncratic risks not currently anticipated

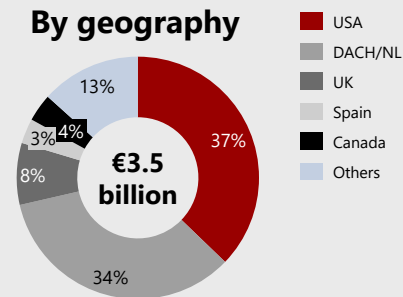
CORPORATES, REAL ESTATE & PUBLIC SECTOR

CORPORATES¹⁾

By industry



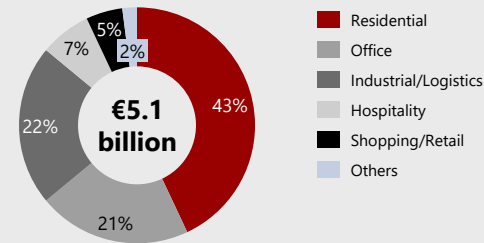
By geography



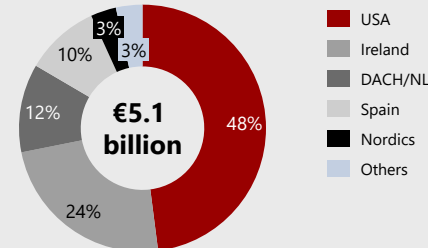
- Portfolio average net leverage <4.0x
- 100% senior lending
- NPL ratio 1.2%
- DACH/NL 34% exposure
- No exposure to Russia and Ukraine

REAL ESTATE

By underlying



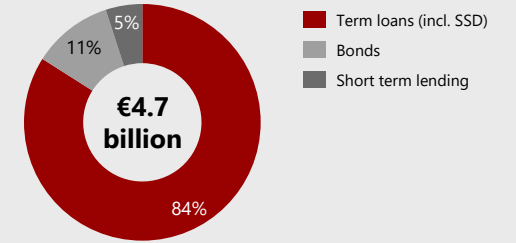
By geography



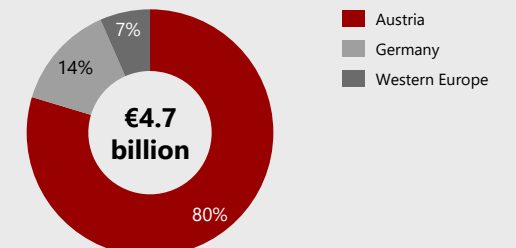
- Weighted average portfolio LTV <60%
- NPL ratio 1.5%
- ~65% total portfolio backed by residential, industrial and logistics assets

PUBLIC SECTOR¹⁾

By funding & type



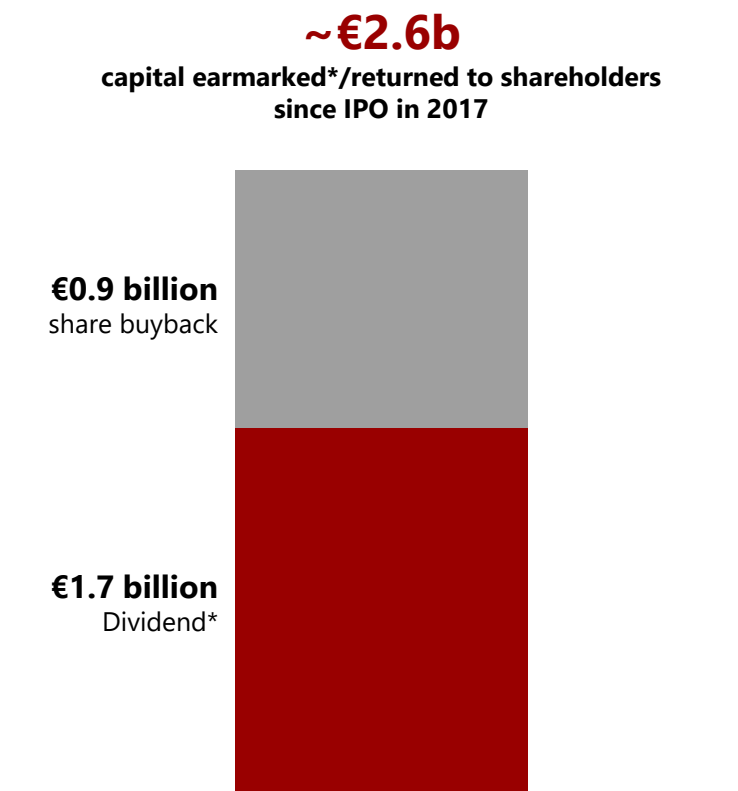
By geography



- Portfolio comprised of ~60% AAA or AA entities
- No non-performing loans

1) Includes short-term lending/money market of €295m, of which €67 in Corporates and €228m in Public Sector

CAPITAL DISTRIBUTIONS & FRAMEWORK



CAPITAL MANAGEMENT FRAMEWORK

1 DIVIDEND POLICY

55% payout (net profit)

Since IPO in 2017

€1.7 billion distributed/earmarked for distribution

2024 outlook

Progressive dividend approach

2 EXCESS CAPITAL MANAGEMENT

Organic growth, M&A, minority and/or platform investments

8 M&A transactions completed

Leasing activities of Dexia closes in February 2024 ... acquisition of Knab in the Netherlands signed in February 2024 (subject to regulatory approvals)

3 EXCESS CAPITAL DISTRIBUTION

Share buybacks and/or special dividends

€0.9 billion returned via share buybacks

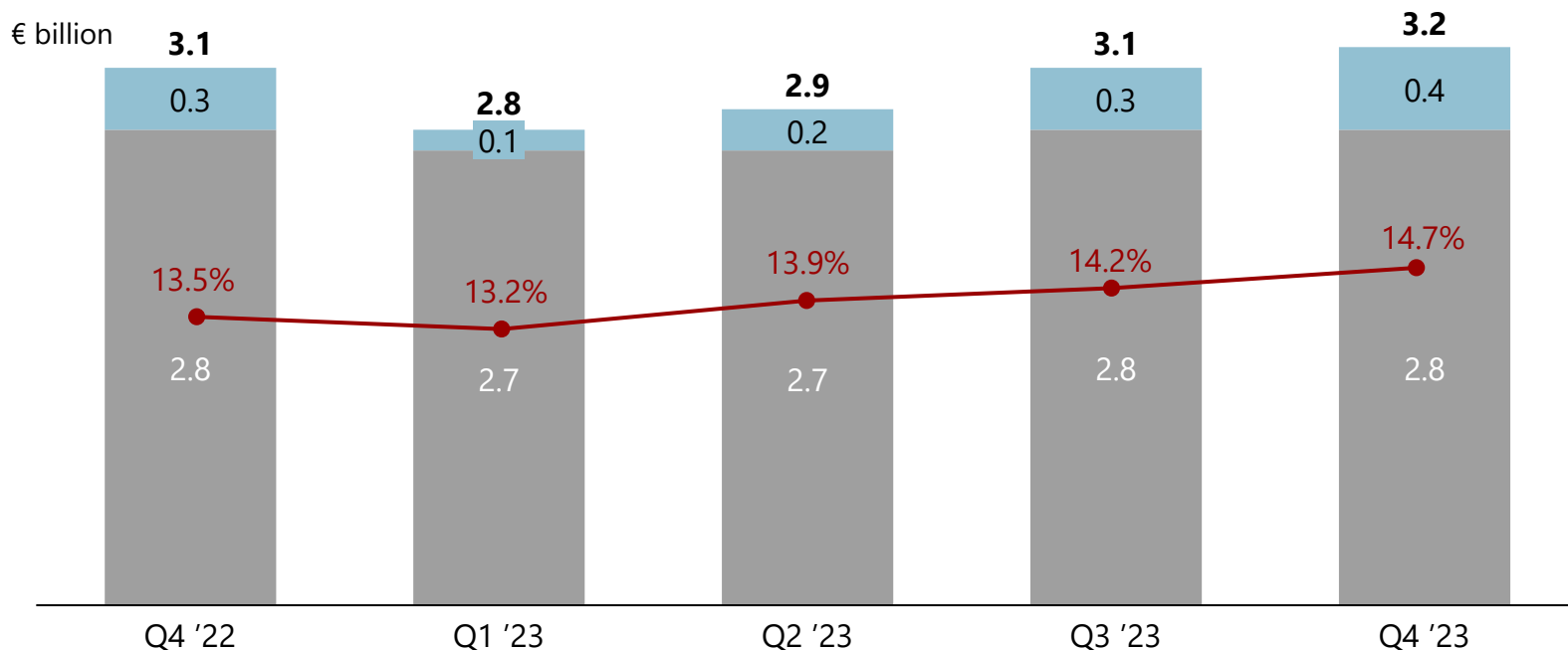
€475m excess capital

* including 2023 dividend accrual, which will be proposed to the AGM on April 8, 2024

REGULATORY CAPITAL

Strong capital position

■ Dividend ■ CET1 capital (post dividend) ● CET1 ratio (post dividend)



RWA € b | Tier 1 ratio | Total capital ratio | Leverage ratio

Q4 '22	Q1 '23	Q2 '23	Q3 '23	Q4 '23
20.7	20.2	19.6	19.7	19.3
15.5%	15.2%	16.0%	16.3%	16.8%
18.5%	18.2%	19.1%	19.2%	19.9%
5.6%	5.5%	5.8%	6.0%	5.7%

Capital distribution plans:

Dividend accrual of €393m for Q4 '23 based on dividend policy

Share buyback of €175m executed during Q4 '23 ... 3.9m shares cancelled in December '23

Capital ratios:

Q4 '23 Tier1 capital ratio 16.8% and Total Capital ratio 19.9%

2024 capital requirements:

Increase in Domestic O-SII Buffer to 0.9% for 2024 ... P2R increases to 2.15% in 2024

New CET1 capital requirement for 2024: 9.9%

Target CET1 ratio of 12.25% is 232bps above 2024 MDA trigger of 9.9%

P2G decreases to 0.50%

Note: All capital ratios post dividend accrual and deducting buyback

DEFINITIONS

Adjusted (all Q3 2022 and YTD 2022 numbers are presented adjusted)

Excluding the write-off of the City of Linz receivable in Q3 2022

B/S leverage

Total assets/common equity (excluding earmarked dividend and buyback of €175m (1.1.2023))

Book value per share

Common equity (excluding AT1 capital, dividends and buyback of €175m (1.1.2023))/number of shares outstanding

Common Equity Tier 1 capital (CET1)

Including interim profit and deducting earmarked dividends and buyback of €175m (1.1.2023)

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 Deposits (average)

Deposits to customers including own issues sold through retail network and private placement, average based on daily figures

Customer Funding

Deposits to customers, covered bonds (public sector and mortgage) and senior bonds sold through the retail network and private placement, average based on daily figures

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 and buyback of €175m (1.1.2023)

Earnings per share (EPS)

Net profit/weighted average number of shares outstanding (diluted)

FL ... Fully-loaded

Leverage ratio

Tier 1 capital (including interim profit, dividend accruals, buyback of €175m (1.1.2023))/total exposure (CRR definition)

Loan to Value (LTV)

IFRS book value including prior liens excluding NPLs / Market value of real estate collaterals allocated excluding NPLs

Net interest margin (NIM)

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

NPL cash coverage

(Stage 3 Loan Loss Provisions plus Reserves plus Prudential Filter) / Non-Performing Loans IFRS Exposure

NPL ratio

Non-performing exposure (economic IFRS) - defined as NPL acc. to Art. 178 CRR excluding Retail & SME segment exposures without arrears (8.1. 8.2 and 8.4 RK) / BAWAG Group Total Exposure including off balance (IFRS scope of consolidation)

Pre-provision profit

Operating income less operating expenses (excluding regulatory charges)

Return on common equity (RoCE)

Net profit/average IFRS common equity and deducted dividend accruals and buyback of €175m (1.1.2023)

Return on tangible common equity (RoTCE)

Net profit/average IFRS tangible common equity and deducted dividend accruals and buyback of €175m (1.1.2023)

Risk cost ratio

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

Tangible book value/share

Common equity reduced by the carrying amount of intangible assets/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

Total reserve ratio

Total reserves (including prudential filter)/asset volume of customer segments excluding public sector lending