

BAWAG Group

Q3 2024 Results - credit update

October 28, 2024

AGENDA

1 Q3 2024 HIGHLIGHTS & CAPITAL DEVELOPMENT

2 DETAILED FINANCIALS & OUTLOOK

3 SUPPLEMENTAL INFORMATION

HIGHLIGHTS Q3 2024

EARNINGS

Q3 '24:

Net profit €178m, RoTCE of 24.0% and EPS of €2.25

Core revenues down by (1%) vPY ... operational expenses up by 4% vPY

Pre-provision profit of €265m down by (1%) vPY... CIR at 32.3%

Risk costs of (€25m) or 25bps risk cost ratio ... ECL management overlay at €70m

Tangible Book Value (TBV) per share of €38.48 ... up 3% vPQ and up 16% vPY

YTD '24: Net profit of €520m, RoTCE of 23.9%, CIR of 32.6%, and EPS of €6.58

- Q3 '24: Net Profit €178m and RoTCE 24.0%
- YTD '24: Net Profit €520m and RoTCE 23.9%

Note: Customer volume development excluding the sold German bauparkasse business

BALANCE SHEET & CAPITAL

Average customer loans down by (2%) vPQ and average interest-bearing assets down by (3%) vPQ

Average customer deposits up by 1% vPQ and average customer funding flat vPQ

Fortress balance sheet ... €15.6 billion cash with LCR 260% and strong asset quality with NPL ratio of 1.0%

CET1 ratio at 17.2% after deducting YTD dividend accrual of €286m ... Increasing our CET1 ratio target to 12.5% (+25bps)

- CET1 ratio of 17.2% post-YTD dividend accrual € 286m
- Adjusting CET1 ratio target to 12.5%

OUTLOOK

Updating 2024 financial target given Knab approval:

Profit before tax of > €950m versus prior target > €920m

Return targets unchanged:

RoTCE >20% and CIR <34%

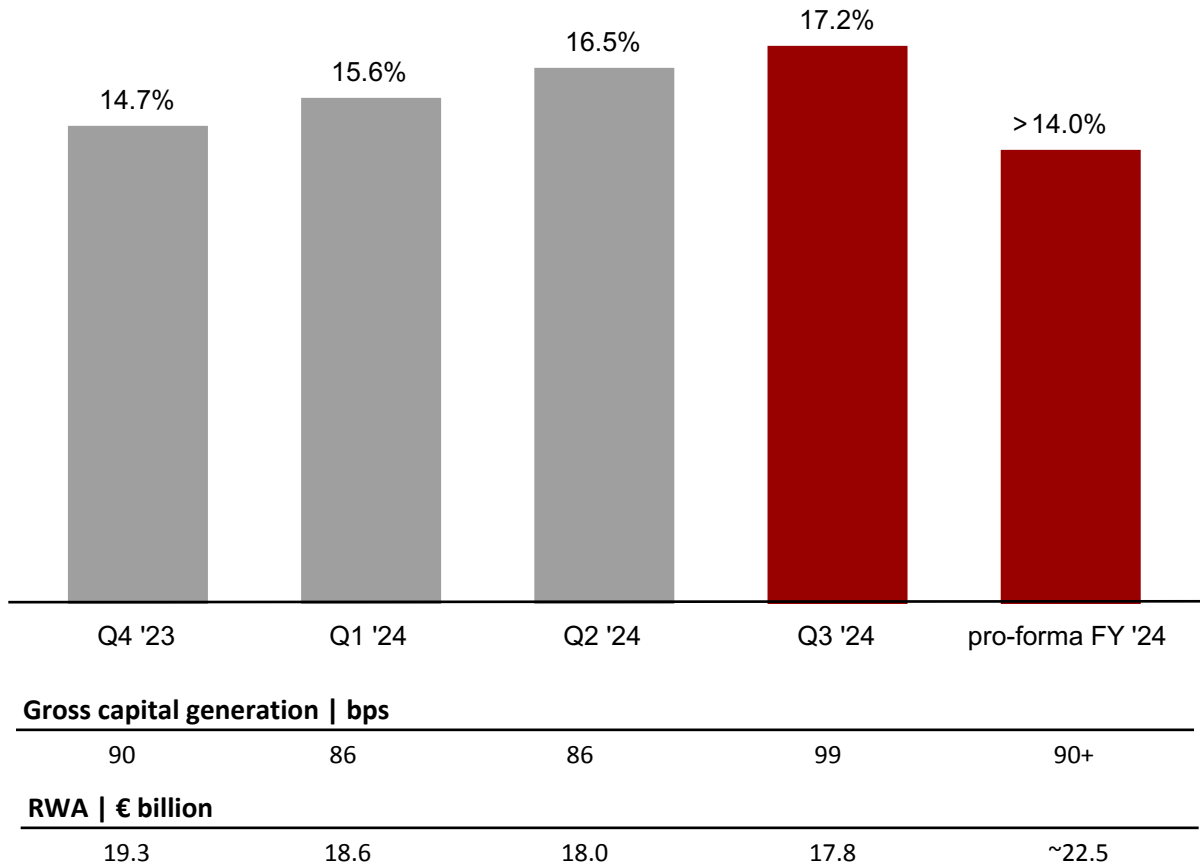
Deploying ~€500m excess capital for 2 strategic acquisitions that will generate Profit Before Tax > €250m by 2027

Pro-forma FY 2024 CET1 ratio > 14% (post 2 M&A transactions and Basel IV impact) and excess capital > €200m

- Increasing 2024 Profit before tax target to > €950m
- Pro-forma YE '24 CET1 ratio > 14% and excess capital > €200m

STRONG CAPITAL GENERATION IN Q3 '24

Increasing CET1 target to 12.5% in light of two strategic acquisitions



Q3 '24 DEVELOPMENT +70bps vs Q2 '24

- Returning the Retail & SME business to Standardized Approach adding +€900m RWA (~80bps); Goal to simplify business, streamline integrations, and allow for product alignment across Group
- Selling German bauparkasse, executing consumer unsecured SRT, and lower business volumes in Q3 '24 more than offset impact of returning the Retail & SME business to standardized approach

INCREASING CET1 TARGET to 12.5%

- Following 2x strategic acquisitions, CET1 target will be increased by 25bps to 12.5%
- Threshold for excess capital distribution, for 2024 and 2025, will be 13.0%

PRO-FORMA CET1 RATIO OF >14.0% FOR FY '24

- Post 2x acquisitions, Basel IV impact, and strong lending pipeline in Q4 '24

INVESTOR DAY

- Planned for March 4, 2025 addressing potential capital distributions

- Pro-forma YE CET1 ratio > 14% and excess capital > €200m
- Self funded M&A: Deploying €500m excess capital to M&A generating > €250m PBT by 2027
- Excess capital allocation will be assessed as part of our annual assessment with FY results

RETAIL & SME

FINANCIAL PERFORMANCE

€ millions	Q3 '24	vPY	vPQ	YTD '24	vPY
Core revenues	295.2	2%	(1%)	889.3	5%
Net interest income	221.2	—%	(1%)	668.3	4%
Net commission income	74.0	9%	—%	221.0	9%
Operating income	295.8	2%	(1%)	891.4	5%
Operating expenses	(94.4)	12%	2%	(276.6)	7%
Pre-provision profit	201.4	(2%)	(2%)	614.8	4%
Regulatory charges	(1.5)	(12%)	67%	(5.9)	(59%)
Risk costs	(25.4)	17%	1%	(76.1)	24%
Profit before tax	174.5	(4%)	(3%)	532.8	3%
Net profit	130.9	(4%)	(3%)	399.6	3%

RATIOS

in %	Q3 '24	vPY	vPQ	YTD '24	vPY
RoCE	27.6%	(5.9)pts	(2.0)pts	29.4%	(2.8)pts
RoTCE	32.5%	(6.8)pts	(2.3)pts	34.7%	(3.2)pts
CIR	31.9%	2.8pts	0.9pts	31.0%	0.8pts
NPL ratio	2.0%	0.2pts	0.1pts	2.0%	0.2pts
Risk cost ratio	0.47%	0.07pts	0.01pts	0.47%	0.10pts

CUSTOMER DEVELOPMENT

€ millions	Q3 '24	vPY	vPQ	YTD '24	vPY
Housing loans	14,633	(5%)	(3%)	14,633	(5%)
Consumer and SME	6,893	7%	1%	6,893	7%
Total assets	21,526	(2%)	(1%)	21,526	(2%)
Total assets (∅)	21,554	(2%)	(1%)	21,779	(1%)
Risk-weighted assets	10,069	9%	6%	10,069	9%
Customer deposits	26,661	—%	(3%)	26,661	—%
Customer deposits (∅)	26,493	1%	(1%)	26,554	—%
Customer funding	36,849	1%	(1%)	36,849	1%
Customer funding (∅)	37,374	—%	(1%)	37,447	1%

DEVELOPMENTS in Q3 '24

Q3 '24 net profit of €131m, down by (4%) vPY ... average assets flat and average deposits up by 1% vPQ (excluding sale of German bauparkasse)

Pre-provision profit of €201m for Q3 '24, down (2%) vPY ... Core revenues up 2% and operating expenses up 12% vPY

Risk costs (€25m) in Q3 '24 ... retail risk cost run-rate returning to pre-covid levels

Housing loan originations remains subdued ... transactional banking strong in Q3 '24

Sale of German bauparkasse completed on July 1, 2024

CORPORATES, REAL ESTATE & PUBLIC SECTOR

FINANCIAL PERFORMANCE

€ millions	Q3 '24	vPY	vPQ	YTD '24	vPY
Core revenues	72.8	(8%)	(5%)	228.5	(6%)
Net interest income	64.1	(9%)	(7%)	203.4	(5%)
Net commission income	8.7	1%	6%	25.1	(8%)
Operating income	73.1	(6%)	(4%)	227.8	(4%)
Operating expenses	(19.0)	(5%)	7%	(57.4)	—%
Pre-provision profit	54.1	(6%)	(8%)	170.4	(6%)
Regulatory charges	(0.8)	(11%)	(11%)	(2.6)	(71%)
Risk costs	(0.1)	—%	(95%)	(7.2)	nm
Profit before tax	53.2	(6%)	(4%)	160.6	(7%)
Net profit	39.9	(6%)	(5%)	120.4	(7%)

RATIOS

in %	Q3 '24	vPY	vPQ	YTD '24	vPY
RoCE	19.1%	0.5pts	(0.7)pts	18.7%	0.4pts
RoTCE	23.0%	(0.3)pts	(1.1)pts	23.0%	0.2pts
CIR	26.0%	0.2pts	2.9pts	25.2%	1.1pts
NPL ratio	0.7%	(0.2)pts	(0.1)pts	0.7%	(0.2)pts
Risk cost ratio	—%	—pts	(0.07)pts	0.07%	0.07pts

CUSTOMER DEVELOPMENT

€ millions	Q3 '24	vPY	vPQ	YTD '24	vPY
Corporates	2,777	(26%)	(9%)	2,777	(26%)
Real Estate	4,954	(6%)	(1%)	4,954	(6%)
Public Sector	5,093	18%	1%	5,093	18%
Short-term/money market lending	196	5%	23%	196	5%
Total assets	13,020	(4%)	(2%)	13,020	(4%)
Total assets (∅)	12,964	(4%)	(4%)	13,425	(5%)
Risk-weighted assets	4,712	(33%)	(7%)	4,712	(33%)
Customer deposits	7,649	37%	28%	7,649	37%
Customer deposits (∅)	6,499	13%	1%	6,462	20%
Customer funding	9,741	38%	21%	9,741	38%
Customer funding (∅)	8,572	17%	1%	8,410	20%

DEVELOPMENTS in Q3 '24

Q3 '24 net profit of €40m, down (6%) vPY ... average assets down (4%) and average deposits up 1% vPQ

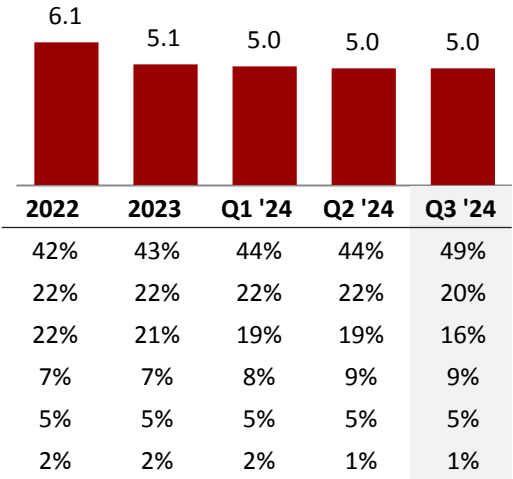
Pre-provision profit of €54m, down (6%) vPY ... Operating income down (6%) vPY

NPL ratio remains low at 0.7% with solid asset quality

Maintaining disciplined and conservative underwriting focused on risk-adjusted returns ... strong pipeline of opportunities in 4Q

COMMERCIAL REAL ESTATE LENDING

Total portfolio
€ billion



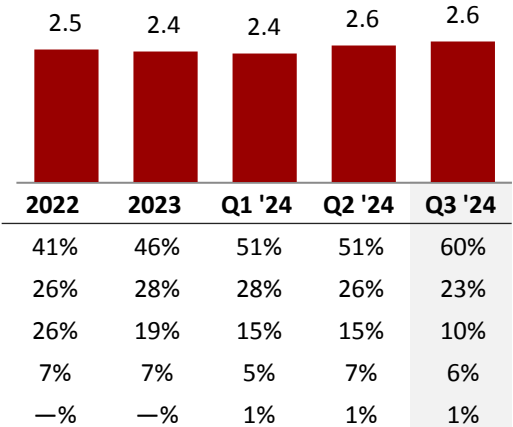
PORTFOLIO DEVELOPMENT

- Residential and Industrial / Logistics make up 69% of the total portfolio and 83% of US portfolio ... key growth areas with strong supply / demand fundamentals
- Growth in US portfolio since 2022 primarily from residential focused assets ... Office exposure reduced post-COVID given secular challenges
- Portfolio average LTV <55% with low NPL ratio 1.7%
- New business opportunities developing with high debt yields, low LTVs in strong underlying asset categories (primarily residential focused lending)

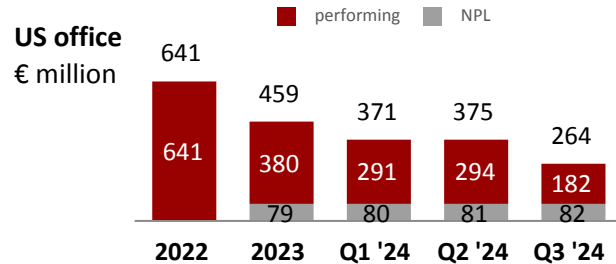
UNDERWRITING PRINCIPLES

- 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 >10%
- Maturity profile / refinancing risk pro-actively managed

US portfolio
€ billion



US office
€ million



	2022	2023	Q1 '24	Q2 '24	Q3 '24
Residential	41%	46%	51%	51%	60%
Industrial / Logistics	26%	28%	28%	26%	23%
Office	26%	19%	15%	15%	10%
Hospitality	7%	7%	5%	7%	6%
Shopping / Retail	—%	—%	1%	1%	1%

- US office assets down (59%) since 2022 through desired runoff and new equity recapitalization
- Proactive resolution of NPLs, use of €10m of overlay in Q3 for conservative valuations

Remaining €182m performing US office portfolio:

- 21% cross-collateralized in portfolios with non-office assets
- Average senior debt yield ~10%, LTV ~ 75%
- Average occupancy levels ~80%, lease terms ~6 years
- Recent sponsor investments support value and improve property level cash flow
- US office portfolio <40bps of total assets and 4% of total CRE lending

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P&L & KEY RATIOS

P&L € millions	Q3 '24	vPY	vPQ	YTD '24	vPY
Net interest income	305.3	(3%)	(1%)	926.8	1%
Net commission income	82.6	8%	1%	245.3	7%
Core revenues	387.9	(1%)	(1%)	1,172.1	3%
Other revenues	4.3	nm	nm	(6.0)	62%
Operating income	392.2	1%	1%	1,166.1	2%
Operating expenses	(126.8)	4%	—%	(380.1)	5%
Pre-provision profit	265.4	(1%)	1%	786.0	1%
Regulatory charges	(3.0)	(9%)	11%	(11.0)	(74%)
Risk costs	(25.4)	16%	(9%)	(83.2)	32%
Profit before tax	237.7	(2%)	2%	694.0	3%
Income taxes	(59.7)	5%	2%	(173.9)	3%
Net profit	178.0	(4%)	2%	520.1	3%

Key ratios	Q3 '24	vPY	vPQ	YTD '24	vPY
RoCE	20.4%	(2.8)pts	(0.1)pts	20.2%	(0.7)pts
RoTCE	24.0%	(3.6)pts	(0.3)pts	23.9%	(0.9)pts
Net interest margin	3.04%	0.07pts	0.04pts	3.00%	0.14pts
CIR	32.3%	1.0pts	(0.3)pts	32.6%	0.8pts
Risk cost ratio	0.25%	0.04pts	(0.02)pts	0.27%	0.07pts
Earnings per share (€)	2.25	—%	1%	6.58	7%
Tangible book value (€)	38.48	16%	3%	38.48	16%

DEVELOPMENTS in Q3 '24

Core revenues at €388m down by (1%) vPQ ... net interest income down by (1%) vPQ, and net commission income up by 1% vPQ

Net interest margin (NIM) at 3.04% in Q3 '24

Cost-income ratio of 32.3% in Q3 '24 ... ongoing disciplined cost control

Risk costs of (€25m) or 25bps risk cost ratio ... ECL management overlay at €70m

RoTCE at 24.0% and Earnings per share of €2.25

BALANCE SHEET

Balance sheet € millions	Q3 '24	Q2 '24	vPQ	vPY
Total assets	55,726	53,633	4%	5%
thereof ∅ interest-bearing assets	39,957	41,540	(4%)	(5%)
Customer loans	32,617	32,862	(1%)	(3%)
∅ customer loans	32,580	33,455	(3%)	(4%)
Securities and bonds	5,765	6,383	(10%)	(9%)
Credit institutions and cash	15,577	12,487	25%	35%
Other assets	1,767	1,901	(7%)	51%
Total liabilities & equity	55,726	53,633	4%	5%
thereof ∅ customer funding	46,239	46,462	—%	3%
Customer deposits	33,603	32,403	4%	5%
Own issues	15,312	14,290	7%	17%
Credit institutions	831	866	(4%)	(47%)
Other liabilities	1,438	1,968	(27%)	(30%)
Equity	4,542	4,106	11%	9%

Capital & RWA € millions	Q3 '24	Q2 '24	vPQ	vPY
Common equity	3,545	3,447	3%	9%
Tangible common equity	3,021	2,920	3%	10%
CET1 capital	3,058	2,974	3%	9%
Risk-weighted assets	17,753	17,995	(1%)	(10%)
CET1 ratio (post dividend)	17.2%	16.5%	0.7pts	3.0pts
Leverage ratio	6.4%	6.2%	0.2pts	0.4pts
Liquidity coverage ratio	260%	220%	40pts	42pts

DEVELOPMENTS in Q3 '24

Total assets up by 4% vPQ ... customer loans down by (1%)

Risk-weighted assets (1%) vPQ resulting from lower asset volume

Average customer deposits up by 1% vPQ and average customer funding flat vPQ (*excluding sale of German bausparkasse*)

Cash & cash equivalents at €15.6b or 28% of balance sheet ... LCR at 260%

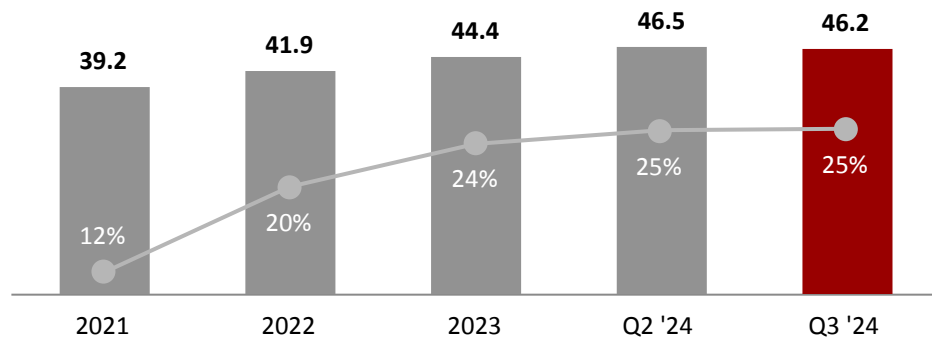
CET1 ratio at 17.2% post deduction of €286m dividend accrual for YTD '24

FUNDING OVERVIEW

Customer funding (avg.) ... ~94% total funding

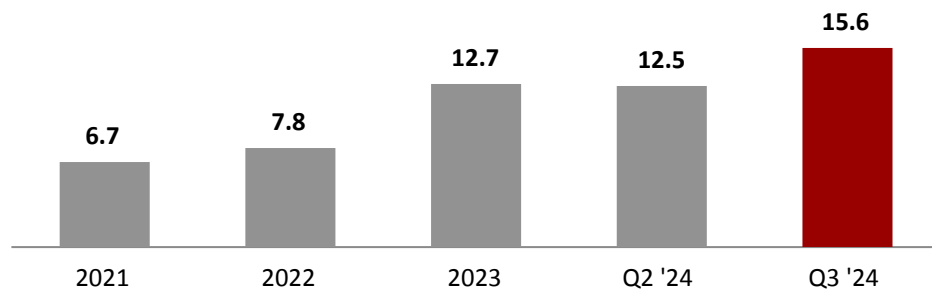
€ billion

● Share of covered bonds



Cash & Cash equivalent excluding TLTRO

€ billion



	2021	2022	2023	Q2 '24	Q3 '24
LCR	239%	225%	215%	220%	260%
Cash / Balance sheet	12%	14%	23%	23%	28%

DEPOSITS

- Retail & SME average deposits €26.5b, thereof ~80% insured by deposit guarantee scheme ... Average deposit size of €12k
- Corporates & Public Sector average deposits €6.5b... largest share in public sector, which are predominantly transactional current accounts
- Overall betas ~35% in Q3 '24 ... in line with expectations

COVERED BONDS

- €~12b Austrian covered bond program with mortgages and public sector loans as collateral
- Almost no maturities in the coming years, current average remaining life ~6 years
- Matched against housing loans with average duration of ~8 years

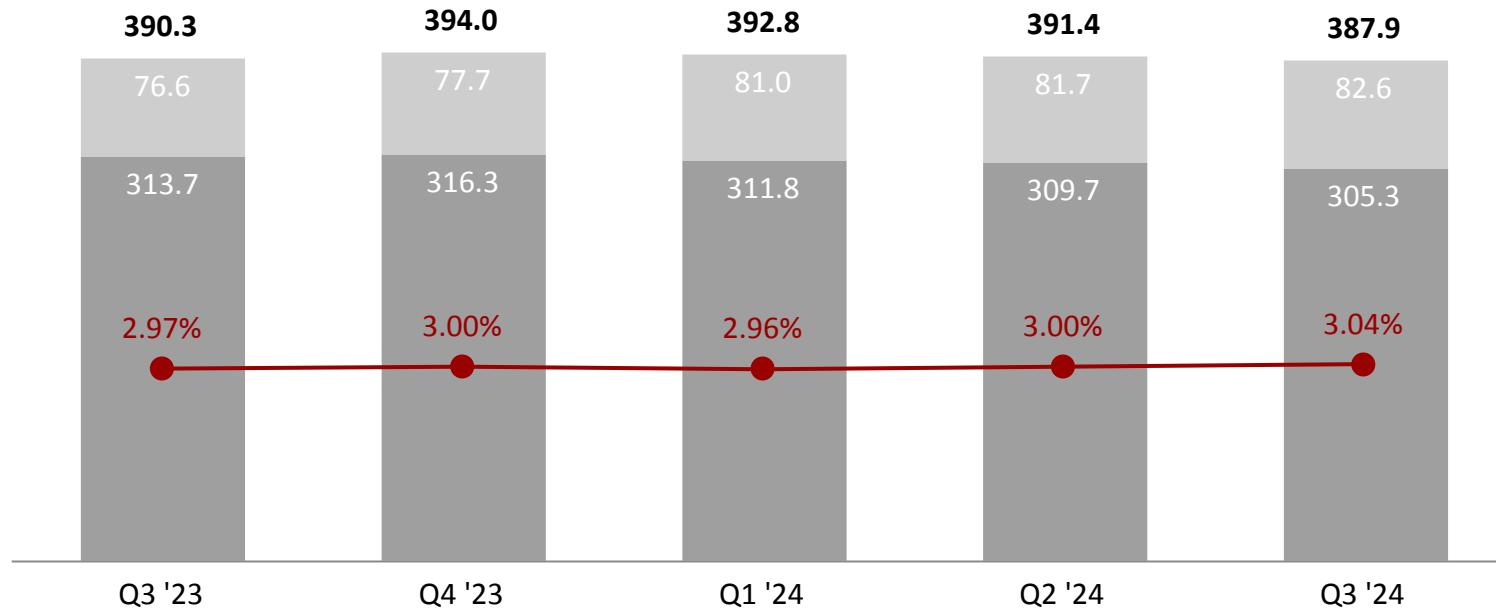
CASH DEVELOPMENT & TRENDS

- LCR at 260% ... Cash balance €15.6b
- 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



Net interest income (NII) down by (1%) vPQ ... net interest margin (NIM) at 3.04% in Q3 '24

- Average customer loans down by (2%) vPQ (*excluding sale of German bauparkasse*)
- Deposit beta at ~35% ... +3pts vPQ

Net commission income (NCI) up by 1% vPQ

- Strong payments business in Q3 '24

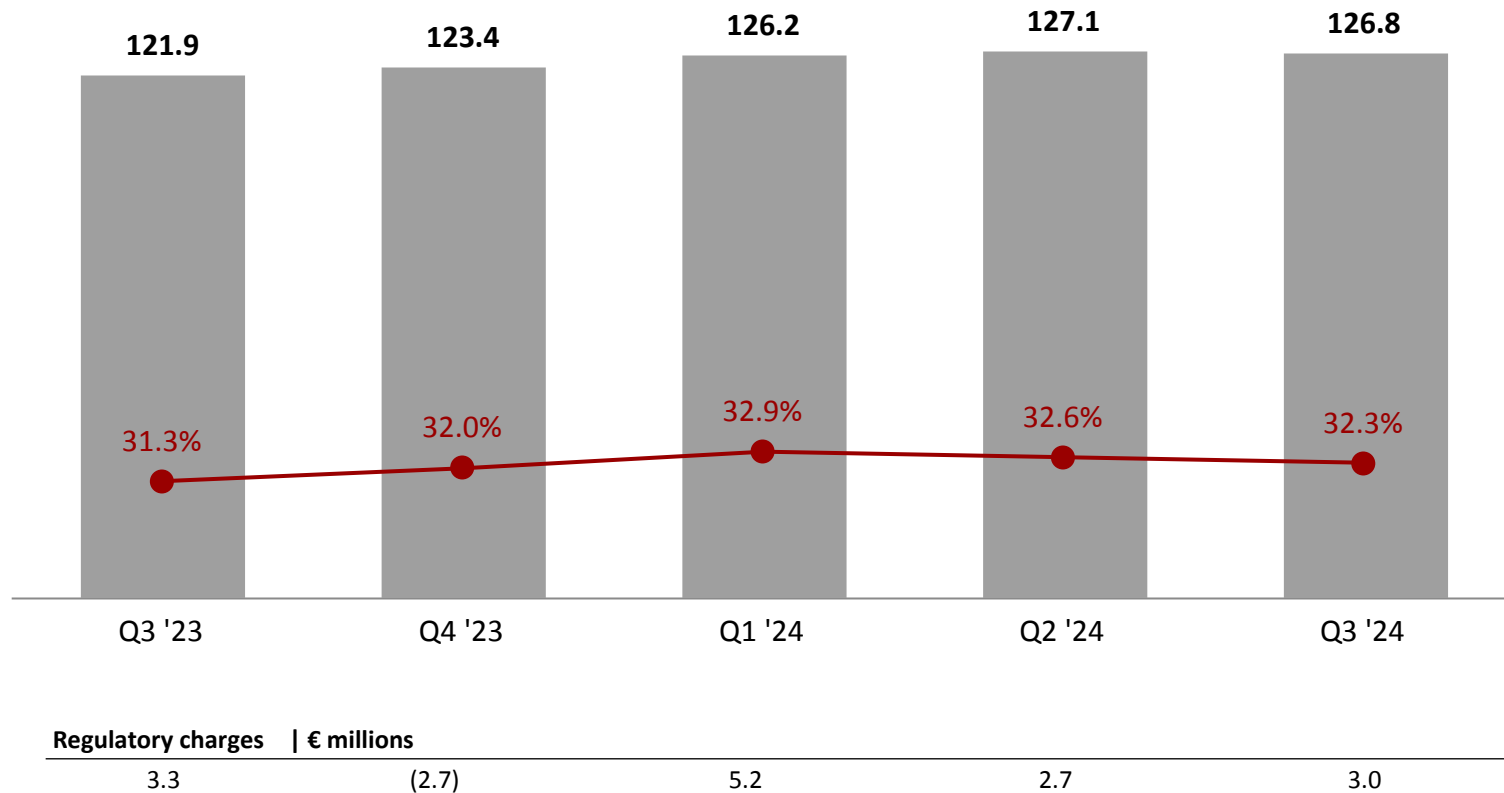
Average customer loans | Average interest-bearing assets | € billion

33.9	33.9	33.9	33.5	32.6
41.9	41.9	42.3	41.5	40.0

OPERATING EXPENSES

€ millions

Operating expenses
 (excluding regulatory charges)
 CIR



CIR at 32.3% in Q3 '24 down by 0.3pts vPQ

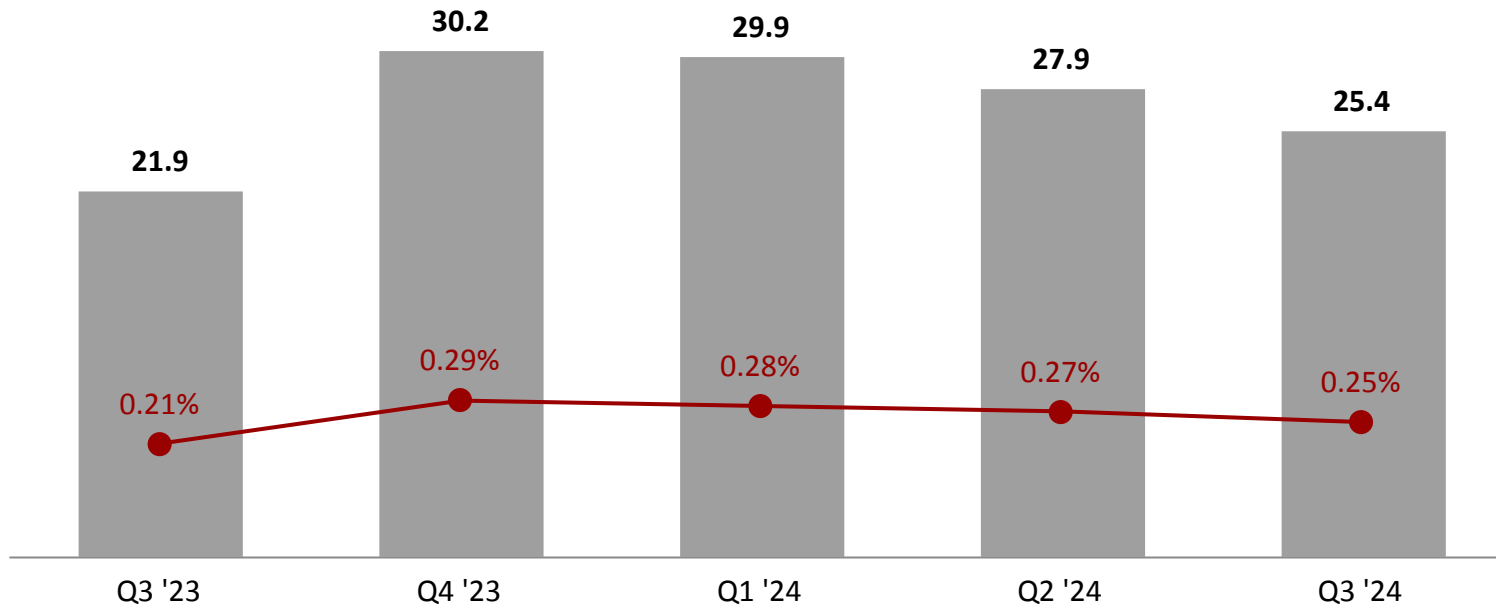
- Focused on absolute cost targets and proactive cost management
- Executed multiple initiatives focused on greater scale, greater digital engagement and continued rollout of simplification roadmap across the Group
- Targeted investments over the years resulting in long-term productivity gains across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

RISK COSTS

€ millions

■ Risk costs

-●- Risk costs/average interest-bearing assets



ECL Management overlay | in € millions

80 80 80 80 70

NPL ratio

1.0% 1.0% 1.0% 1.1% 1.0%

Q3 '24 risk costs €25m ... risk cost ratio 25bps

- Ongoing strong credit performance ... NPL ratio of 1.0%
- ECL management overlay in Q3 '24 at €70m following €10m usage for conservative CRE valuations

Maintain safe & secure balance sheet

- Focused on developed and mature markets ... ~70% DACH/ NL region & ~30% Western Europe / United States
- Conservative underwriting with a ~80% lending focused on secured or public sector lending

Outlook for 2024

- Risk cost ratio of 25-30bps in 2024

2024 OUTLOOK AND TARGETS

2024 FINANCIAL TARGETS (including M&A)

Profit before tax >€950m
FY '23: €910m

CET 1 Ratio >14.0%
FY '23: 14.7%

2024 & BEYOND RETURN TARGETS

Return on tangible common equity >20%

Cost-income ratio <34%

Save-the-date

**INVESTOR DAY on
MARCH 4, 2025**

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CIR	32.3%	1.0pts	(0.3)pts	32.6%	0.8pts
Risk cost ratio	0.25%	0.04pts	(0.02)pts	0.27%	0.07pts

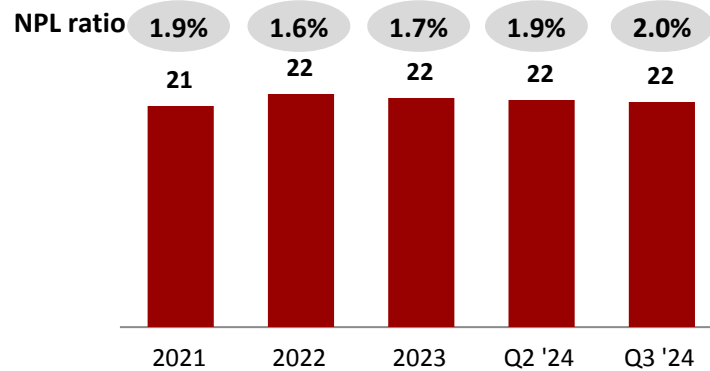
Balance Sheet & Capital € millions	Q3 '24	Q2 '24	vPQ	vPY
Total assets	55,726	53,633	4%	5%
Cash & Cash Equivalent	15,577	12,487	25%	42%
Interest-bearing assets (average)	39,957	41,540	(4%)	(5%)
Customer funding (average)	46,239	46,462	—%	3%
Customer loans (average)	32,580	33,455	(3%)	(4%)
Customer loans	32,617	33,116	(2%)	(3%)
Customer deposits (average)	33,284	33,487	(1%)	3%
Customer deposits	33,603	32,835	2%	5%
Common Equity	3,545	3,447	3%	9%
Tangible Common Equity	3,021	2,920	3%	10%
CET1 Capital	3,058	2,974	3%	9%
Risk-weighted assets	17,753	17,995	(1%)	(10%)
CET1 Ratio (post dividend)	17.2%	0.2pts	0.7pts	3.0pts
Per share data	Q3 '24	Q2 '24	vPQ	vPY
Book value (€)	45.15	43.91	3%	14%
Tangible book value (€)	38.48	37.20	3%	16%
Shares outstanding (€ m)	78.51	78.51	—%	(5%)
Earnings per share (€)	2.25	2.22	1%	—%

Note: All equity, capital, ratios and per share data reflect deduction of €286m dividend accrual.

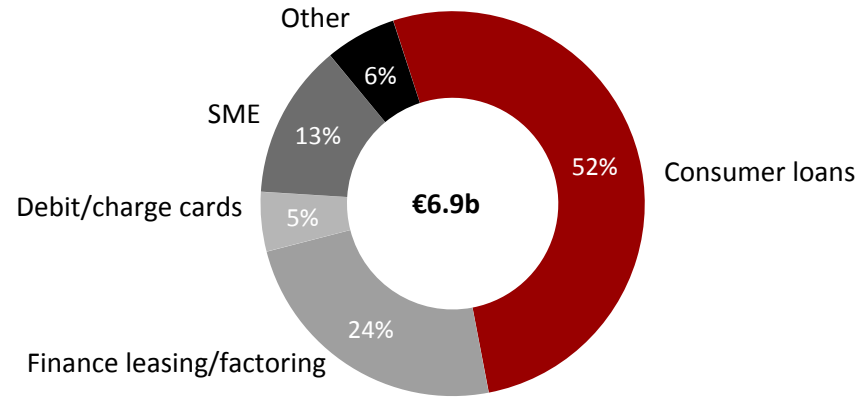
RETAIL & SME

RETAIL & SME OVERVIEW

Retail & SME assets, in € billion



CONSUMER & SME



HOUSING

- 24% state or insurance guaranteed
- Weighted average LTV 56% (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

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

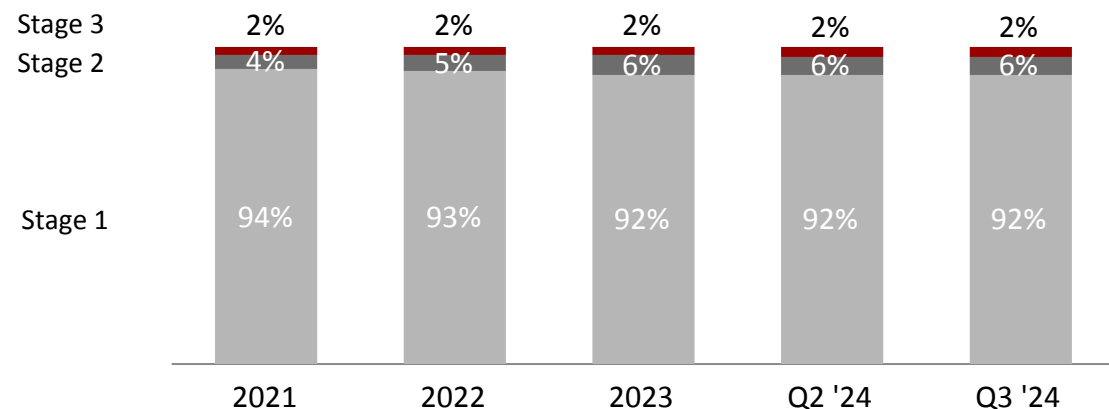
Consumer loan macro-sensitivity remains primary risk for portfolio

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

NPL ratio 2.0% (Q3 '24) consistent with prior years representing high credit quality and processes

DETAILS ON RESERVES

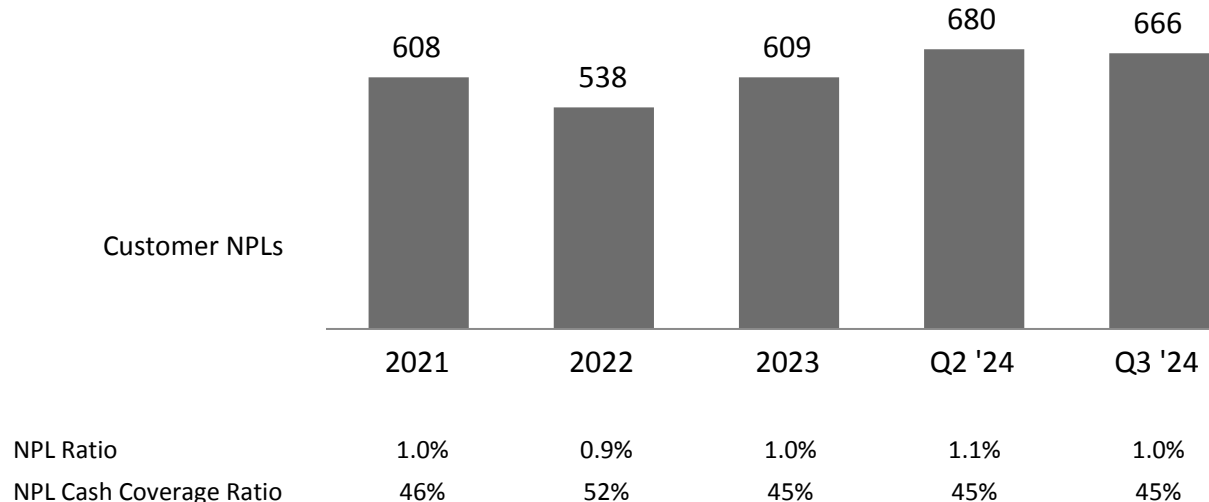
IFRS 9 MIGRATION – CUSTOMER SEGMENT ASSETS



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

	2021	2022	2023	Q2 '24	Q3 '24
Stage 1	37	47	39	42	43
Stage 2	102	133	120	125	113
Stage 3	284	281	272	308	300
Total Reserves	422	461	431	476	456
Total Reserves Ratio %	1.36%	1.43%	1.41%	1.59%	1.56%

NON-PERFORMING (STAGE 3) LOANS | in € millions



KEY DEVELOPMENTS

Customer NPLs down 2% vPQ

NPL ratio remains low at 1.0% ... cash coverage in Q3 '24 at 45%

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

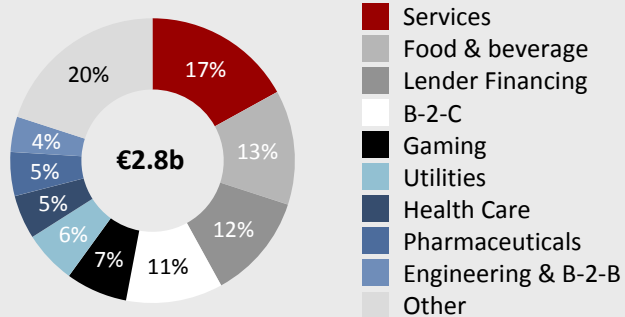
Total reserves decreased in Q3 '24 by €19m, to €456m, with reserve ratio at 1.6%

Total ECL €156m, of which €70m (44%) comprised of management overlay ... substantial cover for potential adverse developments and idiosyncratic risks not currently anticipated

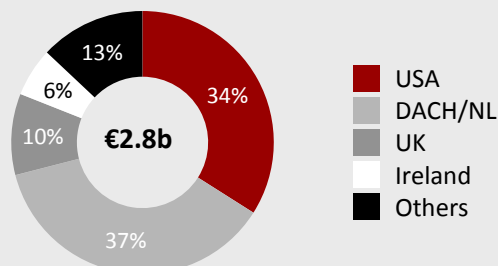
Corporates, Real Estate & Public Sector

CORPORATES¹⁾

By industry



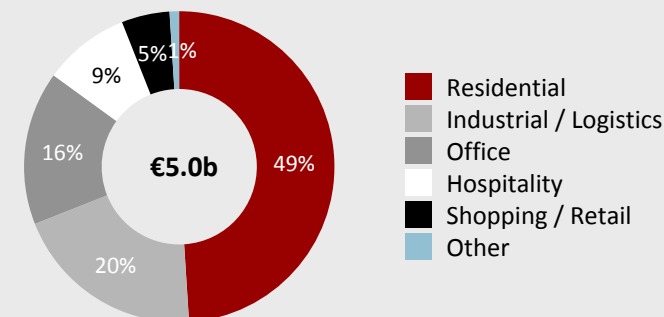
By geography



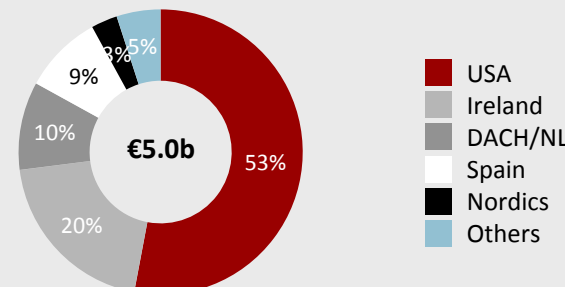
- Portfolio average net leverage <4.0x
- 100% senior lending
- NPL ratio 0.6%
- DACH/NL 37% exposure
- No exposure to Russia and Ukraine

REAL ESTATE

By underlying



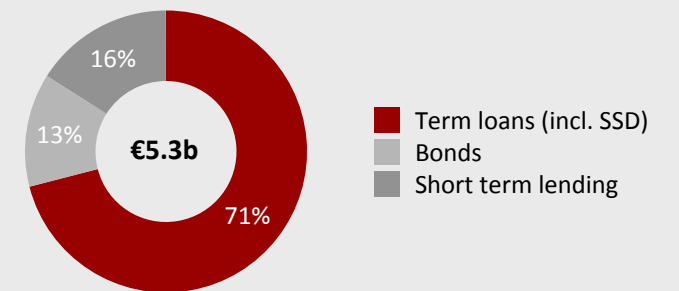
By geography



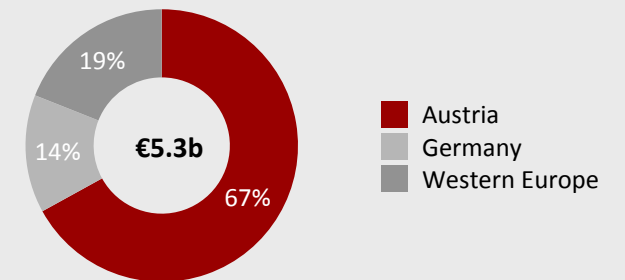
- Weighted average portfolio LTV <55%
- NPL ratio 1.7%
- 69% of total portfolio backed by residential and industrial / logistics assets

PUBLIC SECTOR¹⁾

By funding & type



By geography



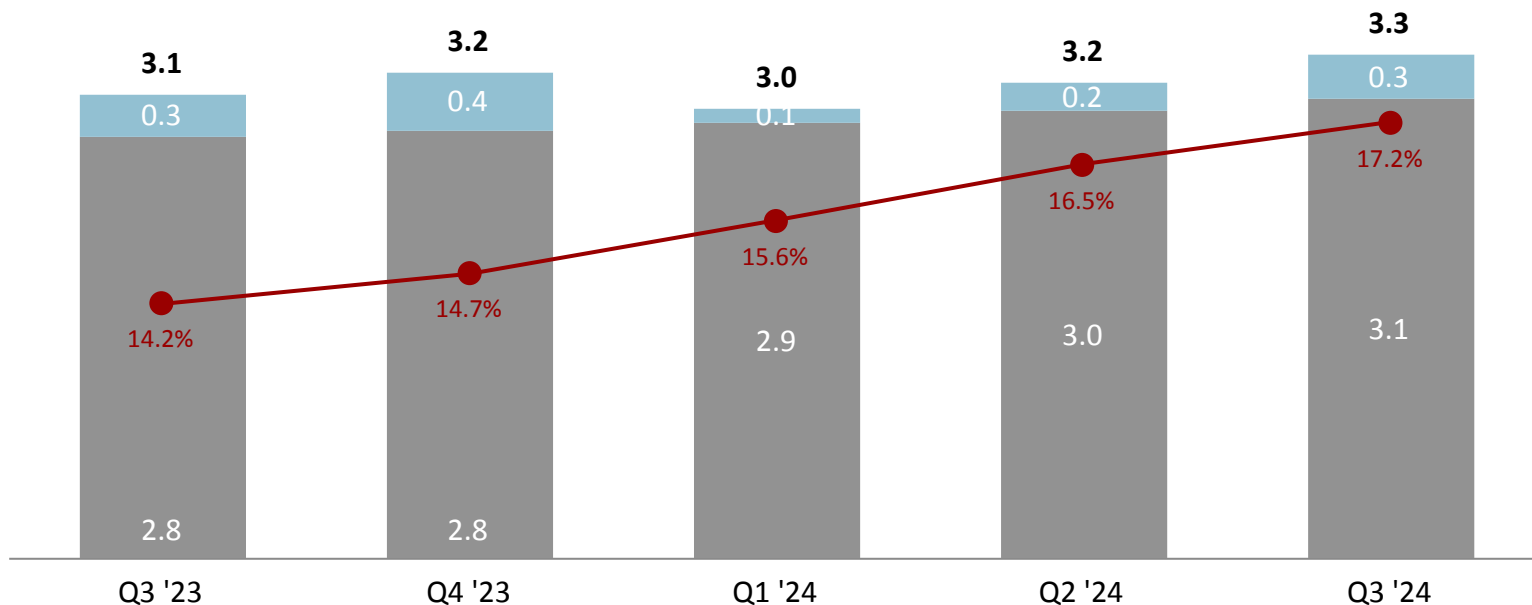
- Portfolio comprised of 68% AAA or AA entities
- No non-performing loans

1) Includes short-term lending/money market of €196m, of which €29m in Corporates and €167m Public Sector

REGULATORY CAPITAL

€ billion

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



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

19.7	19.3	18.6	18.0	17.8
16.3%	16.8%	17.8%	18.8%	20.7%
19.2%	19.9%	21.0%	22.1%	24.2%
6.0%	5.7%	6.0%	6.2%	6.4%

Note: All capital ratios post dividend accrual and deducting buyback.

Capital distribution plans:

Dividend accrual of €286m for YTD '24 based on dividend policy (55% of net profit)

Capital ratios:

Q3 '24 Tier1 capital ratio 20.7% and Total Capital ratio 24.2%

2024 capital requirements:

Increase in Domestic O-SII Buffer to 0.9% for 2024

P2R 2.15% in 2024

CET1 capital requirement for 2024: 9.96%

Adjusted target CET1 ratio of 12.5% is 254bps above MDA trigger of 9.96%

P2G 0.50% in 2024

MREL

Senior preferred issuance planned to meet requirement, replace maturities and build buffer

MREL Strategy

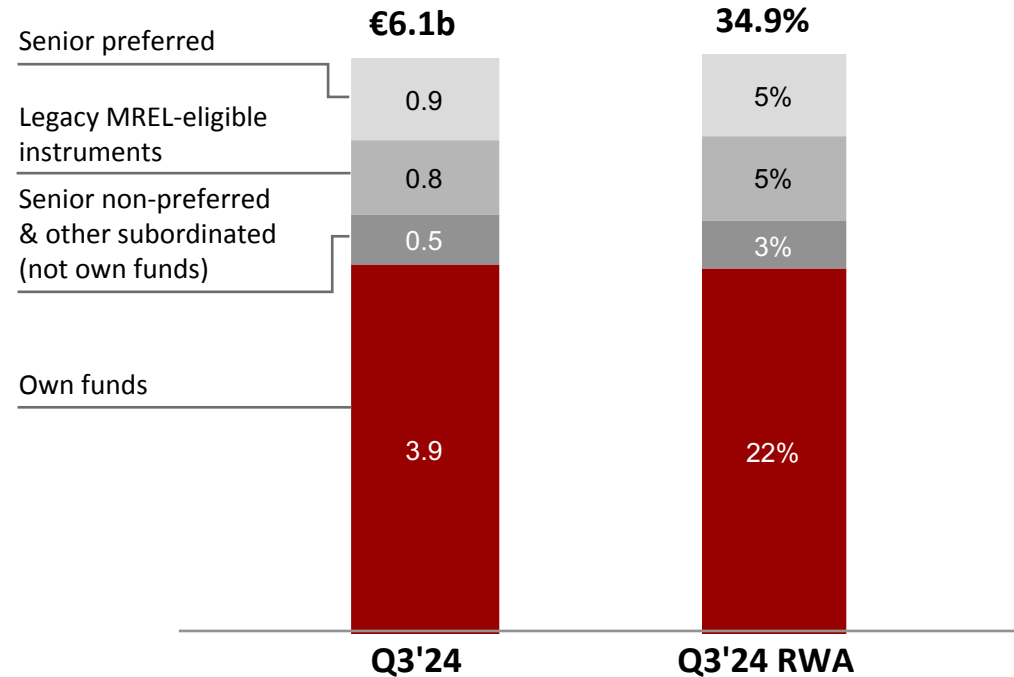
MREL decision fully reflecting CRR2/BRRD2 with final requirements from 1 January 2024:

- Requirement applicable at BAWAG P.S.K. level (consolidated) with a single point of entry resolution strategy
- Currently no subordination requirement
- Comfortable buffer to MREL requirement of 27.1%

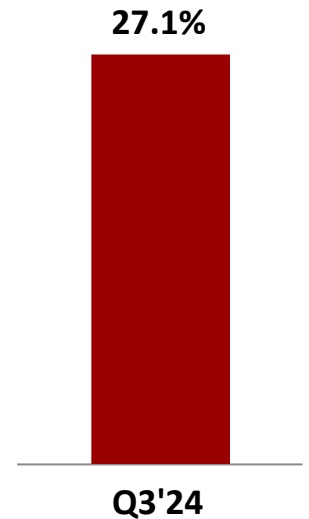
Our MREL issuance plans:

- €1.3b senior preferred bonds issued since 2022 of which €500m senior preferred issued in Oct. 2024
- Further issuance planned in coming years to meet MREL requirement, replace maturities and build buffer ... 1-2 senior preferred benchmarks in 2025

MREL instruments



MREL requirement incl. CBR



Note: all stated MREL requirements incl. CBR

Funding & Liquidity

Active issuer with benchmarks outstanding across the capital stack

Liquidity

Liquidity coverage ratio **260%**

Liquidity buffer **€17.2b**

Liquidity buffer including other marketable securities **€18.9b**

Issuance plans 2025 and beyond

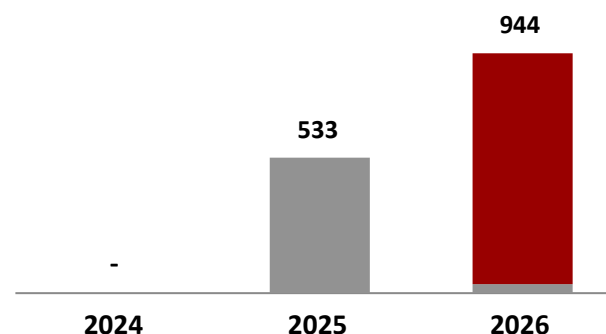
- Increasing focus on senior issuance: 1-2 senior preferred benchmarks in 2025
- At least one Green bond benchmark per year
- Regular covered bond issuance

Comfortable maturity profile

€ millions notional

■ Covered bond

■ Unsecured



- Increasing focus on senior issuance ... €1.3b senior preferred bonds issued since 2022. Further issuance planned in coming years to meet MREL requirement, replace maturities and build buffer ... 1-2 senior preferred benchmarks in 2025
- €1.8b Green bonds issued since 2021 ... continue to issue at least one Green benchmark per year
- Pro-active and investor friendly stance towards capital management ahead of first call date ... Tier 2 capital tender and new issue in Q4 '23 and AT1 capital tender and new issue in Q3 '24
- Covered bonds continue to be an important capital market funding source ... €10.1b issued since 2020 ... 20 benchmark bonds outstanding with up to €1.25b issue size and maturities up to 2041

... and solid market access

2021 issuance: **€1.5b**

- €1.5b covered bonds of which €0.5b Green bond

2022 issuance: **€4.3b**

- €4.0b covered bonds
- €0.3b senior preferred of which €0.3b Green bond

2023 issuance: **€3.0b**

- €2.1b covered bonds
- €0.5b senior preferred of which €0.5b Green bond
- €0.4b subordinated T2

2024 issuance: **€1.75b**

- €0.75b covered bonds
- €0.5b jr. subordinated AT1
- €0.5b senior preferred of which €0.5b Green bond

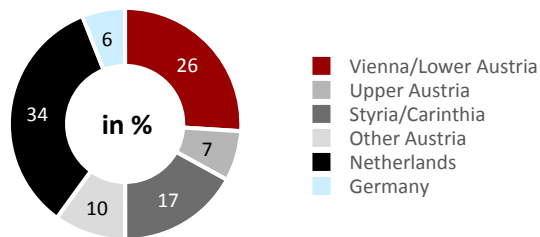
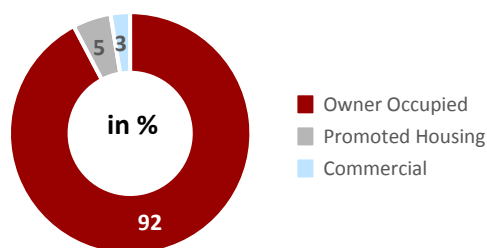
Note: Liquidity buffer includes balances at central banks, eligible securities and other assets eligible for Eurosystem operations

BAWAG Covered Bonds

Leading high-quality issuer with plain cover pools

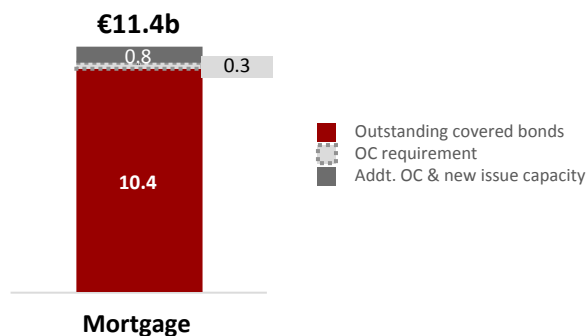
Mortgage Cover Pool

Plain cover pool ... c. 97% residential housing and 3% commercial real estate ... no non-performing loans, no derivatives ... highly granular pools with >84k mortgages ... average LTV of c. 56% for residential loans ... c. 78% of loans with fixed rate agreements ... c. 26% of loans with additional government guarantee (NHG - Dutch National Mortgage Guarantee)



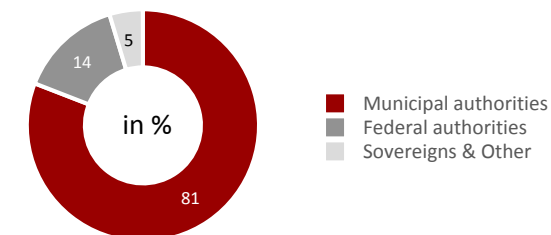
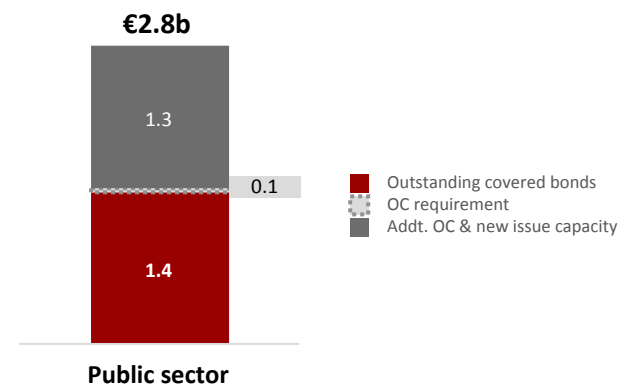
Recent Covered Bond Issuance

Notional (€m)	Maturity	Issued in
500	2032	Q1'22
750	2028	Q2'22
750	2030	Q2'22
1,250	2032	Q3'22
750	2027	Q4'22
850	2029	Q1'23
750	2026	Q2'23
750	2031	Q1'24



Public Sector Cover Pool

81% claims against local/municipal authorities and 14% claims against federal authorities ... no non-performing loans, no derivatives ... granular pool with >4k claims



- Covered bonds continue to be an important capital market funding source ... €10.1b executed since 2020 ... **20 benchmark bonds outstanding** with up to €1.25b issue size and maturities up to 2041
- European Covered Bond (Premium)** ... Covered bonds (Hypothekendarlehenbrief, Öffentlicher Darlehenbrief) under law (Pfandbriefgesetz) that implements the EU Covered Bond Directive. Cover pool assets fully compliant with Article 129 CRR
- Covered bonds rated **Aaa** by Moody's ... BAWAG with A1 (Moody's) issuer rating with stable outlook

* Outstanding amount excl. fully retained covered bonds amounting to €150m public sector

DEFINITIONS

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



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