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The BAWAG Group is the holding company for BAWAG P.S.K. and is headquartered in Vienna. Its shares have been traded on the Vienna stock exchange since 2017 and are also listed on the ATX, the Austrian share index. Golden Tree Asset Management L.P. holds a stake of 21.8%, while the T. Rowe Price Group holds 5.6%, with the majority of the shares in free float. The Group pursues a multi-brand strategy, although its regional focus is on the German-speaking DACH region (over 75% of customer business), with the remaining 25% attributable to western Europe and the USA. BAWAG offers its client base of more than 2.3 million customers in the DACH region a broad product portfolio in the area of Retail and Corporate Banking, while also offering international commercial real estate financing and capital market solutions. Business is split into the core segments of Retail & SME (76% of operating earnings; FY 2020), Corporates & Public (24%), Treasury (5%) and Corporates Center (-5%). The bank's strategy is geared towards growth in its own core markets as well as client focus and efficiency. In doing so, ESG topics are embedded in the Group's strategic roadmap so that responsible, sustainable and profitable growth is targeted. The Group's LCR was 265% and CET1 ratio was 14.4% as at H2 2021 (year-end 2020: 14.0%; H1 2020: 13.4%). The cost/income ratio was 40.1% for the period January to June 2021 (updated target for 2021: ~40%).

## Ratings\*

		Outlook
Fitch	-	-
Moody's	A2	Stable
S&P	-	-

\*BAWAG PSK

## Homepage

[www.bawaggroup.com](http://www.bawaggroup.com)

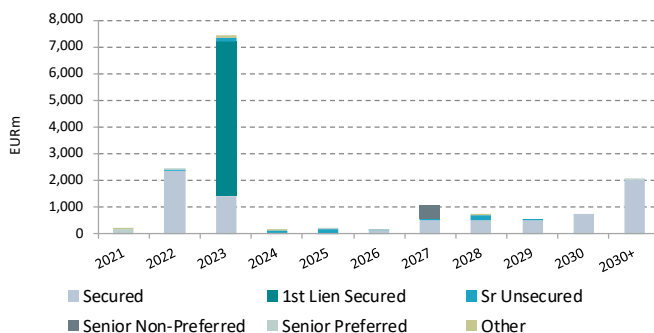
## Balance Sheet

(EURm)	2019Y	2020Y	2021H1
Net Loans to Customers	30,806	32,262	32,584
Total Securities	6,142	8,389	7,153
Total Deposits	30,386	32,415	33,034
Tier 1 Common Capital	2,705	2,802	2,772
Total Assets	45,648	53,122	54,132
Total Risk-weighted Assets	20,241	20,073	20,156

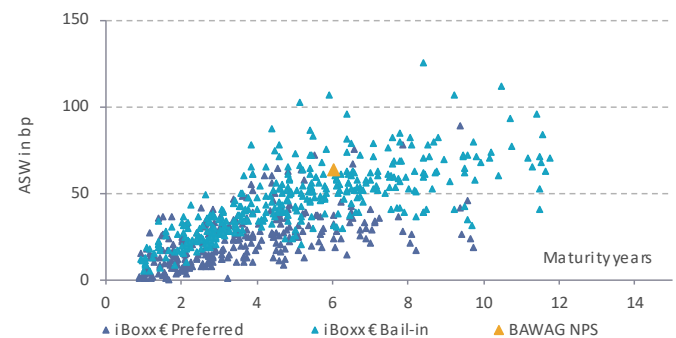
## Income Statement

(EURm)	2019Y	2020Y	2021H1
Net Interest Income	879	915	461
Net Fee & Commission Inc,	284	255	138
Net Trading Income	71	28	10
Operating Expense	538	569	260
Credit Commit, Impairment	67	220	39
Pre-tax Profit	604	371	253

## Redemption Profile



## Senior Unsecured Bonds



## Company Ratios

	2019Y	2020Y	2021H1		2019Y	2020Y	2021H1
Net Interest Margin	1.99	1.90	1.78	Liquidity Coverage Ratio	160.25	180.15	265.00
ROAE	11.41	7.11	8.77	IFRS Tier 1 Leverage Ratio	6.11	5.42	5.23
Cost-to-Income	44.53	48.45	47.05	NPL/ Loans at Amortised Cost	2.68	2.76	2.73
Core Tier 1 Ratio	13.36	13.96	13.75	Reserves/Loans at Amort. Cost	0.74	1.16	1.21

As of: 23.08.2021; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Markets Strategy & Floor Research

## Strengths / Opportunities

- Capitalisation
- Deposit basis
- Cost management

## Risks / Weaknesses

- Profit retention
- Non-retail exposure
- Niche position within the German market

# Covered Bonds

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## EUR 7.27bn in outstanding bonds

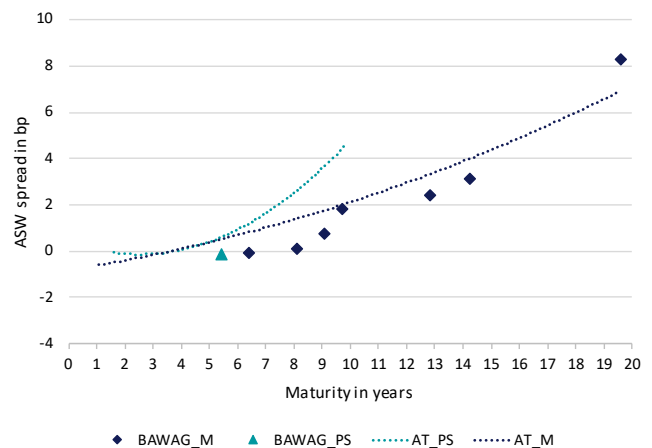
As at 30 June 2021, BAWAG had outstanding covered bonds with a volume of EUR 7.27bn. Mortgage covered bonds accounted for the majority (EUR 5.77bn), while the remaining volume of EUR 1.50bn consisted of public sector covered bonds. The cover pools contained cover assets of EUR 6.55bn and EUR 1.62bn, resulting in overcollateralisation ratios of 13.6% and 8.0%, respectively.

### Programme data

30 June 2021	Mortgage	Public Sector
Covered bonds outstanding	EUR 5,765m	EUR 1,503m
Cover pool volume	EUR 6,546m	EUR 1,662m
Current OC (nominal / legal)	13.6% / 2.0%	8.0% / 2.0%
Type	80% Mortgages	100% Public Sector
Main country	61% Austria	98% Austria
Main region	16% Lower Austria	25% Upper Austria
Number of mortgage loans	55,672	-
Number of exposures	-	2,189
10 largest exposures	2.3%	34.3%
NPL	0.0%	0.0%
Fixed interest (Cover Pool / CBs)	41.1% / 100%	34.0% / 100%
WAL (Cover Pool / CBs)	14.0y / 8.0y	13.4y / 2.7y
CB Rating (Fitch / Moody's / S&P)	- / Aaa / -	- / Aaa / -

Source: Issuer, Rating agencies, Bloomberg, NORD/LB Markets Strategy & Floor Research

### Spread overview (BMK) – Austria



### Cover pool with residential character

The cover pool of mortgage covered bonds consists entirely of mortgage assets, of which 97.7% are attributable to the residential segment. Consequently, 2.3% are attributable to commercial financing. The share of owner-occupied residential property is 91.5%. Geographically, the focus is on Austria (60.8%). In addition, 28.5% are located in the Netherlands and 10.7% in Germany. Within Austria, the regions of Lower Austria (15.6%), Styria (11.8%) and Vienna (11.7%) have shares of more than 10%. In total, the cover pool contains 54,871 residential and 801 commercial assets as of the relevant reporting date. On average, the residential loans are denominated in EUR 116,550. The ten largest loans also have a share of 2.3% in the total cover pool. While all bonds are denominated in EUR, 3.2% of the financing is in CHF. The significantly smaller cover pool for public sector covered bonds consists entirely of such assets. Local authorities account for 62.7% and regional authorities for 29.6%. At 98%, the focus here is once again more on Austria. Germany accounts for the remaining 2%. Within Austria, the regions of Upper Austria, Styria and Lower Austria dominate with shares of more than 20% each. Overall, the cover pool consists of 2,189 exposures, of which the ten largest exposures account for a share of 34.3%.

### Rating and regulatory treatment

BAWAG's EUR benchmarks have the highest rating from the rating agency Moody's (Aaa). The risk weight according to CRR is 10%. In our opinion, benchmark deals can also be used as Level 1 assets within the scope of LCR management. The covered bonds are also eligible for purchase under the APP (CBPP3) as well as in the context of the PEPP. Furthermore, the suitability as collateral in connection with the ECB Collateral Framework is given.

# Appendix

## Contacts at NORD/LB

### Markets Strategy & Floor Research



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Sales Sparkassen & Regionalbanken	+49 511 9818-9400
Sales MM/FX	+49 511 9818-9460
Sales Europe	+352 452211-515

### Origination & Syndicate

Origination FI	+49 511 9818-6600
Origination Corporates	+49 511 361-2911

### Treasury

Collat. Management/Repos	+49 511 9818-9200
Liquidity Management	+49 511 9818-9620 +49 511 9818-9650

### Trading

Covereds/SSA	+49 511 9818-8040
Financials	+49 511 9818-9490
Governments	+49 511 9818-9660
Länder/Regionen	+49 511 9818-9550
Frequent Issuers	+49 511 9818-9640

### Corporate Sales

Schiffe/Flugzeuge	+49 511 9818-9440
Immobilien/Strukturierte Finanzierung	+49 511 9818-8150
Firmenkunden 1	+49 511 9818-4006
Firmenkunden 2	+49 511 9818-4003

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