

Excerpts of public disclosure

October 10, 2024

DEFINITIONS

This document provides excerpts of different public disclosure of BAWAG Group. The source of the excerpt is noted at each respective excerpt. Except where noted, the excerpts were prepared at the time of the Q2 2024 disclosure, are based on the Q2 2024 financial reporting as well as information released during the Q2 2024 earnings call and were provided to you at such time. BAWAG Group has not and expressly disclaims any obligation to update or alter any statements therein, including without limitations any forward-looking statements, whether as a result of new information, future events, or otherwise.

The information in this document is to be read together with the Q2 2024 earnings presentation as well as the transcript of the earnings call of Q2 2024 as well as all releases published since then.

Documents can be found on our website under <https://www.bawaggroup.com/BAWAGGROUP/IR/EN/Financial-Results> unless stated otherwise.

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%

Source: Q2 2024 earnings presentation

P&L and Capital items

2024 outlook

Core revenues

FY '23: €1,537m **+1%**

Operating expenses

FY '23: €485m **~ +3%**

Regulatory charges

FY '23: €39m **~€16m**

Risk cost ratio

FY '23: 22bps **25-30bps**

Balance sheet / capital

STATEMENTS DURING Q2 EARNINGS CALL

We are targeting net interest income and core revenue growth in 2024 of 1%. The overall deposit betas are now at around 32% (Q2 '24). We expect the deposit betas to stay between 30-35% in 2024. Net commission income: ... an overall good performance across securities and payments in Retail & SME segment.

Operating expenses are up 1% versus prior quarter, largely driven by the collective bargaining agreement for banking having been finalized in March. We expect to offset the largest part of inflationary increase through further simplification measures and therefore, expect a cost increase of around 3% for 2024, before any M&A.

Regulatory charges of €3m in Q3 '24

Based on overall macro environment, the recent underlying trends and solid asset quality, the risk cost ratio is expected to be between 25 and 30 basis points.

We have earmarked excess capital for the acquisition of Knab Bank as well as Barclays Consumer Bank Europe which we signed earlier this year. We have been making good progress with the knab bank integration and are on track for an expected closing in the fourth quarter of this year, of course, subject to final regulatory approvals. The closing of Barclays Consumer Bank Europe is anticipated for the fourth quarter of this year or first quarter of 2025.

Source: Q2 2024 earnings presentation, Q2 2024 transcript

DEFINITIONS

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)

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

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 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



IMPORTANT DISCLAIMER: This presentation is prepared solely for the purpose of providing general information about BAWAG Group, Wiedner Gürtel 11, 1100 Wien. The information does not constitute investment or other advice or any solicitation to participate in investment business. This presentation does not constitute an offer or recommendation to purchase any securities or other investments or financial products. In respect of any information provided past performances do not permit reliable conclusion to be drawn as to the future performances. BAWAG Group does not make any representation, express or implied, as to the accuracy, reliability or completeness of the information contained in this presentation. BAWAG Group disclaims all warranties, both express and implied, with regard to the information contained in this presentation. This presentation contains forward-looking statements relating to the business, financial performance and results of BAWAG Group or the industry in which BAWAG Group operates. These statements may be identified by words such as “expectation”, “belief”, “estimate”, “plan”, “target” or “forecast” and similar expressions, or by their context. These statements are made on the basis of current knowledge and assumptions and involve risks and uncertainties. Various factors could cause actual future results, performance or events to differ materially from those described in these statements and neither BAWAG Group nor any other person accepts any responsibility for the accuracy of the opinions expressed in this presentation or the underlying assumptions. No obligation is assumed to update any forward-looking statements. In no event shall BAWAG Group be liable for any loss, damages, costs or other expenses of any kind (including, but not limited to, direct, indirect, consequential or special loss or loss of profit) arising out of or in connection with any use of, or any action taken in reliance on, any information contained in this presentation. BAWAG Group assumes no obligation for updating the provided information in this presentation. The content in this presentation are not to be relied upon as a substitute for professional advice. This presentation shall not be forwarded to any third party.