

BAWAG GROUP PUBLISHES Q3 2024 RESULTS: NET PROFIT € 178 MILLION AND ROTCE 24.0%

- Q3 '24 net profit of € 178 million, EPS of € 2.25 and RoTCE of 24.0%
- Pre-provision profit of € 265 million (-1% vPQ) and CIR at 32.3%
- Risk-cost ratio of 0.25% ... NPL ratio at 1.0%
- September '24 YTD Net profit of € 520 million (+3% vs. prior year) and RoTCE of 23.9%
- CET1 ratio of 17.2% post deduction of dividend accrual of € 286 million for the first three quarters 2024
- Approval for Knab acquisition received on 25 October 2024
- Adjusting CET1 ratio target to 12.5% (up 25 basis points)
- Update FY '24 Targets: Profit before tax > € 950 million, pro-forma CET1 >14.0%, RoTCE >20%, and CIR <34%

VIENNA, Austria – October 28, 2024 – Today, BAWAG Group released its results for the third quarter 2024, reporting a net profit of € 178 million, earnings per share of € 2.25, and a RoTCE of 24.0%. The operating performance of our business was strong with pre-provision profits of € 265 million and a cost-income ratio of 32.3%. This resulted in a net profit of € 520 million, € 6.58 earnings per share and a RoTCE of 23.9% for the first nine months 2024.

Anas Abuzaakouk, CEO, commented: “We delivered net profit of € 178 million, EPS of € 2.25, and a return on tangible common equity of 24.0% during the third quarter 2024. The operating performance of our business was very strong with pre-provision profits of € 265 million and a cost-income ratio of 32.3%. In addition to our strong operating performance, the first three quarters of the year have been defined by M&A and Integration planning ensuring constant dialogue with the businesses, our regulators, and laying out detailed integration plans. There has been a great deal of work taking place behind the scenes. I’m happy to announce that we received formal ECB approval for the acquisition of Knab in the Netherlands last Friday. We are excited about welcoming the team, rolling out the integration plans, and pursuing the many opportunities ahead of us as one team. We plan to provide more details on both acquisitions, our integration plans, Group targets, and capital plans during our investor day scheduled on March 4, 2025 .”

Delivering strong results in the first nine months 2024

in € million	Q3 '24	Change vs prior year (in %)	YTD '24	Change vs prior year (in %)
Core revenues	387.9	(1%)	1,172.1	3%
Net interest income	305.3	(3%)	926.8	1%
Net commission income	82.6	8%	245.3	7%
Operating income	392.2	1%	1,166.1	2%
Operating expenses	(126.8)	4%	(380.1)	5%
Pre-provision profit	265.4	(1%)	786.0	1%
Regulatory charges	(3.0)	(9%)	(11.0)	(74%)
Risk costs	(25.4)	16%	(83.2)	32%
Profit before tax	237.7	(2%)	694.0	3%
Net profit	178.0	(4%)	520.1	3%
RoTCE	24.0%	(3.6pts)	23.9%	(0.9pts)
CIR	32.3%	1.0pts	32.6%	0.8pts
Earnings per share (€)	2.25	—%	6.58	7%
Liquidity Coverage Ratio (LCR)	260%	42pts	260%	42pts

Core revenues decreased by (1%) to € 387.9 million in Q3 '24 versus the prior year. **Net interest income** was at € 305.3 million, down by (3%) versus 2023. **Net fee and commission income** increased by 8% to € 82.6 million.

Operating expenses increased by 4% to € (126.8) million in Q3 '24 versus the prior year. The significant inflationary pressure was partially offset by several operational measures launched over the last years.

The **cost-income ratio** increased by 1.0 point to 32.3% as a reflection of inflationary pressure. This resulted in a pre-provision profit of € 265.4 million for the third quarter 2024, down by (1%) versus prior year.

Risk costs were € (25.4) million in Q3 '24, up by € 3.5 million compared to the previous year. We used € 10 million of the management overlay, with € 70 million remaining as of September '24. The **NPL ratio** was 1.0% at the end of September '24.

Average customer loans were down by (2%) and **average interest-bearing assets** were down by (3%) versus the prior quarter. **Average customer deposits were up by 1% and average customer funding** was flat versus the prior quarter, excluding the sold German bauparkasse business.

At the end of Q3 '24, the **CET1** ratio was at **17.2%**, a net increase of 70 basis points compared to the prior quarter. The CET1 ratio considers the deduction of € 286 million dividend accrual for the first nine months 2024. Given the significant growth of the business, our expanding geographic footprint, and the integration work ahead of us, we have decided to increase our CET1 target by 25 basis points to 12.5%.

Our goal is, and will always be, maintaining a strong balance sheet, solid capitalization levels, low balance sheet leverage and conservative underwriting, a cornerstone of how we run the Bank.

Targets

We updated our 2024 profit before tax target and confirm as follow:

Profit before tax > €950 million, pro-forma CET1 Ratio >14.0%, RoTCE >20%, and CIR <34%.

We will hold an Investor Day on March 4, 2025.

Earnings presentation

BAWAG Group will host the earnings call with our CEO Anas Abuzaakouk and our CFO Enver Sirucic at 10 a.m. CET on 28 October 2024. The webcast details are available on our website under [Financial Results | BAWAG Group](#).

About BAWAG Group

BAWAG Group AG is a publicly listed holding company headquartered in Vienna, Austria, serving 2.1 million retail, small business, corporate, real estate and public sector customers across Austria, Germany, Switzerland, Netherlands, Western Europe and the United States. The Group operates under various brands and across multiple channels offering comprehensive savings, payment, lending, leasing, investment, building society, factoring and insurance products and services. Our goal is to deliver simple, transparent, and affordable financial products and services that our customers need.

BAWAG Group's Investor Relations website <https://www.bawaggroup.com/ir> contains further information, including financial and other information for investors.

Forward looking statement

This release contains "forward-looking statements" regarding the financial condition, results of operations, business plans and future performance of BAWAG Group. Words such as "anticipates," "believes," "estimates," "expects," "forecasts," "intends," "plans," "projects," "may," "will," "should," "would," "could" and other similar expressions are intended to identify these forward-looking statements. These forward-looking statements reflect management's expectations as of the date hereof and are subject to risks and uncertainties that may cause actual results to differ materially from those projected. These risks and uncertainties include, but are not limited to, economic conditions, the regulatory environment, loan concentrations, vendors, employees, technology, competition, and interest rates. Readers are cautioned not to place undue reliance on the forward-looking statements as actual results may differ materially from the results predicted. Neither BAWAG Group nor any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this report or its content or otherwise arising in connection with this document. This report does not constitute an offer or invitation to purchase or subscribe for any securities and neither it nor any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This statement is included for the express purpose of invoking "safe harbor provisions".

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