

# BAWAG Group

# Q3 2024 Results

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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%

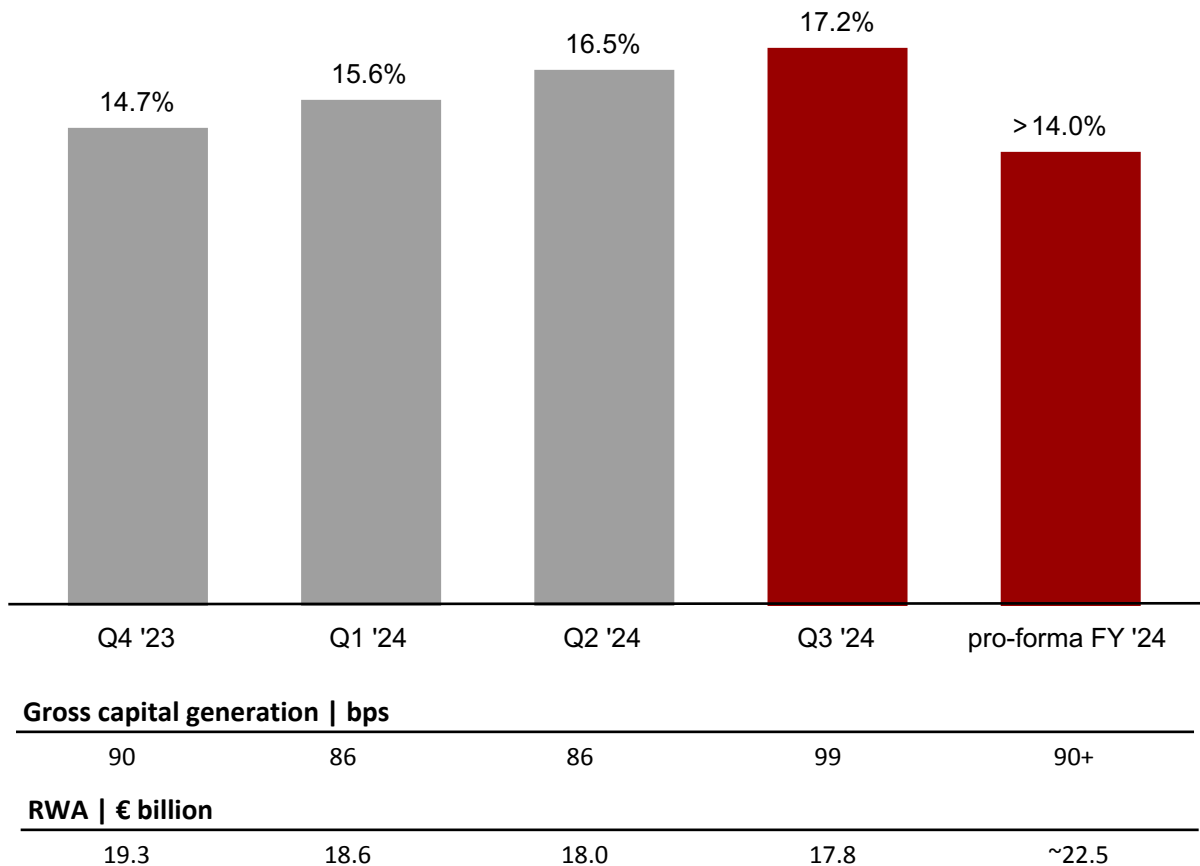
Deploying ~€500m excess capital for 2 strategic acquisitions that will generate Profit Before Tax > €250m by 2027

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%
<b>Pre-provision profit</b>	<b>201.4</b>	<b>(2%)</b>	<b>(2%)</b>	<b>614.8</b>	<b>4%</b>
Regulatory charges	(1.5)	(12%)	67%	(5.9)	(59%)
Risk costs	(25.4)	17%	1%	(76.1)	24%
<b>Profit before tax</b>	<b>174.5</b>	<b>(4%)</b>	<b>(3%)</b>	<b>532.8</b>	<b>3%</b>
<b>Net profit</b>	<b>130.9</b>	<b>(4%)</b>	<b>(3%)</b>	<b>399.6</b>	<b>3%</b>

## 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%
<b>Total assets</b>	<b>21,526</b>	<b>(2%)</b>	<b>(1%)</b>	<b>21,526</b>	<b>(2%)</b>
<b>Total assets (∅)</b>	<b>21,554</b>	<b>(2%)</b>	<b>(1%)</b>	<b>21,779</b>	<b>(1%)</b>
<b>Risk-weighted assets</b>	<b>10,069</b>	<b>9%</b>	<b>6%</b>	<b>10,069</b>	<b>9%</b>
<b>Customer deposits</b>	<b>26,661</b>	<b>—%</b>	<b>(3%)</b>	<b>26,661</b>	<b>—%</b>
<b>Customer deposits (∅)</b>	<b>26,493</b>	<b>1%</b>	<b>(1%)</b>	<b>26,554</b>	<b>—%</b>
<b>Customer funding</b>	<b>36,849</b>	<b>1%</b>	<b>(1%)</b>	<b>36,849</b>	<b>1%</b>
<b>Customer funding (∅)</b>	<b>37,374</b>	<b>—%</b>	<b>(1%)</b>	<b>37,447</b>	<b>1%</b>

### 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)	—%
<b>Pre-provision profit</b>	<b>54.1</b>	<b>(6%)</b>	<b>(8%)</b>	<b>170.4</b>	<b>(6%)</b>
Regulatory charges	(0.8)	(11%)	(11%)	(2.6)	(71%)
Risk costs	(0.1)	—%	(95%)	(7.2)	nm
<b>Profit before tax</b>	<b>53.2</b>	<b>(6%)</b>	<b>(4%)</b>	<b>160.6</b>	<b>(7%)</b>
<b>Net profit</b>	<b>39.9</b>	<b>(6%)</b>	<b>(5%)</b>	<b>120.4</b>	<b>(7%)</b>

## 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%
<b>Total assets</b>	<b>13,020</b>	<b>(4%)</b>	<b>(2%)</b>	<b>13,020</b>	<b>(4%)</b>
<b>Total assets (∅)</b>	<b>12,964</b>	<b>(4%)</b>	<b>(4%)</b>	<b>13,425</b>	<b>(5%)</b>
<b>Risk-weighted assets</b>	<b>4,712</b>	<b>(33%)</b>	<b>(7%)</b>	<b>4,712</b>	<b>(33%)</b>
<b>Customer deposits</b>	<b>7,649</b>	<b>37%</b>	<b>28%</b>	<b>7,649</b>	<b>37%</b>
<b>Customer deposits (∅)</b>	<b>6,499</b>	<b>13%</b>	<b>1%</b>	<b>6,462</b>	<b>20%</b>
<b>Customer funding</b>	<b>9,741</b>	<b>38%</b>	<b>21%</b>	<b>9,741</b>	<b>38%</b>
<b>Customer funding (∅)</b>	<b>8,572</b>	<b>17%</b>	<b>1%</b>	<b>8,410</b>	<b>20%</b>

### DEVELOPMENTS in Q3 '24

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

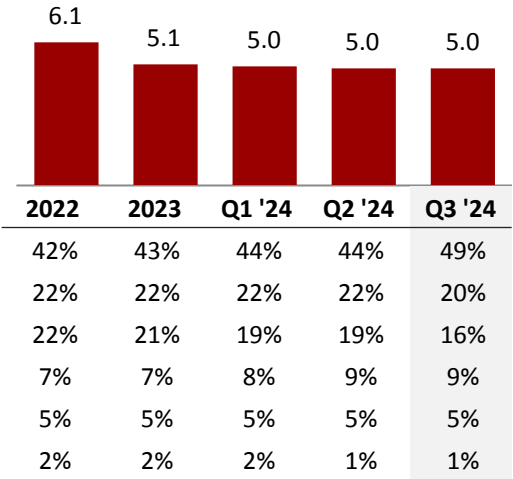
Pre-provision profit of €54m, down (6%) vPY ... Operating income down (6%) vPY

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



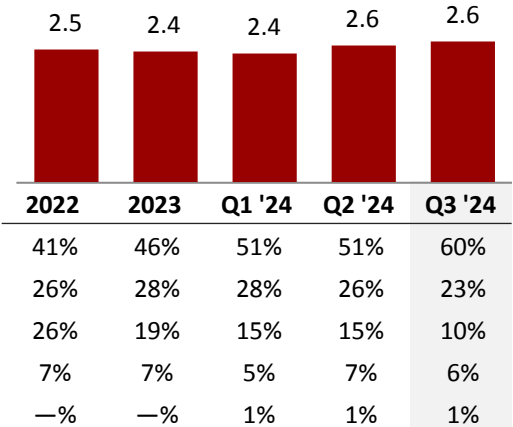
## PORTFOLIO DEVELOPMENT

- 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)

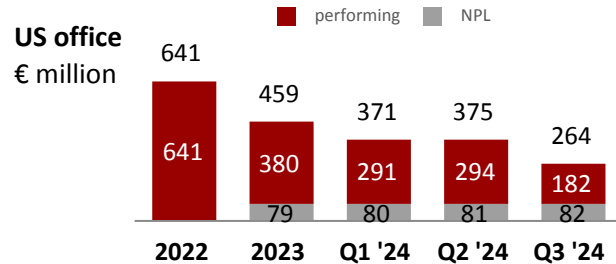
## UNDERWRITING PRINCIPLES

- 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



- 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%
<b>Pre-provision profit</b>	<b>265.4</b>	<b>(1%)</b>	<b>1%</b>	<b>786.0</b>	<b>1%</b>
Regulatory charges	(3.0)	(9%)	11%	(11.0)	(74%)
Risk costs	(25.4)	16%	(9%)	(83.2)	32%
<b>Profit before tax</b>	<b>237.7</b>	<b>(2%)</b>	<b>2%</b>	<b>694.0</b>	<b>3%</b>
Income taxes	(59.7)	5%	2%	(173.9)	3%
<b>Net profit</b>	<b>178.0</b>	<b>(4%)</b>	<b>2%</b>	<b>520.1</b>	<b>3%</b>

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
<b>Total assets</b>	<b>55,726</b>	<b>53,633</b>	<b>4%</b>	<b>5%</b>
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%
<b>Total liabilities &amp; equity</b>	<b>55,726</b>	<b>53,633</b>	<b>4%</b>	<b>5%</b>
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%

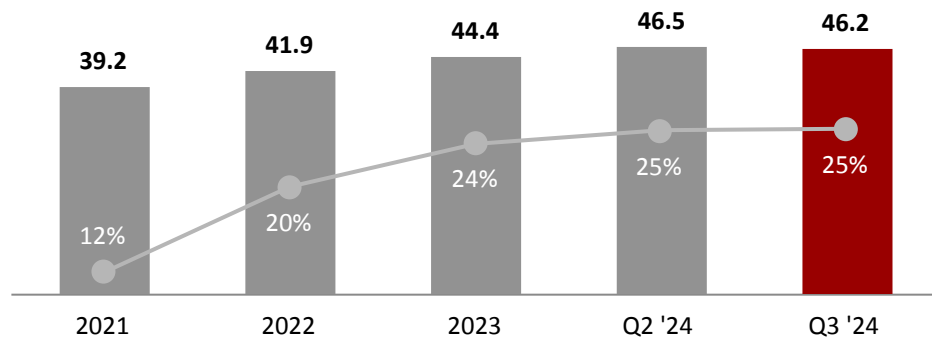
CET1 ratio at 17.2% post deduction of €286m dividend accrual for YTD '24

# FUNDING OVERVIEW

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

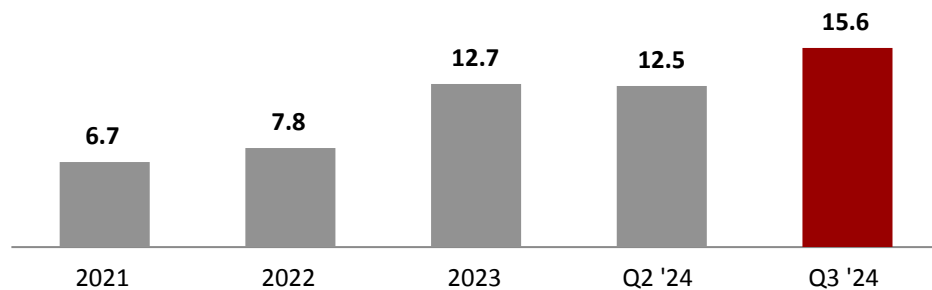
€ billion

● 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

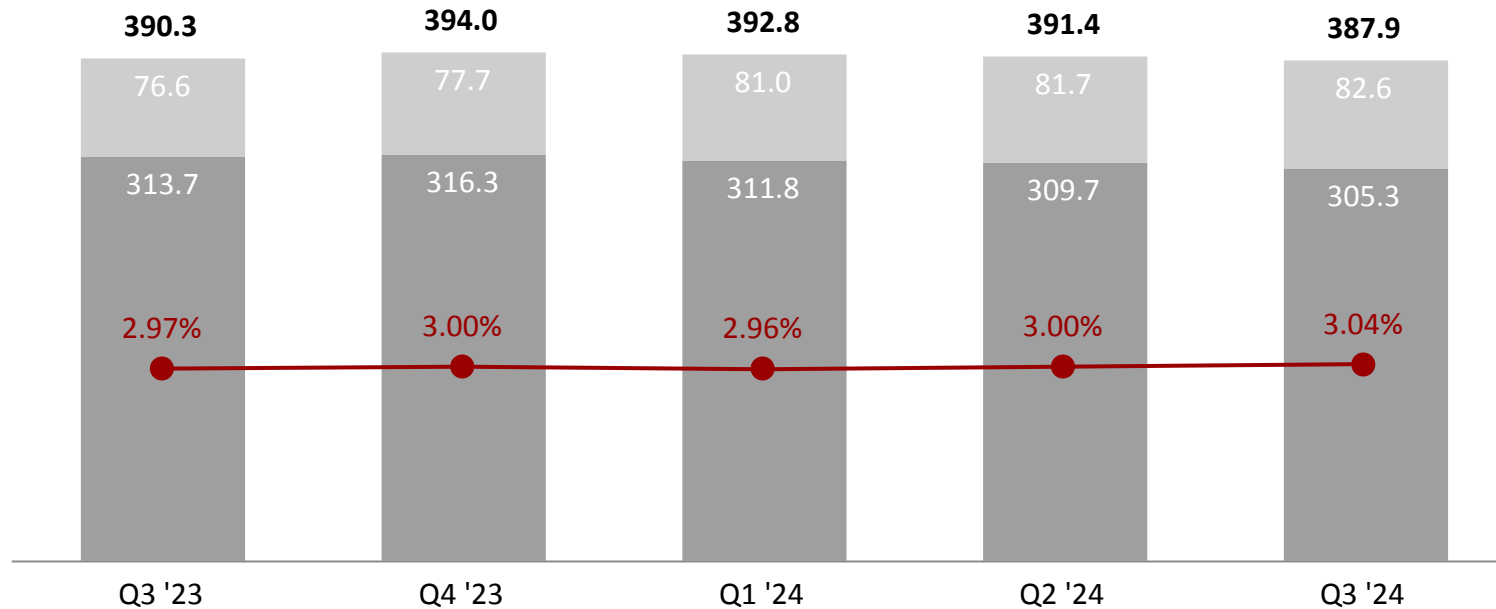
## CASH DEVELOPMENT & TRENDS

- 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



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

**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

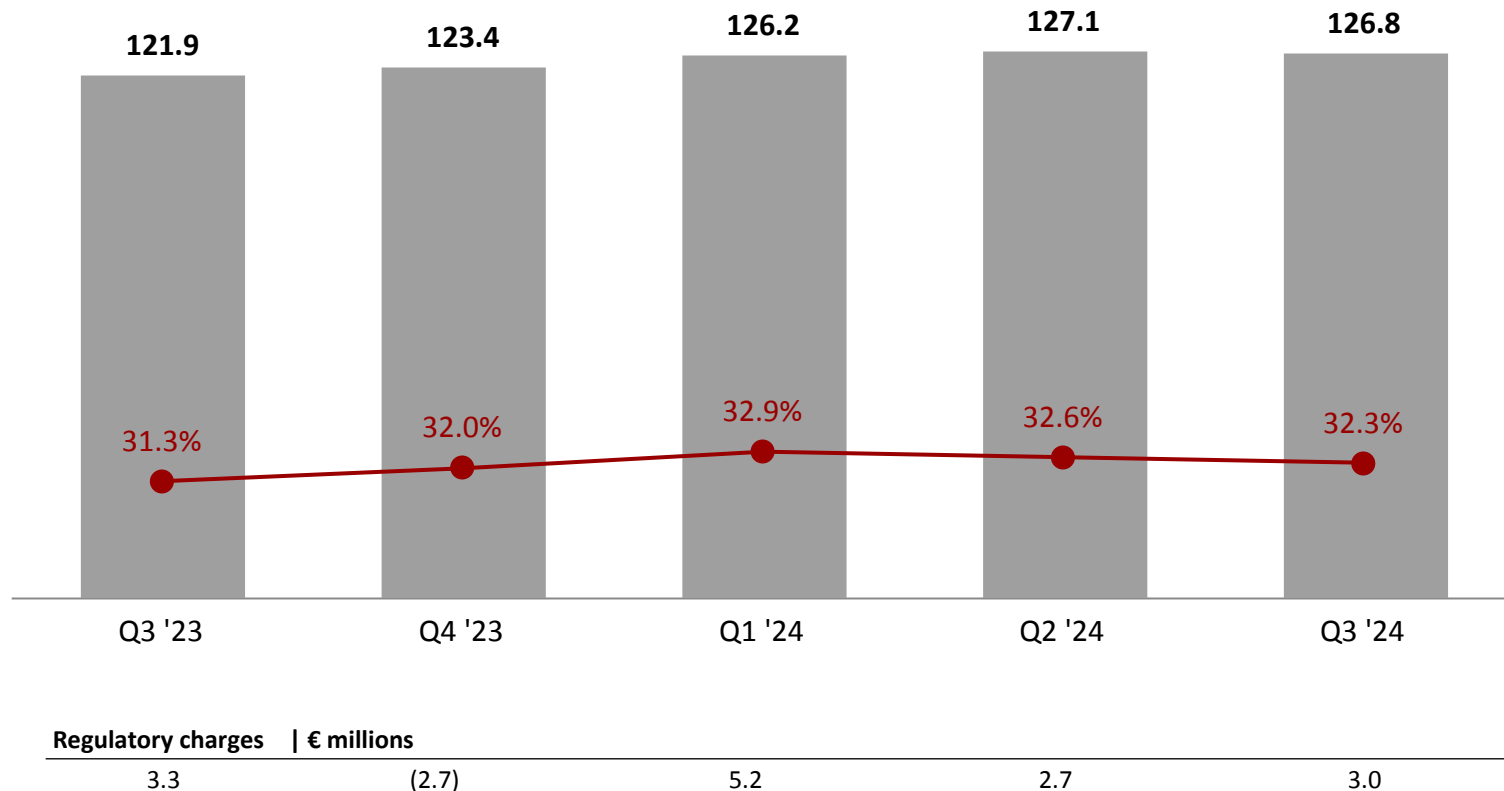
**Net commission income (NCI) up by 1% vPQ**

- Strong payments business in Q3 '24

# OPERATING EXPENSES

€ millions

Operating expenses  
 (excluding regulatory charges)  
 CIR



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

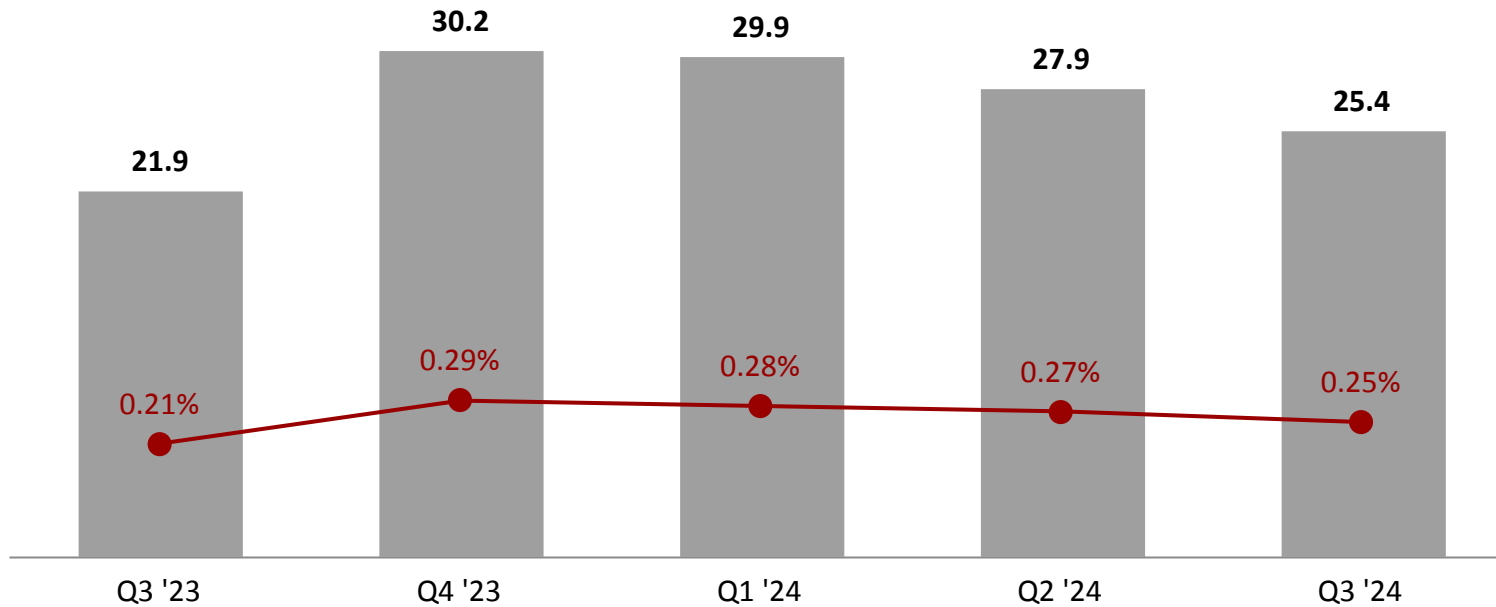
- Focused on absolute cost targets and proactive cost management
- Executed multiple initiatives focused on greater scale, greater digital engagement and continued rollout of simplification roadmap across the Group
- Targeted investments over the years resulting in long-term productivity gains across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

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**INVESTOR DAY on  
MARCH 4, 2025**

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Operating income	392.2	1%	1%	1,166.1	2%
Operating expenses	(126.8)	4%	—%	(380.1)	5%
<b>Pre-provision profit</b>	<b>265.4</b>	<b>(1%)</b>	<b>1%</b>	<b>786.0</b>	<b>1%</b>
Regulatory charges	(3.0)	(9%)	11%	(11.0)	(74%)
Risk costs	(25.4)	16%	(9%)	(83.2)	32%
<b>Profit before tax</b>	<b>237.7</b>	<b>(2%)</b>	<b>2%</b>	<b>694.0</b>	<b>3%</b>
<b>Net profit</b>	<b>178.0</b>	<b>(4%)</b>	<b>2%</b>	<b>520.1</b>	<b>3%</b>

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

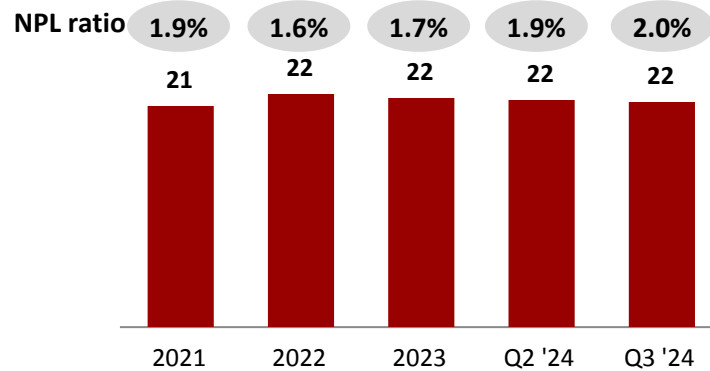
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Interest-bearing assets (average)	39,957	41,540	(4%)	(5%)
Customer funding (average)	46,239	46,462	—%	3%
Customer loans (average)	32,580	33,455	(3%)	(4%)
Customer loans	32,617	33,116	(2%)	(3%)
Customer deposits (average)	33,284	33,487	(1%)	3%
Customer 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%)
<b>CET1 Ratio (post dividend)</b>	<b>17.2%</b>	<b>0.2pts</b>	<b>0.7pts</b>	<b>3.0pts</b>
<b>Per share data</b>	<b>Q3 '24</b>	<b>Q2 '24</b>	<b>vPQ</b>	<b>vPY</b>
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.

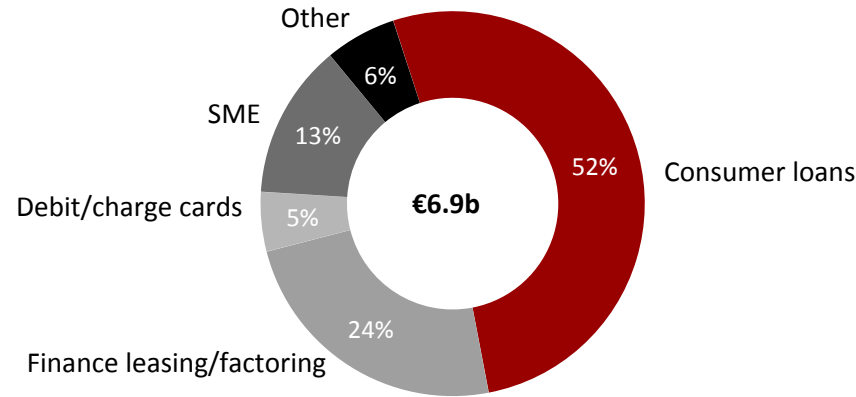
# RETAIL & SME

## 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

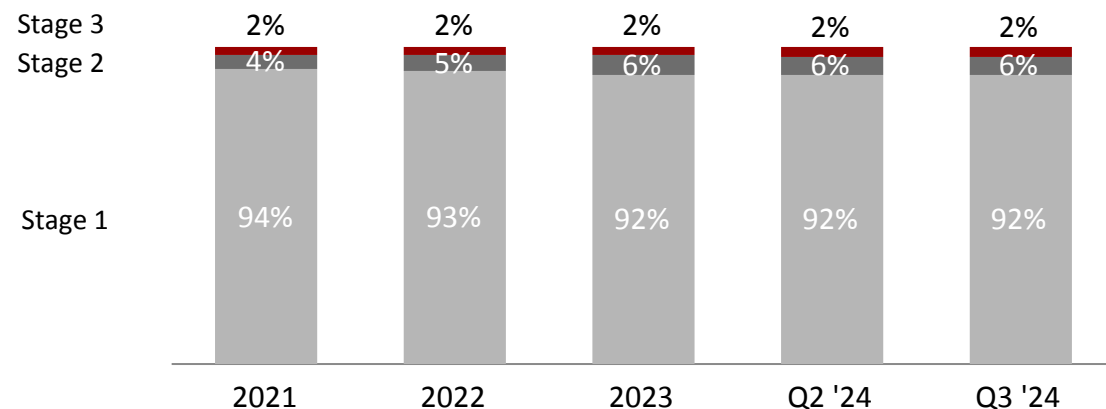
Consumer loan macro-sensitivity remains primary risk for portfolio

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

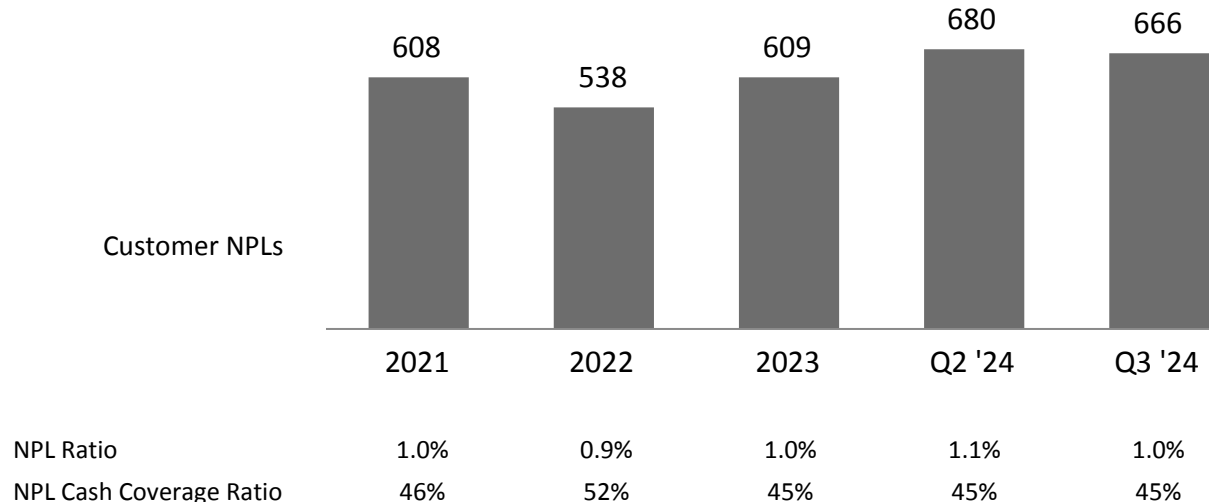
## IFRS 9 MIGRATION – CUSTOMER SEGMENT ASSETS



## 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
<b>Total Reserves</b>	<b>422</b>	<b>461</b>	<b>431</b>	<b>476</b>	<b>456</b>
<b>Total Reserves Ratio %</b>	<b>1.36%</b>	<b>1.43%</b>	<b>1.41%</b>	<b>1.59%</b>	<b>1.56%</b>

## 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

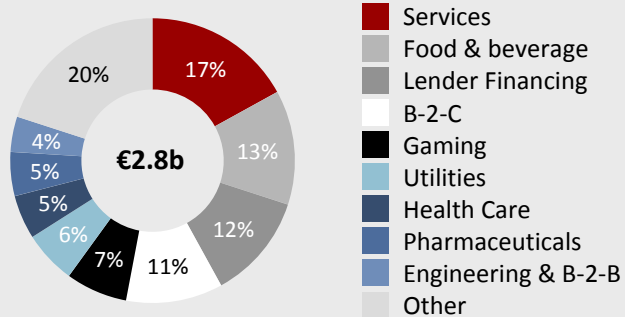
Total reserves decreased in Q3 '24 by €19m, to €456m, with reserve ratio at 1.6%

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

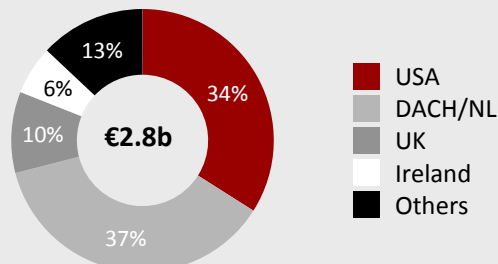
# Corporates, Real Estate & Public Sector

## CORPORATES<sup>1)</sup>

By industry



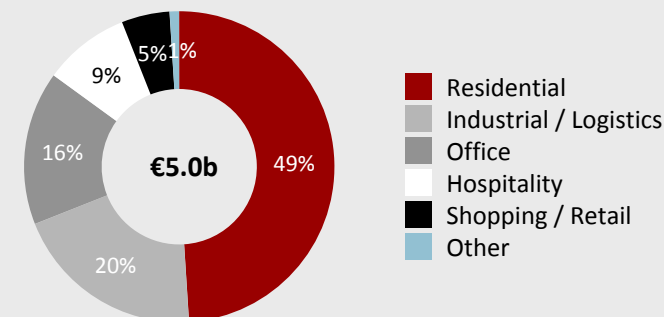
By geography



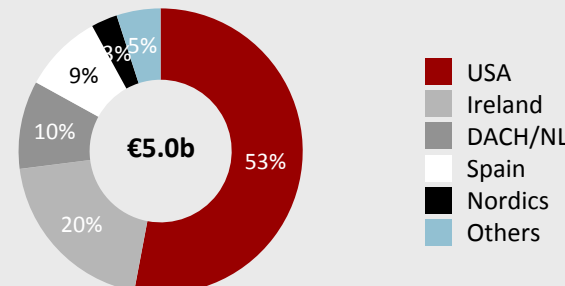
- Portfolio average net leverage <4.0x
- 100% senior lending
- NPL ratio 0.6%
- DACH/NL 37% exposure
- No exposure to Russia and Ukraine

## REAL ESTATE

By underlying



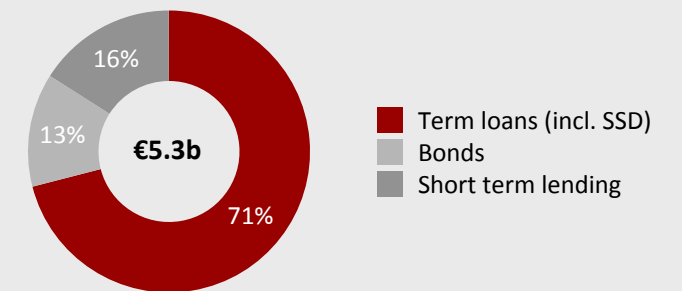
By geography



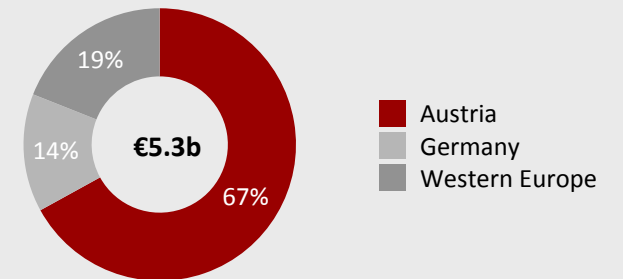
- Weighted average portfolio LTV <55%
- NPL ratio 1.7%
- 69% of total portfolio backed by residential and industrial / logistics assets

## PUBLIC SECTOR<sup>1)</sup>

By funding & type



By geography



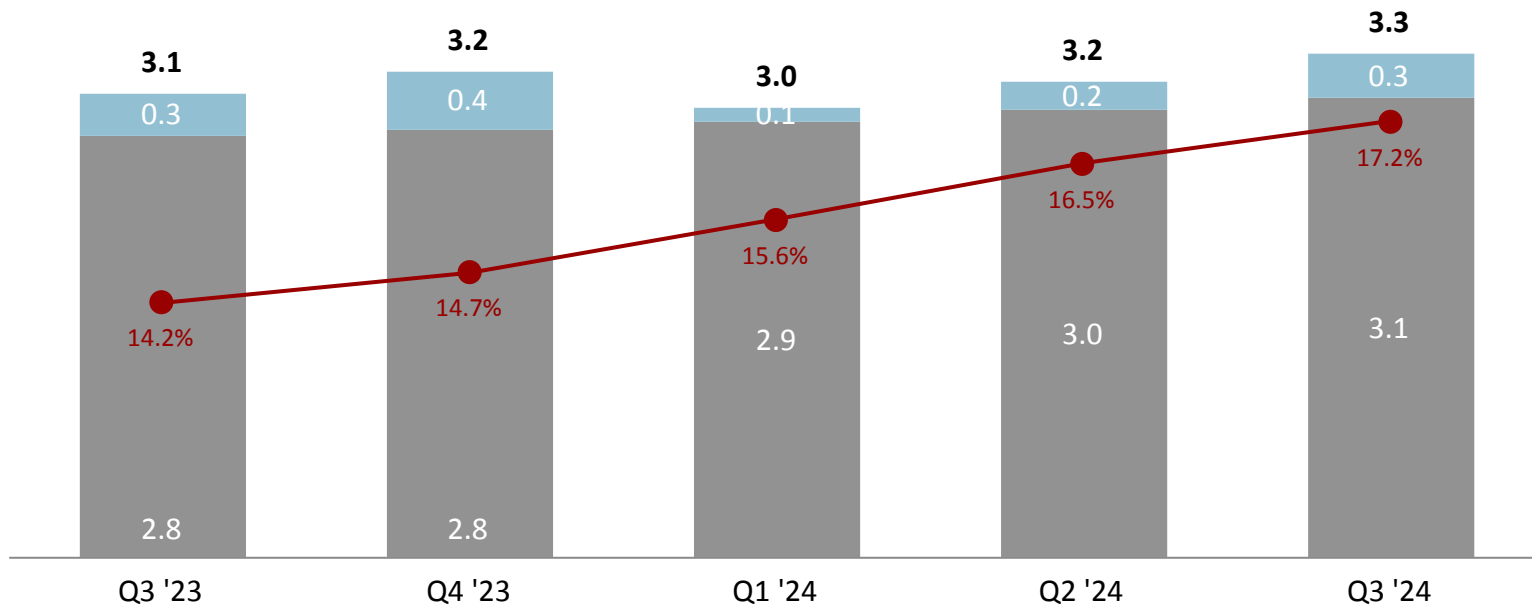
- Portfolio comprised of 68% AAA or AA entities
- No non-performing loans

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

# 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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