

PRE-EARNINGS CALL Q1 2025

April 10, 2025

NOTE

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 Q4 2024 disclosure, are based on the Q4 2024 financial reporting as well as information released during the Q4 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 Q4 2024 earnings presentation 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.

2025 OUTLOOK AND TARGETS

P&L OUTLOOK

Net interest income >€1,800m

FY '24: €1,312m

Core revenues >€2,150m

FY '24: 1,622m

Operating expenses ~€(800)m

FY '24: €(545)m

Regulatory charges ~€(40)m

FY '24: €(15)m

Risk costs ~40bps

FY '24: 19bps

2025 FINANCIAL TARGETS

Net profit >€800m

FY '24: €760m

Earnings per share >€10.0

FY '24: €9.60

Capital Distribution Target 13.0%

2025 & BEYOND RETURN TARGETS

Return on tangible common equity >20%

CET 1 Ratio 12.5%

P&L AND CAPITAL ITEMS

2025 Outlook

Core revenues

>€1,800m NII

>€2,150m Core revenues

Operating expenses

~€(800)m

Regulatory charges

~(40)m

Risk cost ratio

~40bps

Balance sheet / capital

STATEMENTS DURING Q4 EARNINGS CALL

On a pro forma basis, after considering our newly acquired credit card business in Germany, we would expect a quarterly NI run-rate of more than €450 million, and a pro forma NCI run-rate of more than €85 million. This leads us to a 2025 outlook for core revenues of greater than €2,150 million.

With Barclays Consumer Bank Europe, we expect the quarterly cost line to be about €200 million, and around €800 million for the full-year 2025. This includes any integration costs.

Regulatory charges of €10m in Q1'25 already accruing for higher bank tax.

Risk cost ratio of ~40bps in 2025 including Barclays Day 1 ECL and securitization costs

Pro-forma FY 2024 CET1 ratio ~13.8% (post 2 M&A transactions, return to standardized approach for Retail and Basel IV impact)

M&A

+ full quarter of Knab
(closed November 1, 2024)

+ 2 months of Barclays
(closed February 1, 2025)

ACQUISITIONS – FINANCIAL PROFILE

BARCLAYS CONSUMER BANK EUROPE

Main P&L items	Run-rate annualized	2025 trend
Net interest income	~€350m	→
Net commission income	~€20m	→
Core revenues	~€370m	→
Operating expenses	~(€180m)	↘
Risk costs	~(€90m)	→
Profit before tax	~€100m	↗

Main Balance Sheet items	YE '24
Customer assets	€3.4b
Customer deposits	€4.0b
Credit RWA	€2.4b

KNAB

Main P&L items	Run-rate annualized	2025 trend
Net interest income	€290m	↘
Net commission income	€10m	↗
Core revenues	€300m	↘
Operating expenses	~(€150m)	↘
Profit before tax	~€150m	→

Main Balance Sheet items	YE '24
Customer assets	€12.7b
Customer deposits	€12.7b
Total risk weighted assets	€2.5b

Source: Pre-earnings call FY 2024

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



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