

# BAWAG GROUP AG: BAWAG GROUP WITHDRAWS 2020 TARGETS

**VIENNA, 23 April 2020** – BAWAG Group today has withdrawn 2020 targets previously communicated and posted a Q1 '20 incremental general reserve of approximately € 25 million in the Retail & SME business to address the deteriorating macroeconomic environment as well proactively address the build-up of customer payment deferrals due to COVID-19.

The outbreak of the coronavirus (COVID-19) has triggered varying responses, and at varying speeds, from governments across the globe. It is important to note that this is, first and foremost, a healthcare crisis afflicting the global community. A great deal depends on the effectiveness of the public health, fiscal, monetary and regulatory measures that have been put in place. Given the fluid nature of events and the uncertainties in both scope and length, this may result in an overall challenged and volatile market environment over the coming months.

In light of these uncertainties, the Managing Board of BAWAG Group has decided to withdraw the previously communicated 2020 targets. Forecasting any concrete targets this year would be unreliable given the market uncertainty and deterioration in the macroeconomic environment. The Bank has also taken an incremental general reserve of approximately € 25 million for Q1 '20 in the Retail & SME business, equal to approximately 150% of average quarterly risk costs, to address the deteriorating macroeconomic outlook as well as prudently provision against the observed build-up of customer payment deferrals due to COVID-19.

Across all business units and functions within the group, the Bank has implemented specific measures to address the current environment triggered by the COVID-19 crisis to support our employees, customers, local communities and to protect the franchise. The Managing Board of BAWAG Group will continue to closely monitor developments and act accordingly.

Given the strategic focus, strength of the franchise, and transformation that has taken place over the years, the Managing Board also commits to medium-term targets of a RoTCE >15% and cost-income ratio <40% in a normalized environment.

A comprehensive business update will be given with the Q1 '20 earnings release scheduled for April 27, 2020.

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