

BAWAG Group
Excerpts of public disclosure
July 6, 2022

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 Q1 2022 disclosure, are based on the Q1 2022 financial reporting as well as information released during the Q1 2022 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 Q1 2022 earnings presentation as well as the transcript of the earnings call of Q1 2022 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.

2022 Outlook

Reconfirmed despite changed geopolitical environment

P&L OVERVIEW

Core revenues

FY '21: €1,220m

>4% growth

Operating expenses:

FY '21: €485m

~2% net cost-out

Regulatory charges

FY '21: €52m

<€50m expected

Risk costs

FY '21: €95m

~20bps

Profit before tax

FY '21: €600m

>€675m

RETURN TARGETS

RoTCE

FY '21: 16.1%

>17%

CIR

FY '21: 39.5%

<38%

OUTLOOK ASSUMPTIONS

No rate hikes assumed ... 100bps increase in 3-month Euribor leads to approximately **+€100 million net interest income p.a.**

P&L and capital items

FY 2022 outlook

Core revenues: >4% growth
vs 2021

**Operational expenses:
~2% net cost-out vs 2021**

**Risk cost ratio:
~20 bps**

**Regulatory charges:
€38m** in Q1 2022

Capital

Statements at Q1 2022 reporting

"For 2022 we expect core revenues to grow by more than 4% not considering any rate hikes in 2022 and no M&A or portfolio transactions."

"Cost-income ratio continued to improve and stands at 37% for the quarter which is well on track to meet our 2022 target of below 38% ... We will also continue to focus on an absolute cost-out target, and we think we can achieve a net cost-out of around 2% in 2022."

"Expect risk cost ratio ~20bps in 2022 without benefit of any reserve releases ... maintaining management overlay given overall environment."

Q2 '22 regulatory charges expected at approximately €8m due to higher SRB contributions ... FY '22 expected at around €55 million.

Overall, no impact from deposit guarantee scheme case of Sberbank Europe.

- Target share buyback of €325m, filed in April '22 ... regulatory approval pending
- Q1 '22: OCI primarily related to widening credit spreads and volatility
- Acquisition of Sberbank Europe assets with CET1 impact from RWA of ~(25)bps in Q2 '22

Acquisition of assets of Sberbank Europe

OVERVIEW

- On 1 March 2022 Sberbank Europe AG (now in liquidation) was prohibited from continuing business operations
- BAWAG Group purchased a consumer loan portfolio in Germany and a bond portfolio
- Purchase price was directly paid to the Austrian deposit guarantee scheme
- Assets have been transferred beginning May 2022 ... consumer loan portfolio serviced via our channel Qlick

FINANCIAL, BALANCE SHEET AND CAPITAL

- Book value of consumer loan portfolio approximately €0.5b ... CET1 impact from RWA ~-(25)bps
- Portfolio conservatively priced to ensure BAWAG profitability hurdles met under severe loss scenario
- Minimal impact on operating expenses
- No Day 1 P&L impact ... expected risk costs addressed in the discount

Definitions

Common Equity Tier 1 capital (CET1)

Including interim profit and deducts earmarked dividends

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

Common equity

Equity attributable to the owners of the parent; excluding minorities, AT1 and deducted dividend accrual

Earnings per share (EPS)

Net profit / weighted average number of shares outstanding (diluted)

FL ... Fully-loaded

Net interest margin (NIM)

Net interest income (NII) / average interest-bearing assets

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

Return on tangible common equity (RoTCE)

Net profit / average IFRS tangible common equity and deducted dividend accruals

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

Targets and forecast numbers

Including share buyback in 2022; excluding any potential implications from city of Linz case



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