BAWAG GROUP REPORTS Q1 2023 NET PROFIT OF € 140 MILLION, EPS € 1.69, AND ROTCE OF 20.5%

- **Q1 '23 net profit of € 140 million, EPS of € 1.69, and RoTCE of 20.5%**
- **Normalized RoTCE of 23.5% when pro-rating front-loaded regulatory charges**
- **Pre-provision profit of € 248 million (+21% vPY) and CIR at 32.5%**
- **Risk-cost ratio of 19 basis points … NPL ratio stable at 0.9%**
- **Regulatory charges of € 41 million … representing approximately 80% of annual charges**
- **CET1 ratio of 14.1% post-deduction of dividend accrual of € 77 million for Q1 '23**
- **Share buyback of up to 100 basis points CET1% planned for 2023 … subject to regulatory approval**
- **Targets for 2023 reconfirmed: Profit before tax > € 825 million, EPS > € 7.50, DPS > € 4.10, RoTCE >20%, and CIR < 34%**

VIENNA, Austria – April 25, 2023 – BAWAG Group today released its results for the first quarter 2023, reporting a net profit of € 140 million, € 1.69 earnings per share, and a RoTCE of 20.5%. The operating performance of our business was strong with pre-provision profits of € 248 million and a cost-income ratio of 32.5%. When pro-rating the front-loaded regulatory charges, the normalized RoTCE was 23.5%.

Anas Abuzaakouk, CEO, commented on the financial results: *"In the first quarter we delivered a strong set of results with net profit of € 140 million, pre-provision profits of € 248 million, and an RoTCE of 20.5%. We generated a significant amount of capital during the quarter, increasing our CET1 ratio by 60 basis points to 14.1% after deducting the first quarter dividend accrual of € 77 million. We are targeting a share buyback of up to 100 basis points CET1% (subject to regulatory approval) and will have more than enough dry powder for both organic and inorganic opportunities if they should materialize. We witnessed heightened market volatility and uncertainty during the quarter stemming from idiosyncratic risks. Time-and-time again we stress the merits of being a prudent and conservative commercial lender focused on risk-adjusted returns across all cycles. We have a resilient business with consistent earnings and capital generation that delivers for our customers, shareholders, employees, and local communities."*

Delivering strong Q1 2023 results

in € million	Q1 2023	Q1 2022	Change versus prior year (in %)
Core revenues	366.3	323.4	13%
Net interest income	290.0	242.0	20%
Net commission income	76.2	81.4	(6%)
Operating income	366.9	325.4	13%
Operating expenses	(119.4)	(120.4)	(1%)
Pre-provision profit	**247.5**	**205.0**	**21%**
Regulatory charges	(41.0)	(38.4)	7%
Risk costs	(20.6)	(20.3)	1%
Profit before tax	**186.4**	**146.3**	**27%**
Net profit	**139.6**	**110.9**	**26%**
RoTCE	20.5%	15.9%	4.6pts.
CIR	32.5%	37.0%	(4.5)pts.
EPS (€)	1.69	1.24	36%

Core revenues increased by 13.3% to € 366.3 million in the first quarter 2023. **Net interest income** increased by € 48.0 million, or 19.8%, to € 290.0 million in 2023 resulting from a more normalized interest rate environment. **Net fee and commission income** decreased by € 5.2 million, or 6.4%, to € 76.2 million compared to the first quarter 2022, resulting from lower advisory business resulting from cautious customer sentiment given both inflationary pressures and overall subdued sentiment.

Operating expenses decreased by 0.8% to € 119.4 million in the first quarter 2023 due to multiple operational initiatives executed over the past years, more than compensating significant inflationary pressures.

The **cost-income ratio** decreased by 4.5 points to 32.5%. This resulted in a **pre-provision profit** of € 247.5 million, up 21% versus prior year.

Regulatory charges were € 41.0 million in the first quarter 2023, compared to € 38.4 million in Q1 2022. The first quarter represents approximately 80% of the annual charges.

Risk costs were € 20.6 million in the first quarter 2023, an increase of € 0.3 million, or 1.5%, compared to the previous year. As of Q1 2023 ECL provisions were € 190 million, of which € 100 million are related to a management overlay, which are provisions to address the uncertain macroeconomic outlook and any potential headwinds.

Average customer loans were +1% versus prior year and down 3% versus prior quarter. **Average customer funding** was up 6% versus prior year and up 2% versus prior quarter.

At the end of March 2023, the **CET1 ratio** was at 14.1%. The CET1 ratio considers the deduction of € 77 million dividend. In addition, we plan for a share buyback of up to 100 basis points of CET1% in 2023, subject to regulatory approval.

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. The customer loan book is comprised of 73% exposure to the DACH/NL region (Germany, Austria, Switzerland, Netherlands) and 27% exposure to Western Europe and the United States. Our NPL ratio of 0.9% is one of the lowest across Europe, with a conservative reserve ratio of 1.4% on customer loans.

Customer Business performance in Q1 2023 versus Q1 2022

Segment	PBT (in € million)	Net profit (in € million)	RoTCE	Cost-income ratio
Retail & SME	€157m / +19%	€118m / +19%	34.6%	31.2%
Corporates, Real Estate & Public Sector	€49m / -3%	€37m / -3%	19.0%	24.0%

Outlook and targets

Our outlook for 2023 is unchanged, and we confirm all our 2023 financial targets.

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.

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