

BAWAG Group

Excerpts of public disclosure

02 October, 2023

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 Q2 2023 disclosure, are based on the Q2 2023 financial reporting as well as information released during the Q2 2023 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 Q2 2023 earnings presentation as well as the transcript of the earnings call of Q2 2023 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.

2023 OUTLOOK AND TARGETS

Updated

P&L OUTLOOK

UPDATED

Net interest income

FY '22: €1,021m

>€1.2b

Core revenues

FY '22: €1,330m

From >12% to >14% growth

Operating expenses

FY '22: €475m

~2% increase

Risk cost ratio

FY '22: 19bps (underlying)

20-25bps

2023 FINANCIAL TARGETS

UPDATED

Profit before tax

From >€825m to >€875m

Earnings per share

From >€7.50 to >€8.20

Dividend per share

From >€4.10 to >€4.50

2023 & BEYOND RETURN TARGETS

Return on tangible common equity

>20%

Cost-income ratio

<34%

P&L and capital items

2023 OUTLOOK/GUIDANCE

Core revenues

FY '22: €1,330m

> 14% growth

Operating expenses

FY '22: €475m

~ 2% increase

Risk cost ratio

FY '22: 19bps (underlying)

20-25bps

Regulatory charges

FY '22: €49m

**Expected at
~ €45m**

Balance sheet/capital

STATEMENTS DURING Q2 2023 EARNINGS CALL

Net interest income: expected to increase to >€1.2 billion ... largely stable in the coming quarters

Deposit beta increased to approximately 20% in Q3

Net commission income: *"... still positive momentum but stable, very stable development that we have seen in the last couple of quarters. I think this will continue also for the next quarters."*

We will continue to focus on absolute cost targets, and we are confident to manage operating expenses at +2% year-over-year

...on track with our full year outlook of being between 20 – 25 basis points

Q3 2023 regulatory charges of €(3)m (*Note: Q2 '23 included a reversal of regulatory charges of almost €3 million due to lower than expected resolution fund contributions*)

- Share buyback of €175m planned in 2023 (subject to regulatory approval)
- *Customer loans: "... we assume customer loans to be static to declining for the rest of the year."*
- *Customer deposits: "Month-to-date in July, it has been very stable, and we would expect a very similar trend to continue for the rest of the year just in terms of deposit volume trends."*

Definitions

Common Equity Tier 1 capital (CET1)

Including interim profit and deducting earmarked dividends and 2022 buyback of €325m (1.1.2022)

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 and buyback of €325m (1.1.2022)

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 and buyback of €325m (1.1.2022)

Return on tangible common equity (RoTCE)

Net profit / average IFRS tangible common equity and deducted dividend accruals and buyback of €325m (1.1.2022)

Risk cost ratio

Provisions and loan-loss provisions, impairment losses and operational risk (risk costs) / average interest-bearing assets

Risk cost ratio (underlying)

Risk cost ratio excluding write-off of City of Linz and increase in ECL-management overlay

Tangible common equity

Common equity reduced by the carrying amount of intangible assets

Total capital ratio

Total capital / risk-weighted assets



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