

BAWAG Group

Excerpts of public disclosure

16 January, 2024

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 Q3 2023 disclosure, are based on the Q3 2023 financial reporting as well as information released during the Q3 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 Q3 2023 earnings presentation as well as the transcript of the earnings call of Q3 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

Expecting to meet or exceed all 2023 targets

P&L OUTLOOK

Net interest income

FY '22: €1,021m

> €1.2b

Core revenues

FY '22: €1,330m

> 14% growth

Operating expenses

FY '22: €475m

~2% increase

Risk cost ratio

FY '22: 19bps (underlying)

20-25bps

2023 FINANCIAL TARGETS

Profit before tax

> €875m

Earnings per share

> €8.20

Dividend per share

> €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
~ €39m**

Balance sheet/capital

STATEMENTS DURING Q3 2023 EARNINGS CALL

For 2023 we expect core revenues to grow by more than 14%, and for the fourth quarter we expect to see a very similar development compared to Q3, so around 1% growth.

Net interest income: expected to increase to >€1.2 billion ... we still expect NII to grow, just at a slower rate, as we have seen in Q3

Fully on track to meet our target of 2% year-over-year
Idaho First Bank consolidation completed on November 30, 2023

...run-rate in line with strong credit performance, low NPL levels and continued low but normalizing delinquencies ... management overlay at €80m ...and we do not expect any further releases in 2023.

Net release of regulatory charges of approximately €2.5m in Q4 '23 following inflows from prior default cases in the fund.

- €175m share buyback completed on December 14, 2023 ... 3.9 million shares canceled (share capital: 78.6m shares)
- Acquisition of Peak Bancorp / Idaho First Bank completed on November 30, 2023
- Dexia and BAWAG Group signed a sale and purchase agreement concerning the last remaining leasing activities of the Dexia Group in Q4 '23 ... transaction expected to close in Q1 '24
- Sale of start:bausparkasse AG in Germany (formerly Deutscher Ring Bausparkasse; balance sheet of €0.5b) to Wüstenrot Bausparkasse AG in Germany ... closing expected in the course of 2024

Source: Transcript of Q3 2023 Earnings call , Q3 2023 Earnings presentation, releases

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

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

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 €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



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