

# BAWAG Group



One of the most profitable and efficient banks in Europe

## BAWAG Group in numbers:

|                          | FY '18      | vPY         |
|--------------------------|-------------|-------------|
| Core revenues            | 1,123m      | +11%        |
| Operating income         | 1,171m      | +4%         |
| Operating expenses       | (518)m      | (2%)        |
| Risk costs               | (45)m       | (27%)       |
| <b>Profit before tax</b> | <b>573m</b> | <b>+14%</b> |
| <b>Net profit</b>        | <b>437m</b> | <b>(3)%</b> |

*2017 included positive tax one-off*

**€5.75**  
pre-tax EPS

**+15%**  
vPY

**€32.41**  
TBV/share

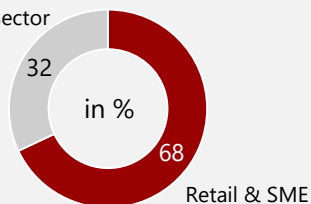
**+5%**  
vPY

**17.1%**  
RoTE  
(@12% CET1)

**44.2%**  
CIR

## Business mix (PBT share):

Corporates & Public Sector



## Company profile

- **One of Austria's leading retail banks with more than 2.5 million customers**, solid market shares, and a simple and consistent product offering across various channels.
- **One of the most profitable and efficient banking groups in Europe** with a Return on Tangible Equity of 17.1% (@12% CET1) and Cost-Income ratio of 44.2%.
- **Focused on developed countries** with 72% of customer loans in the DACH region & 28% in Western Europe and the United States.
- **Focused on organic & inorganic growth** in DACH region with 9 acquisitions completed / signed over the past 3 years.
- **Fortress balance sheet** with low NPL ratio of 1.7%, solid capital ratios, high regulatory leverage ratio & retail deposit funding.
- No operations in countries with elevated AML risk, no trading or investment banking, no Russia or Turkey exposure, and no relevant exposure to CEE / emerging markets.
- **Solid credit ratings** ... Moody's ratings upgraded 3 times since 2015 to "A2" and Fitch assigned "A-" senior unsecured rating.

## Targets

| Metrics                   | 2019            | 2020   |
|---------------------------|-----------------|--------|
| Profit before tax         | CAGR >6%        | >6%    |
|                           | absolute >€600m | >€640m |
| Cost-income ratio         | <43%            | <40%   |
| Return on Tangible Equity | 15% to 20%      |        |
| CET1 ratio (FL)           | 12% to 13%      |        |
| EPS before capital action | pre-tax >€6.00  | >€6.40 |
|                           | post-tax >€4.50 | >€4.80 |

## Strategy

- |  |   |
|--|---|
| <b>01</b> Growth in our core markets (DACH)  | <b>03</b> Efficiency & operational excellence |
| <b>02</b> Making our customers' lives easier | <b>04</b> Safe and secure                     |

## Capital Management

**Strong capital generation of ~250bps per year supporting various capital management options**

- Focused on organic and inorganic growth
- Dividend policy of 50% payout ratio (€2.18 DPS for 2018)
- Committed to returning excess capital to shareholders annually ... actively evaluating share buyback options