

# BAWAG Group – executive summary



One of the most profitable and efficient banks in Europe

## BAWAG Group in numbers:

€ millions

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

*2017 included positive tax one-off*

**€5.75**  
pre-tax EPS

**+15%**  
vPY

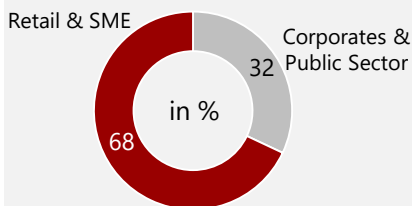
**€32.41**  
TBV/share

**+5%**  
vPY

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

**44.2%**  
CIR

## Business mix (PBT share):



## 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