

# BAWAG Group

## Q2 2025 Credit update

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July 23, 2025

# AGENDA

**1 Q2 2025 HIGHLIGHTS & CAPITAL DEVELOPMENT**

2 DETAILED FINANCIALS & OUTLOOK

3 SUPPLEMENTAL INFORMATION

# HIGHLIGHTS Q2 2025

## EARNINGS

### Q2 '25:

Net profit €210m, RoTCE of 27.6% and EPS of €2.65

Core revenues up 2% vPQ ... operational expenses up 5% vPQ

Pre-provision profit of €345m up 3% vPQ ... CIR at 37.5%

Risk costs of €(52)m or 37bps risk cost ratio

Tangible Book Value (TBV) per share of €39.54 ... up 4% vPQ

## BALANCE SHEET & CAPITAL

Average customer loans up 3% vPQ and average interest-bearing assets up 2% vPQ

Average customer deposits and average customer funding up 1% vPQ

End of period customer loans and customer deposits flat vPQ

Fortress balance sheet ... €15.0b cash with LCR 237% and strong asset quality with NPL ratio of 0.7%

CET1 ratio at 13.5% after deducting €226m half-year 2025 dividend accrual and €175m share buyback

Excess capital of €117m versus CET1 distribution target of 13% for FY 2025

## INTEGRATIONS & OUTLOOK

### Knab integration progressing well:

Integration on plan with 100% TSAs to be exited by the third quarter, leadership team set, and targeting bank merger "branchification" by year-end 2025

### Barclays Consumer Bank Europe integration on track:

Hamburg created as BAWAG's cards center of excellence, onboarding of leadership team, business performing ahead of plan, and systems migration & rebranding work ongoing (expected 2026)

### 2025 financial targets reconfirmed:

Net profit of > €800m

Earnings per share > €10.0

### Return target and 2027 targets unchanged:

RoTCE > 20%

Net profit of > €1b by 2027

Excess capital of > €1b by 2027

- Net profit €210m and EPS of €2.65
- RoTCE of 27.6%
- CIR 37.5%

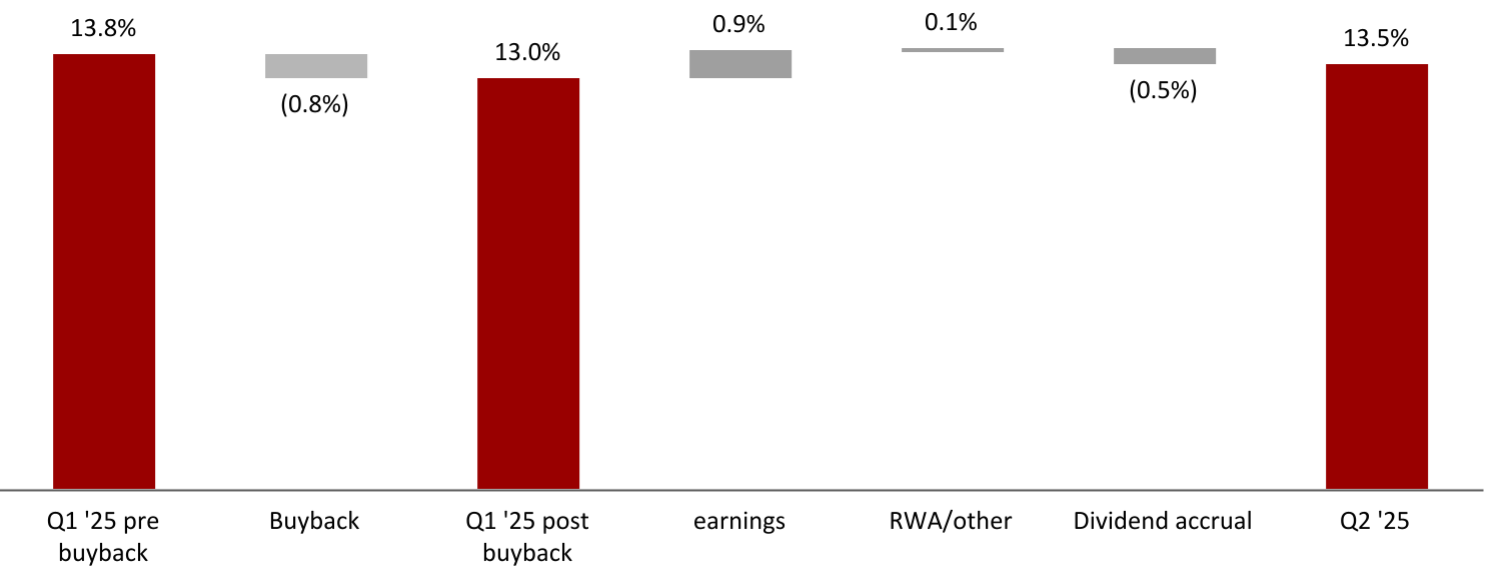
- CET1 ratio at 13.5%
- €175m share buyback launched on July 23, 2025
- Fortress balance sheet ... €15.0b cash, LCR of 237%, and NPL ratio of 0.7%

- Reconfirmed 2025 financial targets
- Capital distribution >13% for FY 2025
- Excess capital €117m (post share buyback deduction)

# CAPITAL DEVELOPMENT

~100 basis points capital generation in Q2 '25

## CAPITAL DEVELOPMENT



### HIGH CAPITAL-GENERATING BUSINESS

Gross capital generation net RWA/other effects of ~100bps in Q2 '25 ... 91bps through earnings

### SHARE BUYBACK

€175m share buyback above 13% distribution target (80bps)  
Buyback launched on July 23, 2025

### ACCRUING DIVIDEND BASED ON DIVIDEND POLICY

Q2'25 dividend accrual of €116m based on 55% of net profit (50bps)

### EXCESS CAPITAL

CET1 ratio 13.5% post dividend accrual and buyback  
Excess capital €117m above 13% capital distribution target

### Basel IV OUTPUT FLOOR – NO IMPACT

No RWA inflation with 20pts buffer to output floor levels given 90% of the business on Standardized Approach

### 2025 CAPITAL REQUIREMENTS

Target CET1 ratio of 12.5% is 217bps above 2025 MDA trigger of 10.33% ... P2R at 2.50% and P2G at 0.50%

# RETAIL & SME

## FINANCIAL PERFORMANCE

€ millions	Q2 '25	vPY	vPQ	H1 '25	vPY
Core revenues	465.9	57%	8%	898.4	51%
Net interest income	382.6	67%	9%	733.5	60%
Net commission income	83.3	22%	2%	164.9	21%
Operating income	466.9	57%	8%	900.5	51%
Operating expenses	(177.6)	83%	5%	(347.4)	82%
<b>Pre-provision profit</b>	<b>289.3</b>	<b>44%</b>	<b>10%</b>	<b>553.1</b>	<b>37%</b>
Regulatory charges	(5.5)	>100%	17%	(10.2)	>100%
Risk costs	(52.6)	>100%	9%	(100.9)	99%
<b>Profit before tax</b>	<b>231.2</b>	<b>32%</b>	<b>10%</b>	<b>442.0</b>	<b>26%</b>
<b>Net profit</b>	<b>173.4</b>	<b>32%</b>	<b>10%</b>	<b>331.5</b>	<b>26%</b>

## RATIOS

in %	Q2 '25	vPY	vPQ	H1 '25	vPY
RoCE	29.9%	1.1pts	1.4pts	29.2%	(0.4)pts
RoTCE	35.2%	1.3pts	1.7pts	34.2%	(0.6)pts
CIR	38.0%	5.4pts	(1.2)pts	38.6%	6.5pts
NPL ratio	1.1%	(0.8)pts	0.1pts	1.1%	(0.8)pts
Risk cost ratio	0.56%	0.10pts	0.03pts	0.54%	0.08pts

## CUSTOMER DEVELOPMENT

€ millions	Q2 '25	vPY	vPQ	H1 '25	vPY
Housing loans	26,609	77%	—%	26,609	77%
Consumer and SME	11,423	68%	3%	11,423	68%
<b>Total assets</b>	<b>38,032</b>	<b>74%</b>	<b>1%</b>	<b>38,032</b>	<b>74%</b>
<b>Total assets (Ø)</b>	<b>37,860</b>	<b>73%</b>	<b>4%</b>	<b>37,126</b>	<b>70%</b>
<b>Risk-weighted assets</b>	<b>15,448</b>	<b>62%</b>	<b>2%</b>	<b>15,448</b>	<b>62%</b>
<b>Customer deposits</b>	<b>43,672</b>	<b>59%</b>	<b>—%</b>	<b>43,672</b>	<b>59%</b>
<b>Customer deposits (Ø)</b>	<b>43,222</b>	<b>62%</b>	<b>3%</b>	<b>42,492</b>	<b>60%</b>
<b>Customer funding</b>	<b>55,756</b>	<b>49%</b>	<b>—%</b>	<b>55,756</b>	<b>49%</b>
<b>Customer funding (Ø)</b>	<b>56,214</b>	<b>50%</b>	<b>3%</b>	<b>55,500</b>	<b>48%</b>

### DEVELOPMENTS in Q2 '25

Developments vPQ primarily related to one additional month of contribution from Barclays Consumer Bank Europe, closed in February 2025

Q2 '25 net profit of €173m, up 10% vPQ ... average assets up 4% and average deposits up 3%

Pre-provision profit of €289m for Q2 '25, up 10% vPQ ... core revenues up 8% and operating expenses up 5% vPQ

Risk costs €(53)m in Q2 '25

Solid originations across Consumer & SME while housing loan originations remain muted

# CORPORATES, REAL ESTATE & PUBLIC SECTOR

## FINANCIAL PERFORMANCE

€ millions	Q2 '25	vPY	vPQ	H1 '25	vPY
Core revenues	69.4	(10%)	(7%)	144.0	(7%)
Net interest income	62.3	(9%)	(7%)	129.5	(7%)
Net commission income	7.1	(12%)	(4%)	14.5	(10%)
Operating income	69.4	(9%)	(9%)	145.6	(6%)
Operating expenses	(17.6)	(2%)	2%	(34.9)	(11%)
<b>Pre-provision profit</b>	<b>51.8</b>	<b>(12%)</b>	<b>(12%)</b>	<b>110.7</b>	<b>(4%)</b>
Regulatory charges	(2.3)	>100%	—%	(4.6)	>100%
Risk costs	0.9	—%	—%	(8.2)	15%
<b>Profit before tax</b>	<b>50.4</b>	<b>(9%)</b>	<b>6%</b>	<b>97.9</b>	<b>(8%)</b>
<b>Net profit</b>	<b>37.8</b>	<b>(9%)</b>	<b>6%</b>	<b>73.4</b>	<b>(8%)</b>

## RATIOS

in %	Q2 '25	vPY	vPQ	H1 '25	vPY
RoCE	25.0%	5.3pts	2.9pts	22.9%	4.2pts
RoTCE	30.8%	6.8pts	3.4pts	28.2%	5.2pts
CIR	25.4%	1.9pts	2.7pts	24.0%	(1.5)pts
NPL ratio	0.1%	(0.7)pts	(0.5)pts	0.1%	(0.7)pts
Risk cost ratio	(0.03%)	(0.10)pts	(0.30)pts	0.12%	0.02pts

## CUSTOMER DEVELOPMENT

€ millions	Q2 '25	vPY	vPQ	H1 '25	vPY
Corporates	2,632	(13%)	(2%)	2,632	(13%)
Real Estate	4,921	(1%)	(11%)	4,921	(1%)
Public Sector	5,654	12%	2%	5,654	12%
Short-term/money market lending	124	(23%)	9%	124	(23%)
<b>Total assets</b>	<b>13,331</b>	<b>1%</b>	<b>(4%)</b>	<b>13,331</b>	<b>1%</b>
<b>Total assets (Ø)</b>	<b>13,710</b>	<b>1%</b>	<b>—%</b>	<b>13,702</b>	<b>—%</b>
<b>Risk-weighted assets</b>	<b>4,881</b>	<b>(3%)</b>	<b>(5%)</b>	<b>4,881</b>	<b>(3%)</b>
<b>Customer deposits</b>	<b>4,082</b>	<b>(32%)</b>	<b>(4%)</b>	<b>4,082</b>	<b>(32%)</b>
<b>Customer deposits (Ø)</b>	<b>5,032</b>	<b>(22%)</b>	<b>(13%)</b>	<b>5,414</b>	<b>(16%)</b>
<b>Customer funding</b>	<b>6,139</b>	<b>(24%)</b>	<b>(3%)</b>	<b>6,139</b>	<b>(24%)</b>
<b>Customer funding (Ø)</b>	<b>7,059</b>	<b>(17%)</b>	<b>(10%)</b>	<b>7,459</b>	<b>(10%)</b>

### DEVELOPMENTS in Q2 '25

Q2 '25 net profit of €38m, up 6% vPQ ... average assets flat and average deposits down (13%) vPQ

Pre-provision profit of €52m, down (12%) vPQ ... Operating income down (9%) vPQ

Real estate assets down 11% vPQ mainly due to early redemptions as well as EUR/\$ FX impact

NPL ratio of 0.1% with strong asset quality ... US office exposure down 54% during the quarter with €143m remaining portfolio of performing assets (~20bps total assets and 3% real estate assets)

Maintaining disciplined and conservative underwriting focused on risk-adjusted returns over volume

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# P&L & KEY RATIOS

P&L   € millions	Q2 '25	vPY	vPQ	H1 '25	vPY
Net interest income	457.6	45%	3%	903.4	43%
Net commission income	90.3	19%	1%	179.3	18%
<b>Core revenues</b>	<b>547.9</b>	<b>40%</b>	<b>2%</b>	<b>1,082.7</b>	<b>38%</b>
Other revenues	4.0	—%	—%	3.0	—%
<b>Operating income</b>	<b>551.9</b>	<b>41%</b>	<b>3%</b>	<b>1,085.7</b>	<b>40%</b>
<b>Operating expenses</b>	<b>(206.7)</b>	<b>62%</b>	<b>5%</b>	<b>(404.3)</b>	<b>59%</b>
<b>Pre-provision profit</b>	<b>345.2</b>	<b>31%</b>	<b>3%</b>	<b>681.4</b>	<b>31%</b>
Regulatory charges	(10.4)	>100%	8%	(20.0)	>100%
Risk costs	(52.0)	86%	(12%)	(111.2)	92%
<b>Profit before tax</b>	<b>283.9</b>	<b>22%</b>	<b>6%</b>	<b>551.9</b>	<b>21%</b>
Income taxes	(73.7)	27%	10%	(140.7)	23%
<b>Net profit</b>	<b>210.2</b>	<b>20%</b>	<b>5%</b>	<b>411.2</b>	<b>20%</b>

Key ratios	Q2 '25	vPY	vPQ	H1 '25	vPY
RoCE	23.5%	3.0pts	0.9pts	22.8%	2.6pts
RoTCE	27.6%	3.3pts	1.0pts	26.7%	2.7pts
Net interest margin	3.28%	0.19pts	(0.03)pts	3.29%	0.22pts
CIR	37.5%	4.9pts	0.5pts	37.2%	4.4pts
Risk cost ratio	0.37%	0.10pts	(0.06)pts	0.40%	0.12pts
Earnings per share (€)	2.65	20%	4%	5.19	20%
Tangible book value (€)	39.54	6%	4%	39.54	6%

## DEVELOPMENTS in Q2 '25

Developments vPQ primarily related to one additional month of contribution from Barclays Consumer Bank Europe, closed in February 2025 ... representing new run-rate

Core revenues at €548m up 2% vPQ with NII up 3% and NCI up 1% ... Net interest margin (NIM) at 3.28%

Cost-income ratio of 37.5% in Q2'25 and risk cost ratio at 37bps

Tax rate of 26% reflecting changed geographic footprint

RoTCE at 27.6% ... share buyback of €175m deducted from 2025 equity

Note: Share buyback of €175m deducted from common equity, capital and ratios from 1 Jan 2025.



# BALANCE SHEET

Balance sheet   € millions	Q2 '25	Q1 '25	vPQ	vPY
<b>Total assets</b>	<b>72,760</b>	<b>73,053</b>	<b>—%</b>	<b>36%</b>
thereof ∅ interest-bearing assets	55,983	54,668	2%	36%
Customer loans	49,300	49,395	—%	49%
∅ customer loans	49,499	48,071	3%	48%
Securities and bonds	6,024	5,925	2%	(6%)
Cash and credit institutions	15,377	15,511	(1%)	23%
Other assets	2,059	2,222	(7%)	8%
<b>Total liabilities &amp; equity</b>	<b>72,760</b>	<b>73,053</b>	<b>—%</b>	<b>36%</b>
thereof ∅ customer funding	63,665	63,019	1%	37%
Customer deposits	47,250	47,305	—%	46%
Own issues	17,751	17,746	—%	24%
Credit institutions	988	1,253	(21%)	14%
Other liabilities	2,057	1,808	14%	5%
Equity	4,714	4,941	(5%)	15%

Capital & RWA   € millions	Q2 '25	Q1 '25	vPQ	vPY
Common equity	3,636	3,516	3%	5%
Tangible common equity	3,105	2,985	4%	6%
CET1 capital	3,153	3,033	4%	6%
Risk-weighted assets	23,351	23,217	1%	30%
CET1 ratio (post dividend)	13.5%	13.1%	0.4pts	(3.0)pts
Leverage ratio	5.1%	4.9%	0.2pts	(1.1)pts
Liquidity coverage ratio	237%	213%	24pts	17pts

## DEVELOPMENTS in Q2 '25

Total assets and customer loans flat vPQ

Average customer deposits up 1% vPQ and average customer funding up 1% vPQ

Cash at €15.0b or 21% of balance sheet ... LCR at 237%

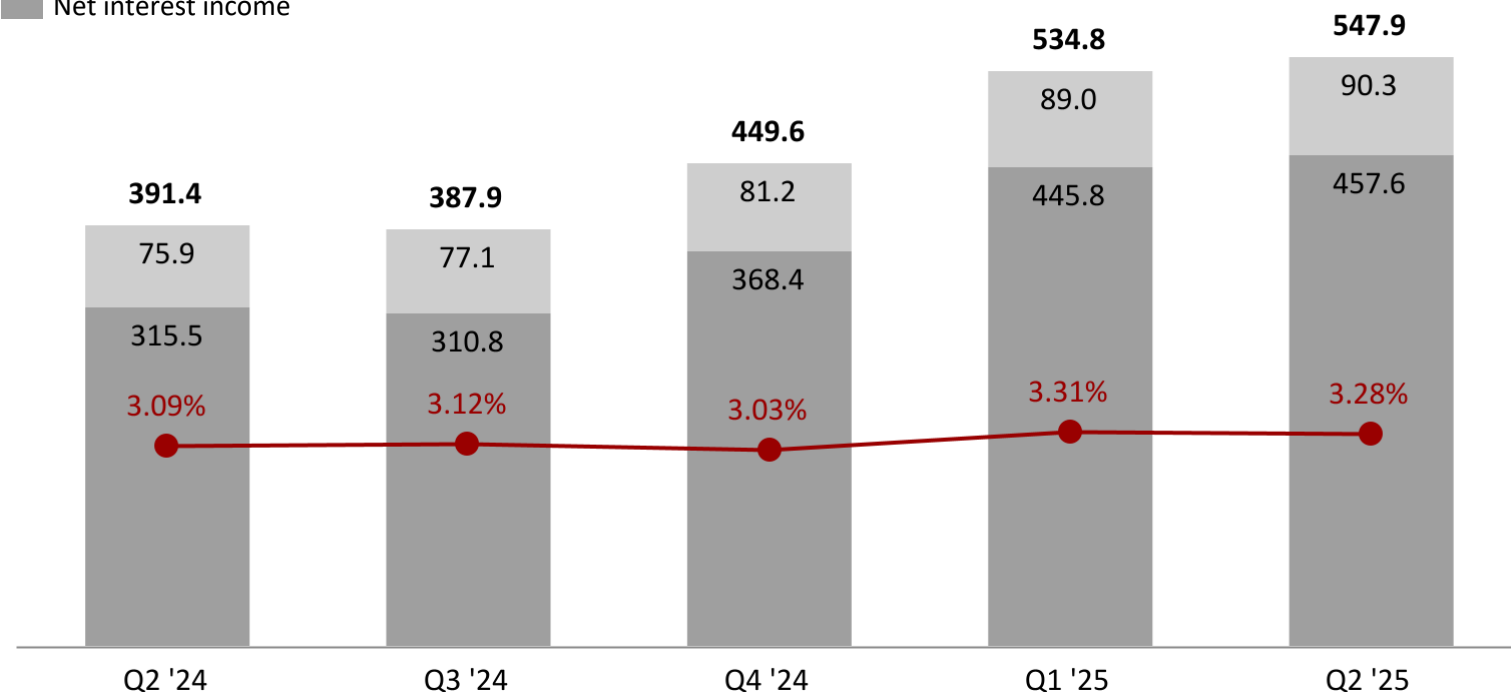
CET1 ratio at 13.5% post deduction €175m share buyback and €226m H1 '25 dividend accrual

Note: Share buyback of €175m deducted from common equity, capital and ratios from 1 Jan 2025.

# CORE REVENUES

€ millions

- Net interest margin
- Net commission income
- Net interest income



Average customer loans | Average interest-bearing assets | € billion

33.5	32.6	41.8	48.1	49.5
41.1	39.6	48.4	54.7	56.0

**Net interest income (NII) up 3% vPQ ... net interest margin (NIM) at 3.28% in Q2 '25**

- Includes full quarter of Barclays Consumer Bank Europe
- Average 3-month Euribor down 50bps
- Deposit beta at ~48% across the Group ... +4pts vPQ

**Net commission income (NCI) up 1% vPQ**

- Continuous positive trend across retail business lines

**Outlook in 2025 unchanged**

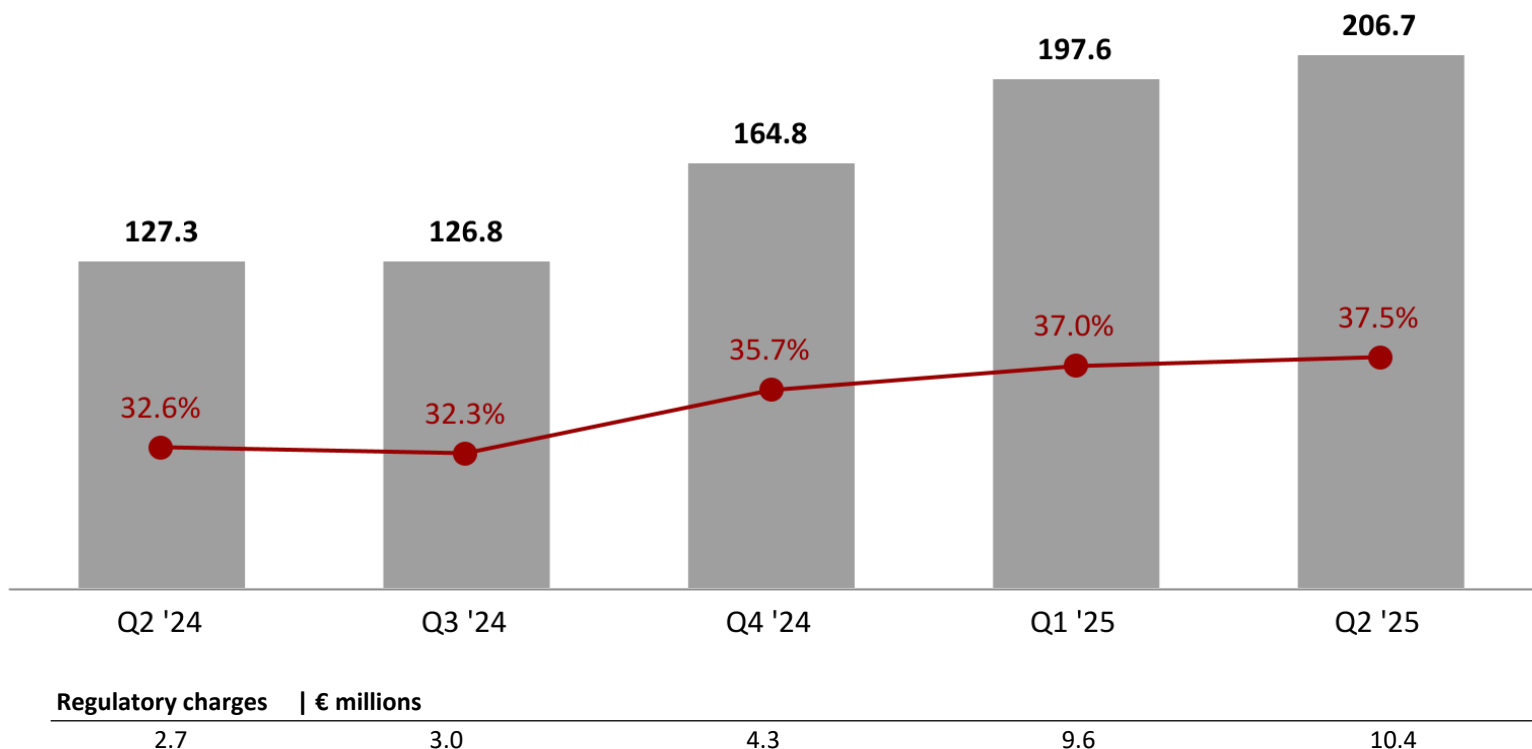
- Core revenues expected to grow to >€2,150m
- Expecting stable NII and NCI for rest of the year

# OPERATING EXPENSES

€ millions

Operating expenses  
(excluding regulatory charges)

CIR



## CIR at 37.5% in Q2 '25 up 0.5pts vPQ

- Full quarter of most recent acquisition
- Increase in wages from collective bargaining agreement in Austria effective as of April 1<sup>st</sup>
- Post-integration synergies expected from Q3'25 onwards
- Continuously focused on absolute cost targets and proactive cost management

## Outlook in 2025 unchanged

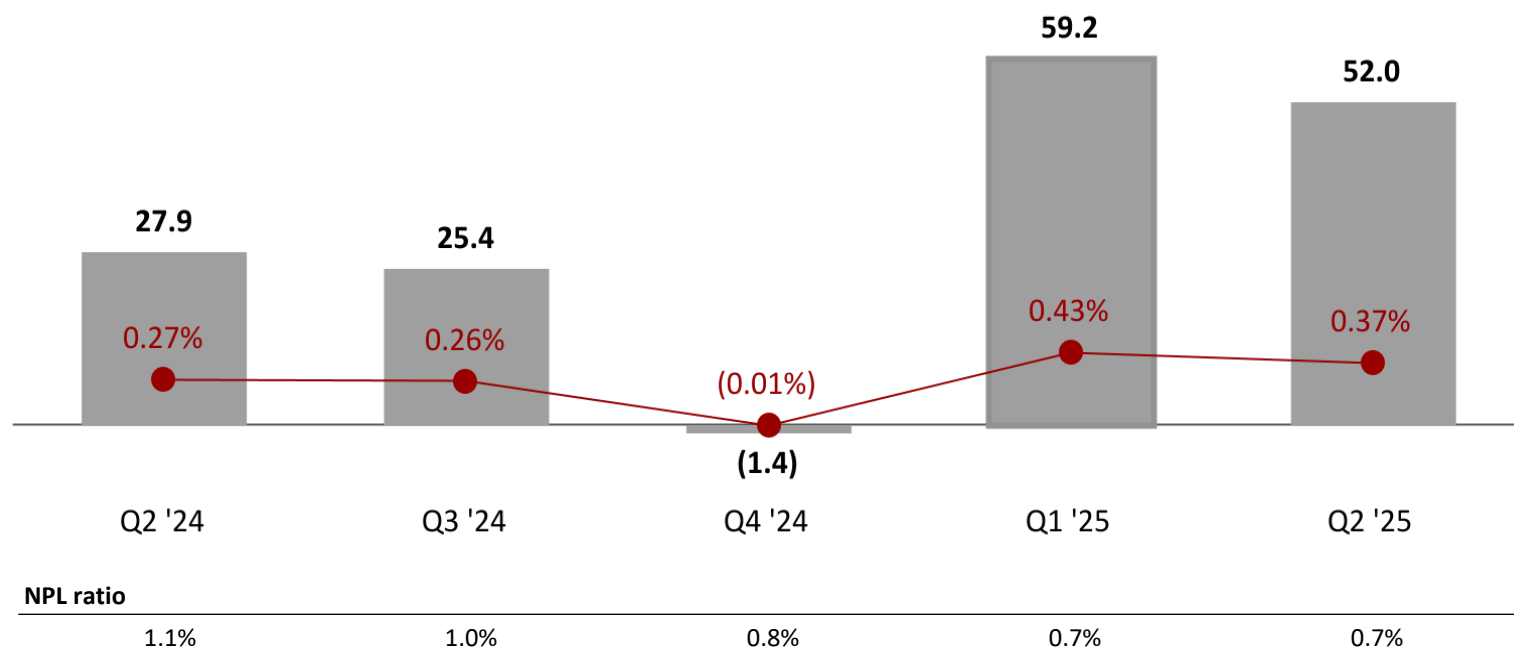
- Q2'25 peak quarter ... expecting decline in cost base
- Quarterly pro-forma run-rate of €200m
- Regulatory charges expected at ~€40m for FY 2025

# RISK COSTS

€ millions

■ Risk costs

● Risk costs/average interest-bearing assets



## Q2 '25 risk costs €(52)m or 37bps

- Ongoing strong credit performance ... NPL ratio of 0.7%

## Maintain safe & secure balance sheet

- Focused on developed and mature markets ... ~85% DACH/NL region & ~15% Western Europe / United States
- Conservative underwriting with a ~80% lending focused on secured or public sector lending

## Outlook for 2025

- Risk cost ratio FY 2025 ~40bps

# 2025 OUTLOOK AND TARGETS RECONFIRMED

## P&L OUTLOOK

<b>Net interest income</b> FY '24: €1,312m	<b>&gt;€1,800m</b>
<b>Core revenues</b> FY '24: €1,622m	<b>&gt;€2,150m</b>
<b>Operating expenses</b> FY '24: €(545)m	<b>~€(800)m</b>
<b>Regulatory charges</b> FY '24: €(15)m	<b>~€(40)m</b>
<b>Risk costs</b> FY '24: 19bps	<b>~40bps</b>
<b>Tax rate</b> FY '24: 23%	<b>~26%</b>

## 2025 FINANCIAL TARGETS

<b>Net profit</b> FY '24: €760m	<b>&gt;€800m</b>
<b>Earnings per share</b> FY '24: €9.60	<b>&gt;€10.0</b>
<b>Capital Distribution Target</b>	<b>13.0%</b>

## 2025 & BEYOND RETURN TARGETS

<b>Return on tangible common equity</b>	<b>&gt;20%</b>
<b>CET 1 Ratio</b>	<b>12.5%</b>

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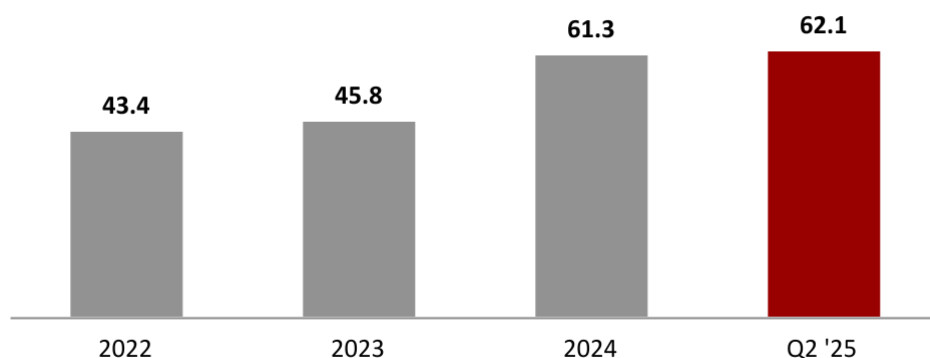
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# FUNDING OVERVIEW

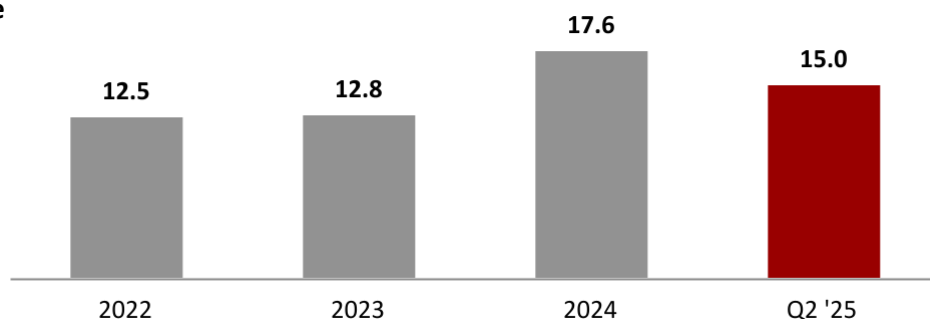
Customer funding (eop) ... ~94% total funding

€ billion



Cash Reserve

€ billion



LCR

Cash / Balance sheet

2022	225%	215%	249%	237%
2023	22%	23%	25%	21%

## DEPOSITS

- Retail & SME deposits €43.7b, thereof ~80% insured by deposit guarantee scheme .... average deposit size of ~€17k
- Corporates & Public Sector average deposits €5.0b ... largest share in public sector, which are predominantly transactional current accounts
- Deposit beta ~48% in Q2 '25

## COVERED BONDS

- ~€13b Austrian and Dutch covered bond program with mortgages and public sector loans as collateral
- Almost no maturities in the coming years, current average remaining life ~4.9 years
- Matched against housing loans with average duration of ~8 years

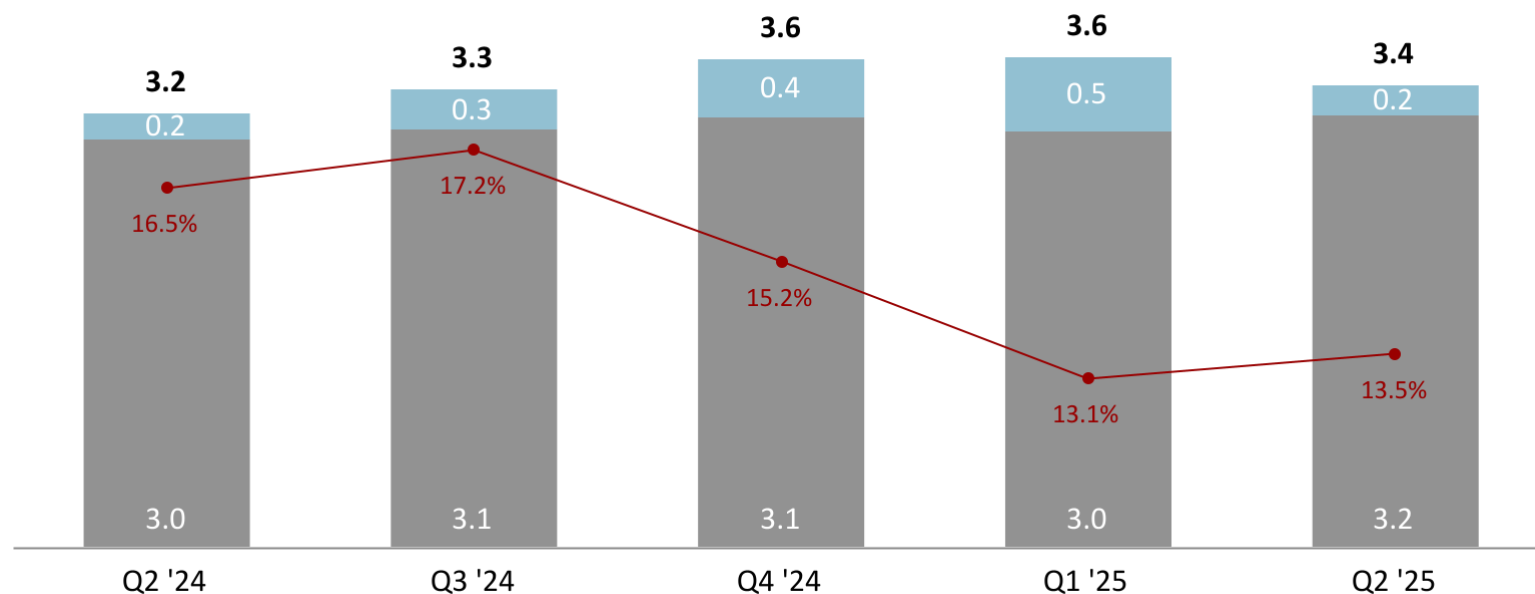
## CASH DEVELOPMENT & TRENDS

- Cash balance €15.0b ... LCR of 237%
- Maintained excess liquidity over the years to address market opportunities ... continuing to stay patient and maintain liquid balance sheet

# REGULATORY CAPITAL

€ billion

■ Dividend ■ CET1 capital (post dividend) - - CET1 ratio (post dividend)



RWA € b | Tier 1 ratio | Total capital ratio | Leverage ratio

18.0	17.8	20.6	23.2	23.4
18.8%	20.7%	18.1%	15.7%	16.2%
22.1%	24.2%	21.2%	19.4%	19.9%
6.2%	6.4%	5.2%	4.9%	5.1%

Note: All capital ratios post dividend accrual. 2025 considers deduction of €175m share buyback from 1 Jan 2025.

## Capital distribution plans:

- €432m dividend for 2024 paid out on April 11, 2025
- €226m dividend accrual for H1 '25 based on dividend policy

## Capital ratios:

- Approved share buyback of €175m fully deducted from capital ratios
- Tier1 Capital ratio 16.2%
- Total Capital ratio 19.9%

## 2025 capital requirements:

- P2R: 2.50%; P2G: 0.50%
- CET1 capital requirement: 10.33%
- Target CET1 ratio of 12.5% is 217bps above MDA trigger of 10.33%

## Basel IV OUTPUT FLOOR – NO IMPACT

No RWA inflation with 20pts buffer to output floor levels given 90% of the business on Standardized Approach



# MREL

Senior preferred issuance planned to meet requirement, replace maturities and build buffer

## MREL Strategy

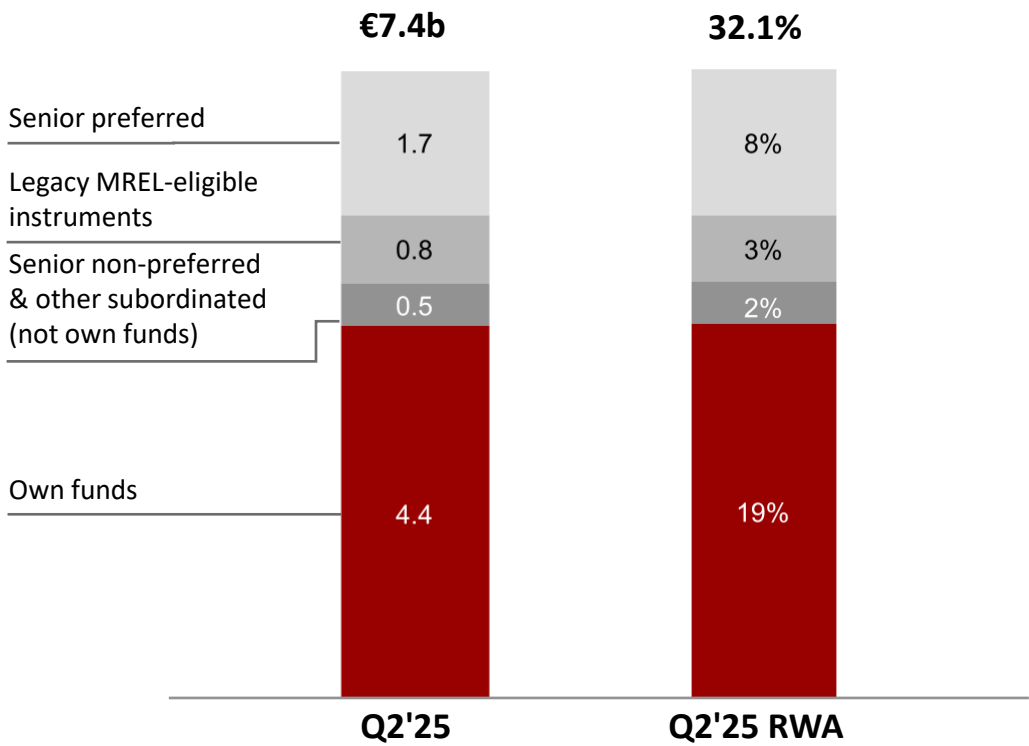
### MREL decision fully reflecting CRR2/BRD2:

- Requirement applicable at BAWAG P.S.K. level (consolidated) with a single point of entry resolution strategy
- Currently no subordination requirement
- Comfortable buffer to MREL requirement of 27.1%

### Our MREL issuance plans:

- €1.9b senior preferred bonds issued since 2022 of which €500m senior preferred issued in Oct. 2024 and €500m senior preferred issued in Jan. 2025
- Further issuance planned in coming years to meet MREL requirement, replace maturities and build buffer

## MREL instruments



## MREL requirement incl. CBR



Note: all stated MREL requirements incl. CBR

# FUNDING & LIQUIDITY

Active issuer with benchmarks outstanding across the capital stack

## Liquidity

Liquidity coverage ratio **237%**

Liquidity buffer **€19.1b**

Liquidity buffer including  
other marketable securities **€20.2b**

## Issuance plans 2025 and beyond

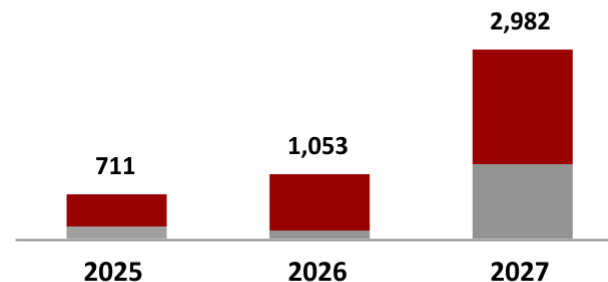
- Increasing focus on senior issuance: 1-2 senior benchmarks per year
- At least one Green bond benchmark per year
- Regular covered bond issuance

## Maturity profile (incl. subsidiaries)

€ millions notional

■ Covered bond

■ Unsecured



- Increasing focus on senior issuance ... €1.9b senior preferred bonds issued since 2022 Further issuance planned in coming years to meet MREL requirement, replace maturities and build buffer ... 1-2 senior benchmarks per year
- €2.3b Green bonds issued since 2021 ... continue to issue at least one Green benchmark per year
- Covered bonds represent an important capital market funding source ... €10.1b issued since 2020 ... 20 benchmark bonds outstanding with up to €1.25b issue size and maturities up to 2041 ... several benchmarks maturing in coming years

## ... and solid market access

2022 issuance: **€4.3b**

- €4.0b covered bonds
- €0.3b senior preferred of which €0.3b Green bond

2023 issuance: **€3.0b**

- €2.1b covered bonds
- €0.5b senior preferred of which €0.5b Green bond
- €0.4b subordinated T2

2024 issuance: **€1.75b**

- €0.75b covered bonds
- €0.5b junior subordinated AT1
- €0.5b senior preferred of which €0.5b Green bond

2025 issuance ytd: **€0.75b**

- €0.5b senior preferred of which €0.5b Green bond
- €0.25b subordinated T2

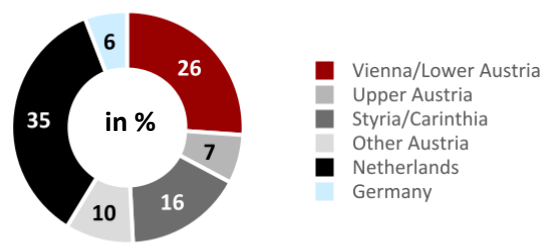
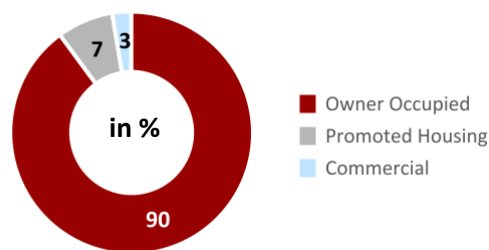
Note: Liquidity buffer includes balances at central banks, eligible securities and other assets eligible for Eurosystem operations

# BAWAG Covered Bonds

Leading high-quality issuer with plain cover pools

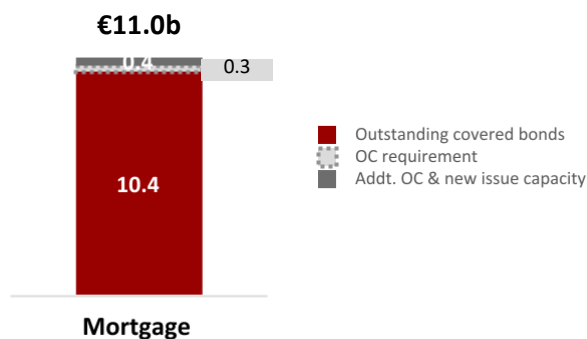
## Mortgage Cover Pool

**Plain cover pool ... c. 97% residential housing and 3% commercial real estate ...** no non-performing loans, no derivatives ... highly granular pools with c. 84k mortgages ... average LTV of c. 55% for residential loans ... c. 80% of loans with fixed rate agreements ... c. 27% of loans with additional government guarantee (NHG - Dutch National Mortgage Guarantee)



### Recent Covered Bond Issuance

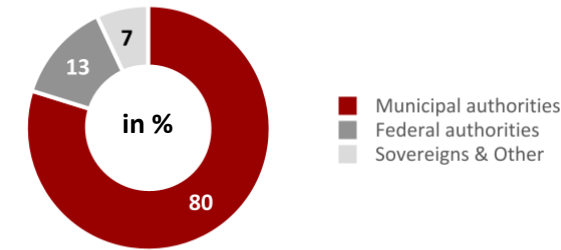
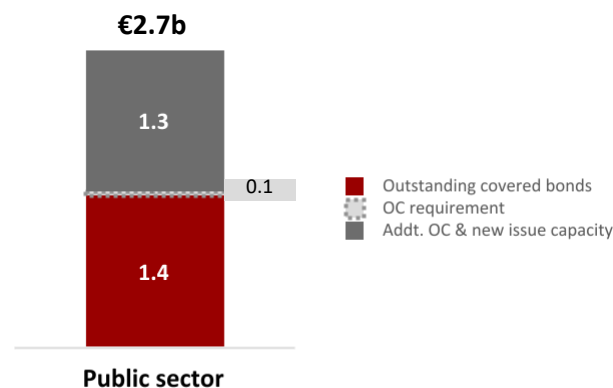
Notional (€m)	Maturity	Issued in
500	2032	Q1'22
750	2028	Q2'22
750	2030	Q2'22
1,250	2032	Q3'22
750	2027	Q4'22
850	2029	Q1'23
750	2026	Q2'23
750	2031	Q1'24



\* Outstanding amount excl. fully retained covered bonds amounting to €150m public sector

## Public Sector Cover Pool\*

**80% claims against local/municipal authorities and 13% claims against federal authorities ...** no non-performing loans, no derivatives ... granular pool with >4k claims



- Covered bonds continue to be an important capital market funding source ... €10.1b executed since 2020 ... **20 benchmark bonds outstanding** with up to €1.25b issue size and maturities up to 2041
- European Covered Bond (Premium)** ... Covered bonds (Hypothekenpfandbrief, Öffentlicher Pfandbrief) fully compliant with Article 129 CRR
- Covered bonds rated **Aaa** by Moody's ... BAWAG with A1 (Moody's) issuer rating with positive outlook

# INTEGRATIONS OF KNAB AND BARCLAYS CONSUMER BANK EUROPE ARE PROGRESSING WELL

## FOCUS AREAS:

### TRANSITIONAL SERVICE AGREEMENT (TSA & DISENTANGLEMENT)

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### SYSTEM MIGRATIONS

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### SIMPLIFICATION

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### PRIORITIZATION & COMMERCIAL FOCUS

## WHERE WE ARE AT KNAB...

- ✓ 75% of TSAs exited ... 100% to be exited by 3<sup>rd</sup> quarter
  - ✓ Treasury positions integrated into Group
- 

- ✓ Data integration complete (HR, Finance & Risk)
  - Ongoing consolidation/insourcing and decommissioning of redundant systems
- 

- Ongoing 3<sup>rd</sup> party reliance reduction
  - Targeting bank merger "branchification" by year-end 2025
- 

- ✓ Leadership team set
- ✓ Simplification of product landscape
- Mortgage servicer migration by H1 2026
- Exploring product expansion (e.g. working capital facility)

## WHERE WE ARE AT BARCLAYS ...

- ✓ Continuing to exit TSAs in line with plan ... expected full exit in 2026
  - Rebranding to easybank expected by early 2026
- 

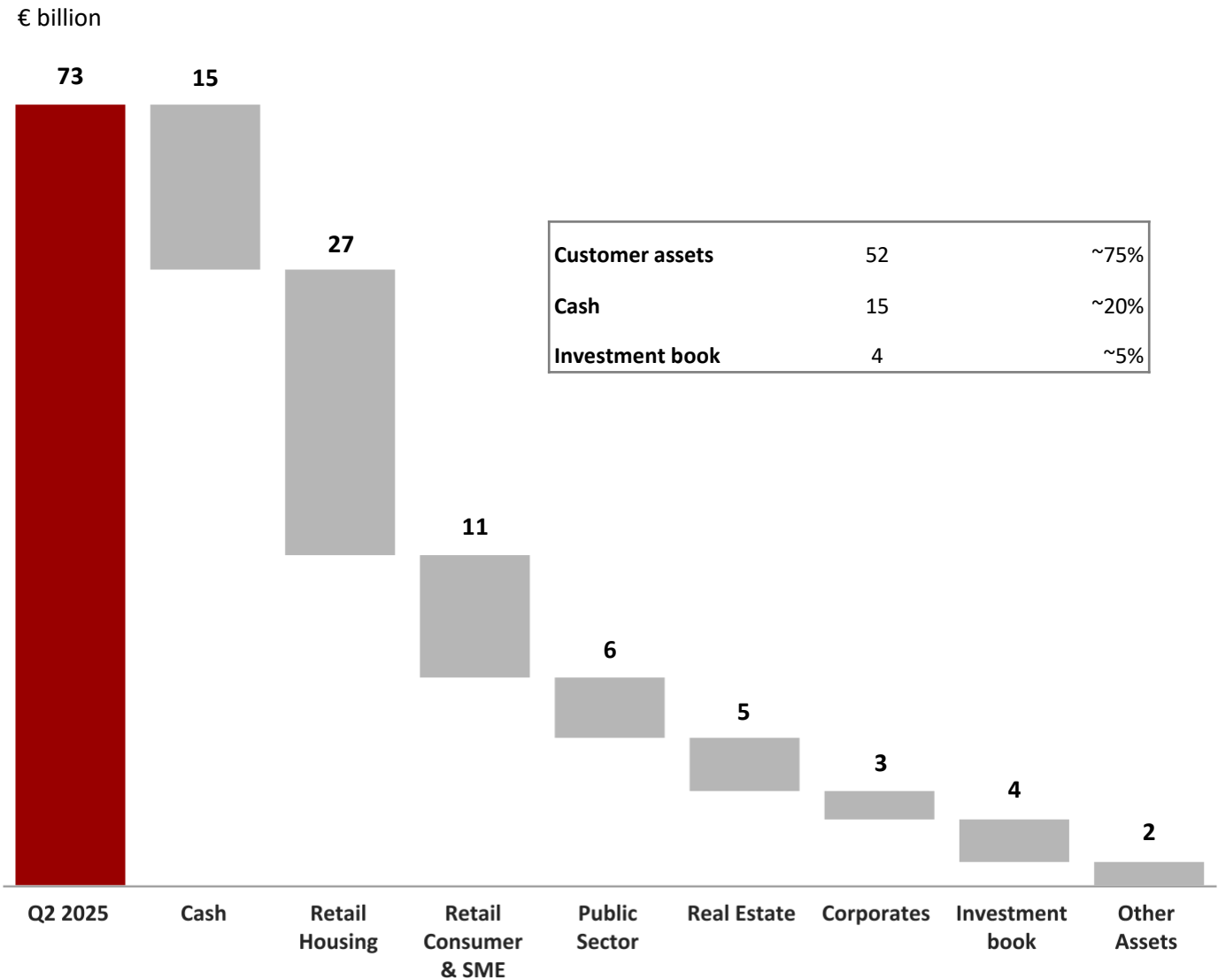
- ✓ Data integration complete (HR, Finance & Risk)
  - Credit card processing system migration ongoing and targeted for 2026 completion
- 

- ✓ Centralization of support functions into BAWAG as well as onboarding of leadership team
  - Ongoing 3<sup>rd</sup> party reliance reduction
- 

- ✓ Simplification of product landscape
- ✓ Hamburg created as BAWAG's cards center of excellence
- Leveraging revolving credit capabilities to expand feature cross Group

# BALANCE SHEET & ASSET QUALITY

Fortress balance sheet, disciplined underwriting, and long-term focus on risk-adjusted returns



Customer-related exposure ~85% in DACH/NL region as well as 80% secured and public sector assets

NPL ratio of 0.7% reflecting strong asset quality

Resilient balance sheet comprised of:

**Cash:** 21% of balance sheet ... significant dry powder to deploy

**Retail & SME (€38b):**

- **Mortgages:** €27b with LTV <60% ... 37% state/insurance guaranteed
- **Consumer unsecured:** €6.9b primarily comprised of consumer loans and revolving credit cards ... most sensitive to macro deterioration
- **Consumer secured:** €4.5b related to SME, leasing, factoring, renewable energy and home efficiency

**Corporates, Real Estate & Public Sector (€13.3b):**

- **Corporates:** €2.7b with net leverage <4.0x
- **Real Estate:** €4.9b with average LTV ~50% ... 77% residential and industrial/logistics assets with strong underlying fundamentals ... limited US office exposure with ~3% total real estate assets and performing well
- **Public Sector:** €5.8b comprised primarily of lending to Austrian and German federal, state and municipal governments

# FINANCIAL PERFORMANCE

P&L   € millions	Q2 '25	vPY	vPQ	H1 '25	vPY
Core revenues	547.9	40%	2%	1,082.7	38%
Net interest income	457.6	45%	3%	903.4	43%
Net commission income	90.3	19%	1%	179.3	18%
Operating income	551.9	41%	3%	1,085.7	40%
Operating expenses	(206.7)	62%	5%	(404.3)	59%
<b>Pre-provision profit</b>	<b>345.2</b>	<b>31%</b>	<b>3%</b>	<b>681.4</b>	<b>31%</b>
Regulatory charges	(10.4)	>100%	8%	(20.0)	>100%
Risk costs	(52.0)	86%	(12%)	(111.2)	92%
<b>Profit before tax</b>	<b>283.9</b>	<b>22%</b>	<b>6%</b>	<b>551.9</b>	<b>21%</b>
<b>Net profit</b>	<b>210.2</b>	<b>20%</b>	<b>5%</b>	<b>411.2</b>	<b>20%</b>

Ratios	Q2 '25	vPY	vPQ	H1 '25	vPY
RoCE	23.5%	3.0pts	0.9pts	22.8%	2.6pts
RoTCE	27.6%	3.3pts	1.0pts	26.7%	2.7pts
Net interest margin	3.28%	0.19pts	(0.03)pts	3.29%	0.22pts
CIR	37.5%	4.9pts	0.5pts	37.2%	4.4pts
Risk cost ratio	0.37%	0.10pts	(0.06)pts	0.40%	0.12pts

Balance Sheet & Capital   € millions	Q2 '25	Q1 '25	vPQ	vPY
Total assets	72,760	73,053	—%	36%
Cash	14,991	15,330	(2%)	27%
Interest-bearing assets (average)	55,983	54,668	2%	36%
Customer funding (average)	63,665	63,019	1%	37%
Customer loans (average)	49,499	48,071	3%	48%
Customer loans	49,300	49,395	—%	49%
Customer deposits (average)	48,646	47,932	1%	45%
Customer deposits	47,250	47,305	—%	44%
Common Equity	3,636	3,516	3%	5%
Tangible Common Equity	3,105	2,985	4%	6%
CET1 Capital	3,153	3,033	4%	6%
Risk-weighted assets	23,351	23,217	1%	30%
<b>CET1 Ratio (post dividend)</b>	<b>13.5%</b>	<b>13.1%</b>	<b>0.4pts</b>	<b>(3.0)pts</b>

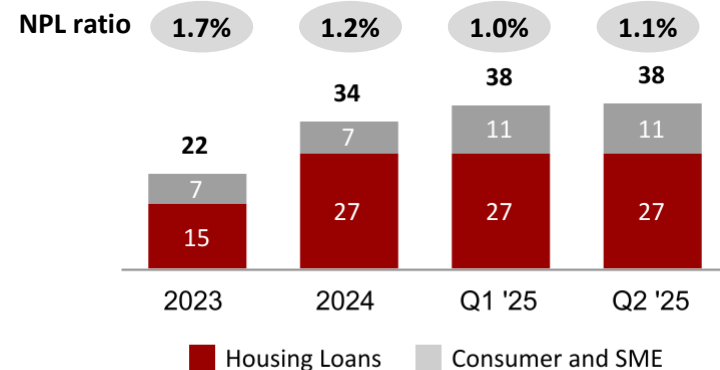
Per share data	Q2 '25	Q1 '25	vPQ	vPY
Book value (€)	46.30	44.78	3%	5%
Tangible book value (€)	39.54	38.01	4%	6%
Shares outstanding (€ m)	78.52	78.52	—%	—%
Earnings per share (€)	2.65	2.54	4%	20%

Note: All equity, capital, ratios and per share data reflect deduction of €226m dividend accrual for H1 '25. Share buyback of €175m deducted from common equity, capital and ratios from 1 Jan 2025.

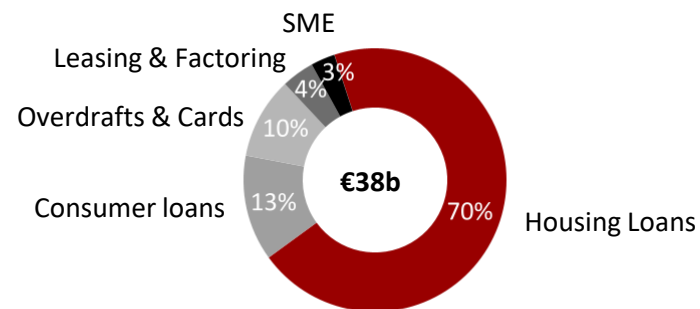
# RETAIL & SME

## RETAIL & SME OVERVIEW

Retail & SME assets, in € billion



## RETAIL & SME PRODUCTS



### HOUSING

- 37% state or insurance guaranteed
- Weighted average LTV 55% (non-guaranteed loans), LTV at origination below 70% since 2020
- De-minimis loss history, driven by significant affordability buffer and customer equity in established markets

### CONSUMER & SME

- Assets stable at €11b after the increase in Q1 '25 following integration of Barclays Consumer Bank Europe (Credit cards)
- Consumer loans: loss rates normalizing to pre-pandemic levels
- Selective credit appetite remains in place, cost inflation adjustments for all new underwriting
- Specialty finance: primarily cars, movables, with high utility value or liquid collateral, low loss profiles

### DEVELOPMENTS

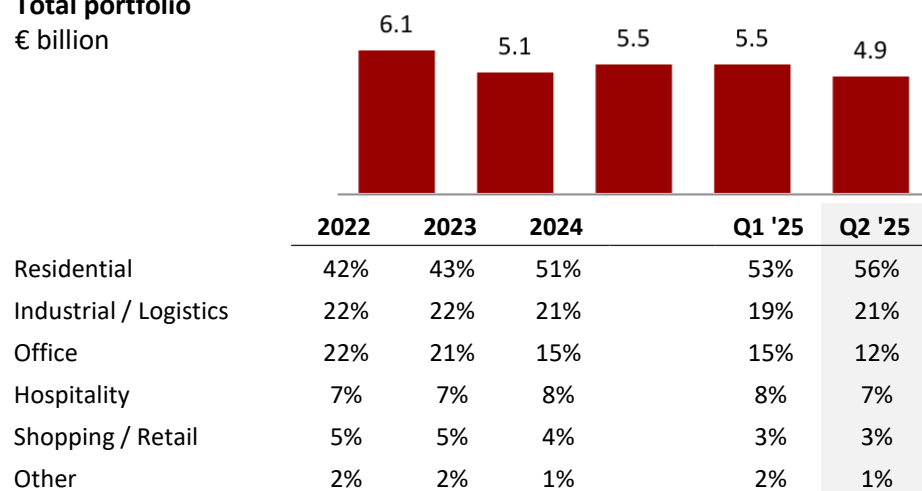
- Credit box tightened since 2022 to account for cost inflation and rates impact on customer ability to pay
- Ensure stress-resilient customers with strong debt-service ratios and loan to income metrics
- Fixed rate portfolio limits risk for customers
  - ~90% of consumer loans and mortgage originations
  - ~90% of housing loan portfolio

### OUTLOOK

- Economic sensitivity in consumer loan book remains primary risk for portfolio
- Unemployment remains low across customer base (Austria, Germany, Netherlands, Switzerland, Ireland, and US)
- Low NPL ratio of 1.1% (Q2 '25) representing high credit quality and operational processes
- Losses across portfolios have normalized and returned to pre-pandemic levels with stable trends looking forward

# COMMERCIAL REAL ESTATE LENDING

## Total portfolio € billion



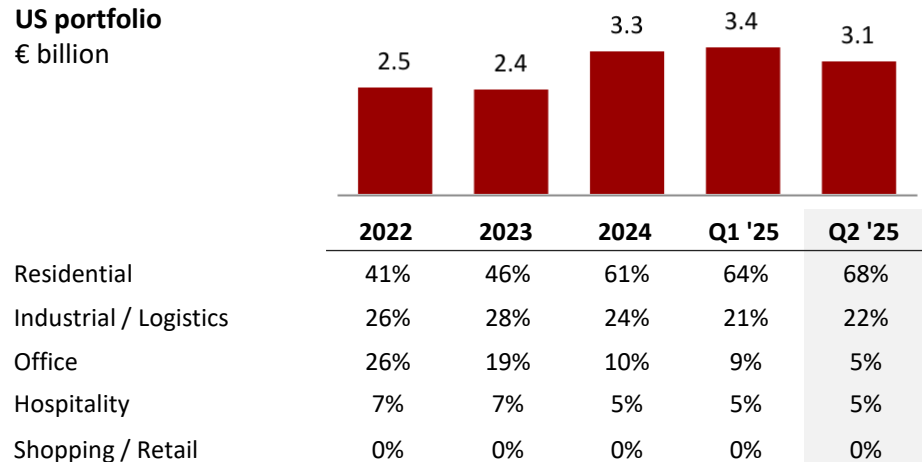
## PORTFOLIO DEVELOPMENT

- Residential and Industrial / Logistics make up 77% of the total portfolio and 90% of US portfolio ... key growth areas with strong supply / demand fundamentals
- Average LTV ~50% with de-minimis NPL ratio 3bps
- Healthy refinance / paydown activity and FX impact drives reduction from Q1'25
- Volumes with moderate pipeline of selective deals at attractive credit and return metrics

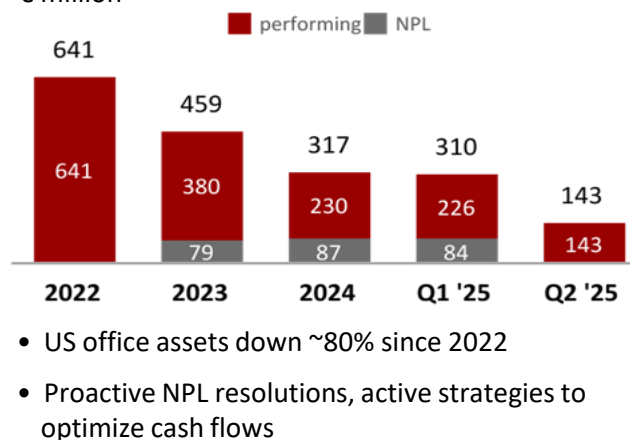
## UNDERWRITING PRINCIPLES

- Focus on risk-adjusted returns across all cycles, patient lending within risk appetite ... no volume targets
- Senior secured lender, no mezzanine financing
- Strong structural protections through cross-collateralization, cash-flow sweeps, interest rate hedges, sponsor guarantees
- Portfolio total LTV consistently <60% with debt yields across office portfolio >10%
- Maturity profile / refinancing risk pro-actively managed

## US portfolio € billion



## US office € million



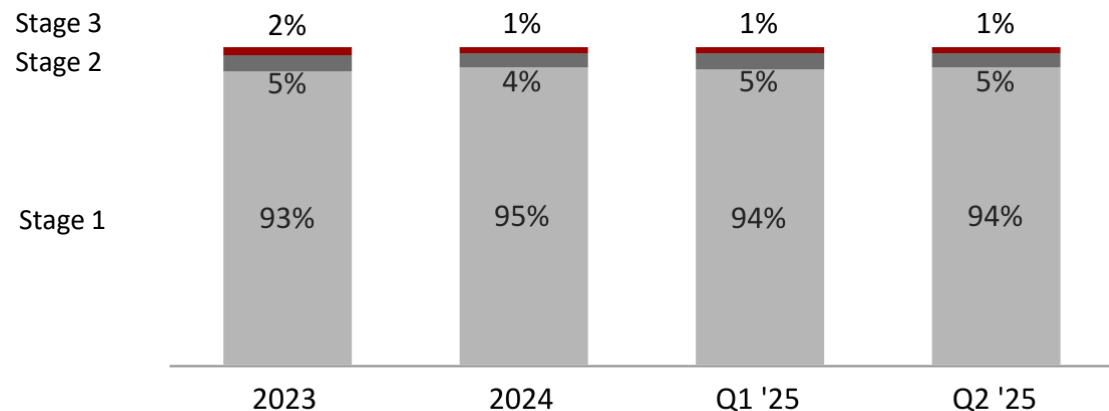
## €143m performing US office portfolio:

- Continued reduction driven by paydowns and refinancing activities, NPL recapitalization
- 27% cross-collateralized with non-office assets
- Average senior debt yield ~10%, LTV ~70%
- Average occupancy levels ~80%, lease terms ~6 years
- US office portfolio ~20bps of total assets and 3% of total CRE lending



# DETAILS ON RESERVES

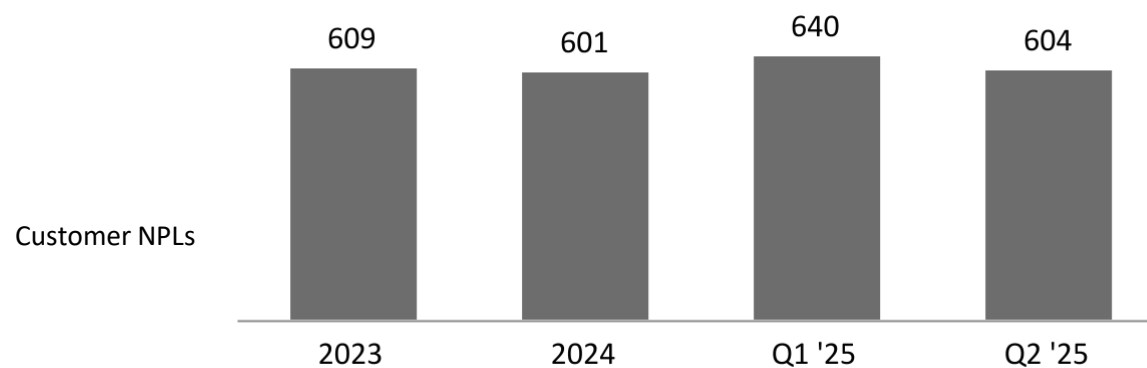
## IFRS 9 MIGRATION – CUSTOMER SEGMENT ASSETS



## ECLs (STAGE 1&2), SPECIFIC RESERVES (STAGE 3 incl. prudential filter) | in € millions

	2023	2024	Q1 '25	Q2 '25
Stage 1	39	55	94	103
Stage 2	120	63	53	59
Stage 3	272	284	305	325
<b>Total Reserves</b>	<b>431</b>	<b>402</b>	<b>452</b>	<b>487</b>

## NON-PERFORMING (STAGE 3) LOANS | in € millions



NPL Ratio	1.0%	0.8%	0.7%	0.7%
NPL Cash Coverage Ratio	45%	47%	48%	54%

### KEY DEVELOPMENTS

Well-diversified and managed portfolio ... 99% of customer segment assets in stage 1 or 2

Stage 2 assets remain low (5% of customer assets)

NPL ratio remains historically low at 0.7%

Customer NPLs down 6% vPQ, driven by CRE default resolution

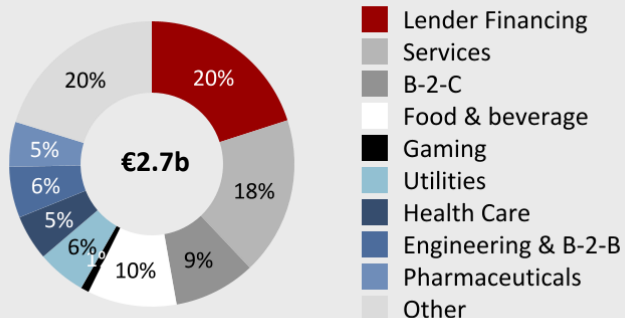
NPL cash coverage improved in Q2 '25 to 54%

Total reserves increased in Q2 '25 to €487m, up by 21% vPQ driven by acquisitions

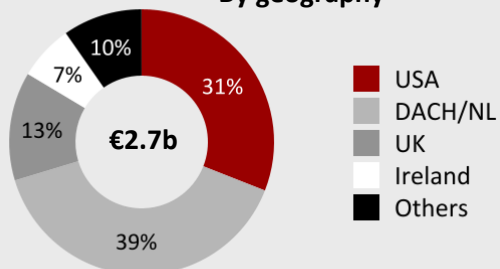
# Corporates, Real Estate & Public Sector

## CORPORATES<sup>1)</sup>

### By industry



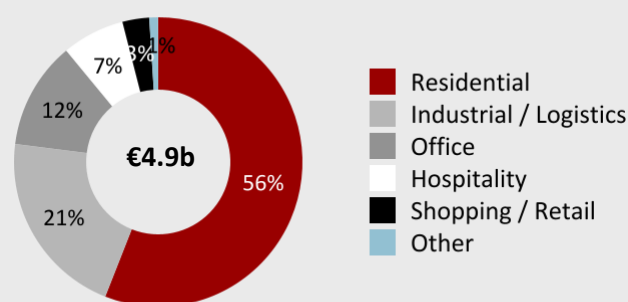
### By geography



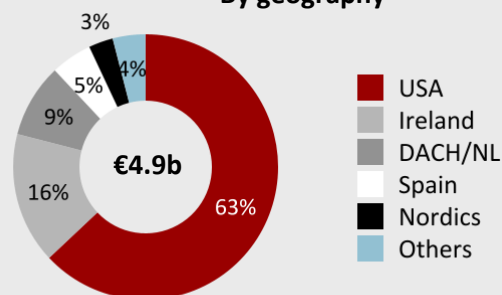
- Portfolio average net leverage <4.0x
- 100% senior lending
- NPL ratio 0.5%
- DACH/NL 39% exposure

## REAL ESTATE

### By underlying



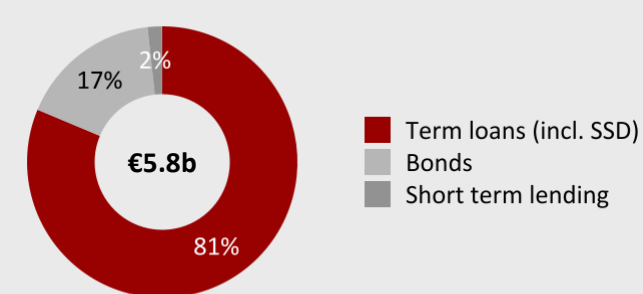
### By geography



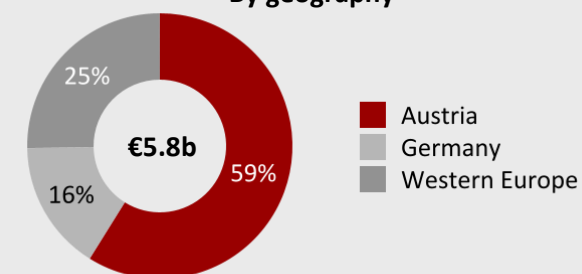
- Weighted average portfolio LTV ~50%
- NPL ratio 0.03%
- 77% of total portfolio backed by residential and industrial / logistics assets

## PUBLIC SECTOR<sup>1)</sup>

### By funding & type



### By geography



- Portfolio comprised of 62% AAA or AA entities
- No non-performing loans

<sup>1)</sup> Includes short-term lending/money market of €124m, of which €25m in Corporates and €99m Public Sector

# DEFINITIONS

## **Book value per share**

Common equity (excluding AT1 capital, dividends and buyback)/number of shares outstanding

## **Common equity**

Equity attributable to the owners of the parent; excluding minorities, AT1 and deducted dividend accrual and buyback

## **Common Equity Tier 1 capital (CET1)**

Including interim profit and deducting earmarked dividends and buyback; Q1'25 including Basel IV impact with transitional rules

## **Common Equity Tier 1 ratio**

Common Equity Tier 1 capital (CET1)/risk-weighted assets

## **Customer Deposits (average)**

Deposits to customers including own issues sold through retail network and private placement, average based on daily figures

## **Customer Funding**

Deposits to customers, covered bonds (public sector and mortgage) and senior bonds sold through the retail network and private placement, average based on daily figures

## **Customer Loans**

Loans to customers measured at amortized cost

## **Earnings per share (EPS)**

Net profit/weighted average number of shares outstanding (diluted)

## **Interest-bearing assets**

Financial assets + assets at amortized costs incl. customer business from relevant B/S position

## **Leverage ratio**

Tier 1 capital (including interim profit, dividend accruals, buyback/total exposure (CRR definition)

## **Net interest margin (NIM)**

Net interest income (NII)/average interest-bearing assets

## **NPL cash coverage**

Stage 3 Loan Loss Provisions plus Reserves plus Prudential Filter) / NPL IFRS Exposure

## **Return on common equity (RoCE)**

Net profit/average IFRS common equity, deducted dividend accruals and buyback

## **Return on tangible common equity (RoTCE)**

Net profit/average IFRS tangible common equity, deducted dividend accruals and buyback

## **Risk cost ratio**

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

## **Tangible book value/share**

Common equity reduced by the carrying amount of intangible assets/number of shares outstanding

## **Tangible common equity**

Common equity reduced by the carrying amount of intangible assets



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