

Credit update

**FY  
2025**

# BAWAG GROUP

## GROWING INTO A PAN-EUROPEAN & U.S. BANKING GROUP



easybank

knab.

easyleasing

PayLife

MoCo

BFL<sup>®</sup>

start<sup>®</sup> bausparkasse

SÜDWESTBANK

Health<sup>AG</sup>

Qlick

zahnärzte  
Kasse



PEAK BANK





# FY 2025 HIGHLIGHTS & OUTLOOK

# FINANCIAL DEVELOPMENTS

## KEY DEVELOPMENTS

**€860** million Net profit / +13% vPY

**+3%** organic loan growth / +12% including M&A

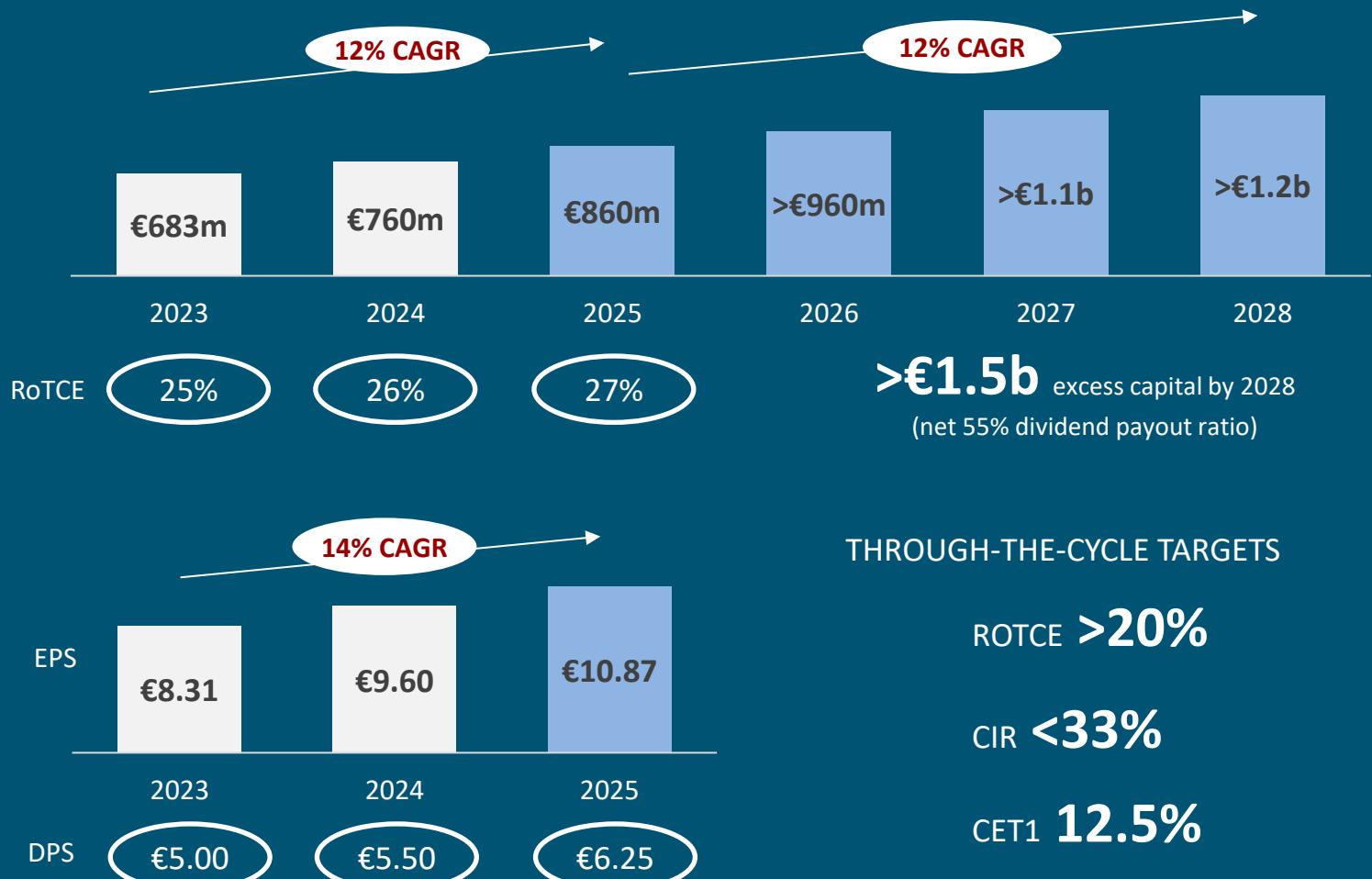
**329** basis points NIM

**14.6%** Pro-forma CET1 ratio

**€14** billion cash / 19% of balance sheet

**0.8%** NPL ratio

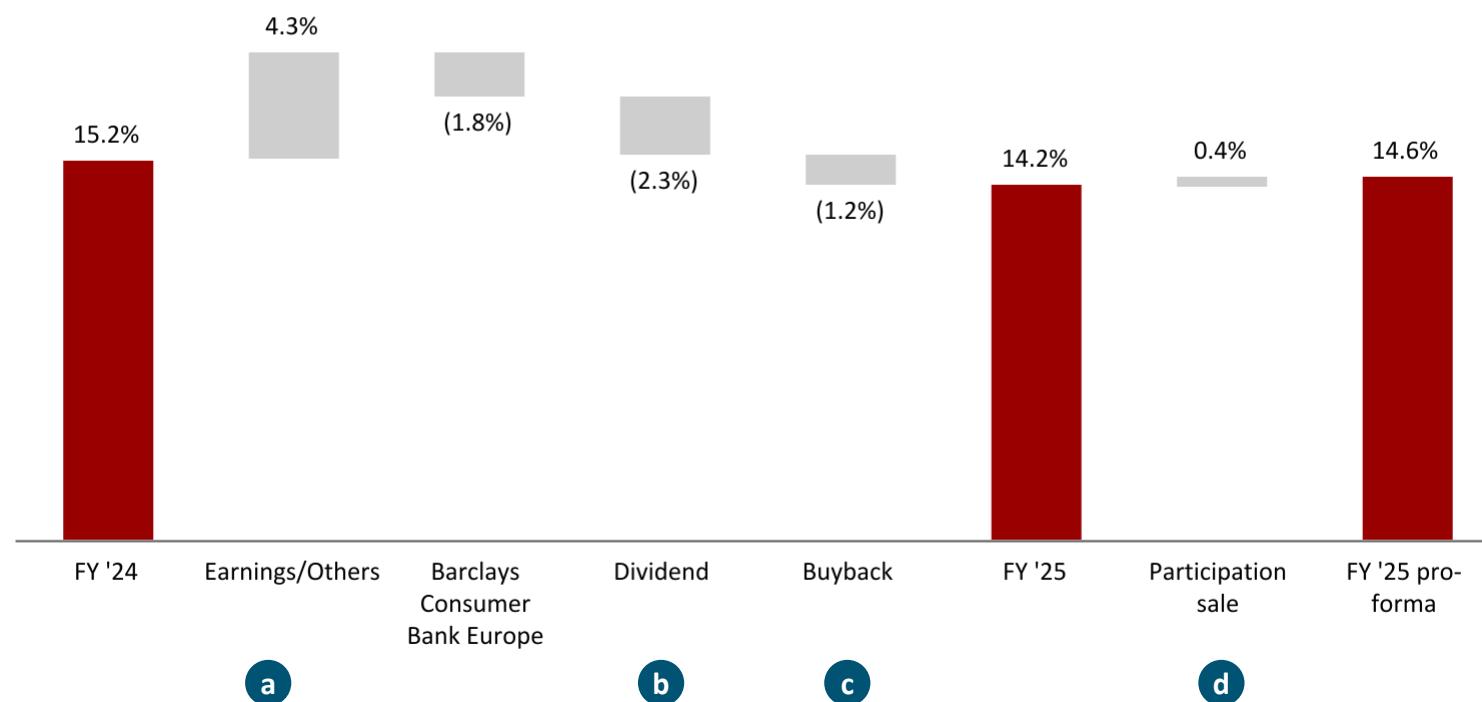
## EXCEEDING ALL 2025 TARGETS AND INITIATING 3-YEAR ROLLING TARGETS



# CAPITAL DEVELOPMENT

417 basis points gross capital generation through earnings in 2025

## CAPITAL DEVELOPMENT



### a) HIGH CAPITAL-GENERATING BUSINESS

- Gross capital generation of 417 bps through earnings
- SRT's offsetting RWA growth

### b) DIVIDEND PROPOSAL

Earmarked FY '25 dividend of €481m, equivalent to €6.25 dividend per share ... AGM on April 22, 2026

### c) 2x SHARE BUYBACKS

- €175m share buyback ... 1.6m shares cancelled in September '25
- €75m share buyback for company stock programs ... deducted in Q4'25 and completed in Q1'26

### d) PARTICIPATION SALE

Intangible /RWA impact from sale of minority investment ... closing expected in H1'26

### EXCESS CAPITAL

Pro-forma CET1 ratio 14.6% post dividend accrual with excess capital of €468m above 12.5% CET1 target

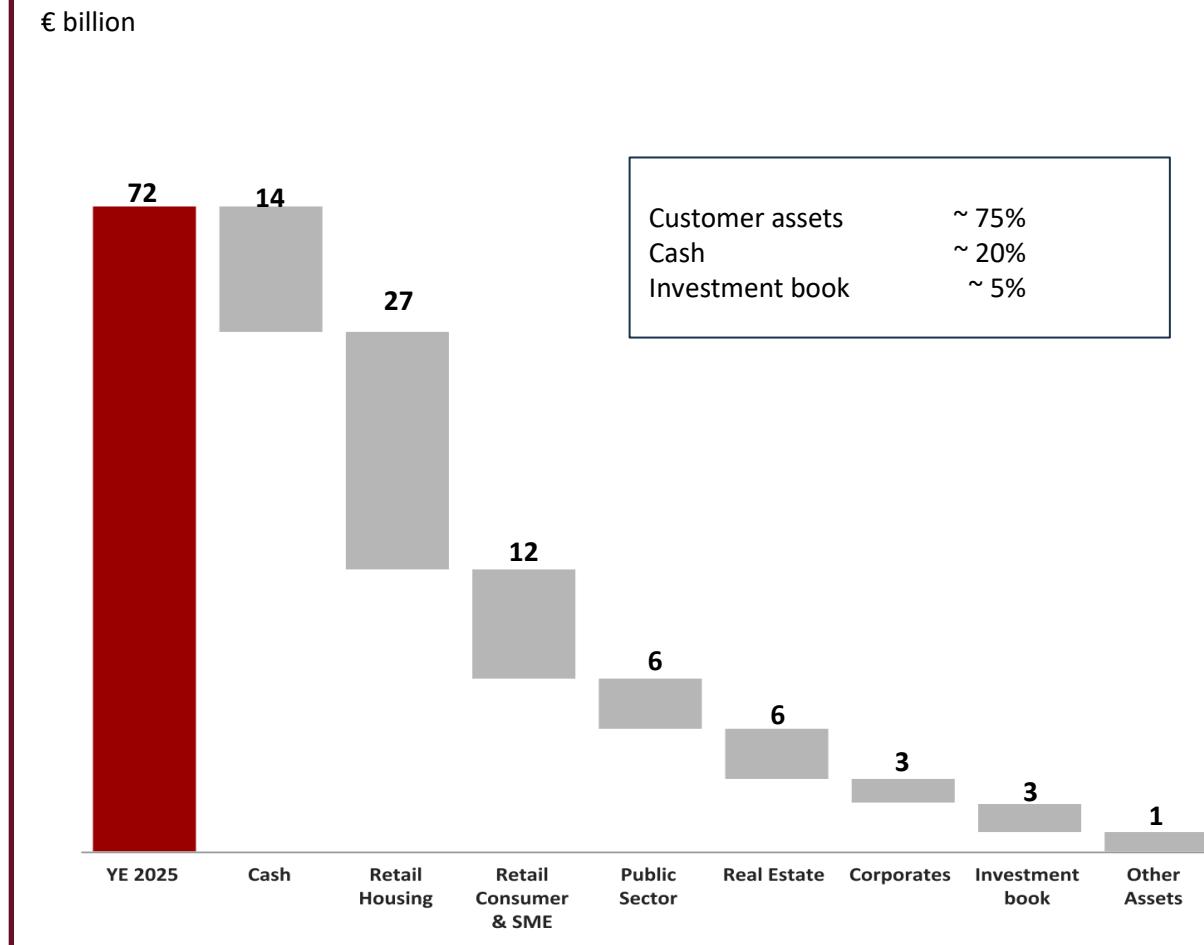
### 2026 CAPITAL REQUIREMENTS

Target CET1 ratio of 12.5% is 227bps above 2026 MDA trigger of 10.23% ... P2R at 2.35% and P2G at 0.50%

# BALANCE SHEET POSITIONED FOR GROWTH WHILE STAYING CONSERVATIVE

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

## LOW-RISK BALANCE SHEET FOCUSED ON RETAIL & SME



## PORTFOLIO MANAGEMENT

- €14b cash available to deploy into customer lending and/or adding to securities portfolio when appropriate opportunities arise
- Customer-loan exposure ~80% secured and public sector assets ... €13b covered bonds against ~€40b real estate and public sector assets
- Retail housing loans ~ 50% (€27b) of customer book ... LTV of 55% on non-guaranteed mortgages ... 37% state/insurance guaranteed
- No FX volatility ... net spread income hedged on a forward basis
- Avoiding outright interest-rate risk ... matched balance sheet approach

### CONSUMER & CORPORATES

**PRIMARY FOCUS:**  
**LOSS MITIGATION & THROUGH-THE-CYCLE RISK-ADJUSTED RETURNS**

- €2b of assets linked to unsecured lending or leasing portfolios, €1b to Corporate exposures

### MORTGAGES

**PRIMARY FOCUS:**  
**CAPITAL EFFICIENCY OF LOW-RISK PORTFOLIOS**

- €6b (63%) mortgages under standard approach reduces risk weight from 37% to 16% (EU IRB average 13%)

# BUILDING A PAN-EUROPEAN & U.S. BANKING GROUP

Recent acquisitions a catalyst for redesigning the company

## TRANSFORMED TO A DIGITAL-FIRST BANK COMPLEMENTED BY HIGH-QUALITY ADVISORY BRANCH NETWORK

### OUR BUSINESS PROFILE TODAY

**~90%**

Retail & SME share

**~90%**

of originations digital

**90%**

Euro countries

Austria  
Germany  
Netherlands  
Ireland

### CULTURE & LEADERSHIP

**~5%**

Ownership by  
Senior Leadership Team

WE ACT AS  
OWNERS &  
FIDUCIARIES

**>50**

Nationalities

WE ARE DIVERSE &  
MERIT-BASED

**>12**

years in BAWAG among  
BAWAG SLT

WE EMBRACE  
CHANGE & DO NOT  
AVOID CHALLENGES

✓ Self-funded 14 acquisitions

✓ Expanded into 6 new countries

✓ Recent strategic acquisitions largely integrated

✓ Built a strong leadership team with a deep bench

✓ Our transformation over the years has been anchored to our culture

WELL POSITIONED FOR GROWTH WITH INTEGRATIONS AHEAD OF PLAN

# TECHNOLOGY UNDERPINNING OUR TRANSFORMATION ... AI THE NEXT LEG

our TechOps infrastructure is the foundation for building an AI operating framework

## PRINCIPLES UNDERPINNING OUR TRANSFORMATION

*No outsourcing or off-shoring, focus on in-house technical capabilities and partnerships with select technological leaders*

### OUR TECHNOLOGY FOUNDATION

Transitioned to 100% application and data in Cloud  
Combined Technology & Operations teams into  
TechOps Function in 2019  
Centralized platforms ... Allow for scalable,  
standardization and efficiency



### AI FRAMEWORK ENABLES US TO

Continue to drive operational efficiency groupwide  
Enhance customer service ... enabling immediate and effective “first-touch” resolution  
Cut unnecessary bureaucracy and silos across the group ... freeing up capacity for more impactful work  
Enhance central functions capabilities ... focus on creativity, problem solving and critical thinking



### OUTLOOK

Technological advancements, AI specifically, will lead to both disruption and innovation  
Established dedicated team of business process engineers to lead AI initiatives in close partnership with functional experts  
AI will accelerate our operational excellence and “best-in-class” efficiency ... a competitive advantage  
Instill a customer-first mindset ... eliminate friction and maximize quality interactions



# FY 2025 DETAILED FINANCIALS

# BALANCE SHEET

Balance sheet   € millions	Q4 '25	Q3 '25	vPQ	vPY	Capital & RWA   € millions	Q4 '25	Q3 '25	vPQ	vPY
<b>Total assets</b>	<b>72,297</b>	<b>71,522</b>	<b>1%</b>	<b>1%</b>	Common equity	3,859	3,724	4%	7%
thereof Ø interest-bearing assets	56,589	56,229	1%	17%	Tangible common equity	3,323	3,192	4%	9%
Customer loans	50,749	49,855	2%	12%	CET1 capital	3,205	3,241	(1%)	2%
Ø customer loans	50,506	49,758	2%	21%	Risk-weighted assets	22,594	22,944	(2%)	10%
Securities and bonds	5,044	5,864	(14%)	(5%)	CET1 ratio (post dividend)	14.2%	14.1%	0.1pts	(1.0)pts
Credit institutions and cash	14,545	13,963	4%	(21%)	Leverage ratio	4.9%	5.0%	(0.1)pts	(0.3)pts
Other assets	1,959	1,840	6%	(7%)	Liquidity coverage ratio	204%	201%	3pts	(45)pts
<b>Total liabilities &amp; equity</b>	<b>72,297</b>	<b>71,522</b>	<b>1%</b>	<b>1%</b>					
thereof Ø customer funding	62,253	62,606	(1%)	12%					
Customer deposits	47,367	45,726	4%	3%					
Own issues	17,583	18,213	(3%)	2%					
Credit institutions	812	867	(6%)	(36%)					
Other liabilities	1,690	1,969	(14%)	(11%)					
Equity	4,845	4,747	2%	2%					

## DEVELOPMENTS in Q4 '25

Customer loans up 2% vPQ and customer deposits up 4% vPQ

Risk-weighted assets down (2%) vPQ

Cash at €14.1b, equal to 19% of balance sheet ... LCR at 204%

CET1 ratio at 14.2% ... €6.25 dividend per share will be proposed to AGM

Pro-forma CET1 ratio including a participation sale expected to close in H1 '26 of 14.6%

Note: All equity, capital, ratios and per share data reflect deduction of €481m dividend accrual and buybacks for FY '25.

# P&L & KEY RATIOS

P&L   € millions	Q4 '25	vPY	vPQ	2025	vPY
Net interest income	473.1	28%	3%	1,836.5	40%
Net commission income	97.3	20%	4%	370.6	20%
<b>Core revenues</b>	<b>570.4</b>	<b>27%</b>	<b>3%</b>	<b>2,207.1</b>	<b>36%</b>
Other revenues	5.1	(58%)	>100%	8.7	43%
<b>Operating income</b>	<b>575.5</b>	<b>25%</b>	<b>4%</b>	<b>2,215.8</b>	<b>36%</b>
<b>Operating expenses</b>	<b>(194.3)</b>	<b>18%</b>	<b>(3%)</b>	<b>(798.9)</b>	<b>47%</b>
<b>Pre-provision profit</b>	<b>381.2</b>	<b>28%</b>	<b>8%</b>	<b>1,416.9</b>	<b>31%</b>
Regulatory charges	(9.2)	>100%	(5%)	(38.9)	>100%
Risk costs	(63.9)	—%	22%	(227.5)	>100%
Net result of at-equity investments	3.6	71%	>100%	6.6	53%
<b>Profit before tax</b>	<b>311.7</b>	<b>5%</b>	<b>6%</b>	<b>1,157.1</b>	<b>17%</b>
Income taxes	(79.5)	42%	6%	(295.2)	28%
<b>Profit after tax</b>	<b>232.2</b>	<b>(3%)</b>	<b>6%</b>	<b>861.9</b>	<b>13%</b>
Non-controlling interests	(2.0)	—%	—%	(2.0)	—%
<b>Net profit</b>	<b>230.2</b>	<b>(4%)</b>	<b>5%</b>	<b>859.9</b>	<b>13%</b>

Key ratios	Q4 '25	vPY	vPQ	2025	vPY
RoCE	24.3%	(2.6)pts	0.5pts	23.1%	1.1pts
RoTCE	28.3%	(3.3)pts	0.5pts	26.9%	0.9pts
Net interest margin	3.32%	0.29pts	0.07pts	3.29%	0.22pts
CIR	33.8%	(1.9)pts	(2.3)pts	36.1%	2.6pts
Risk cost ratio	0.45%	0.46pts	0.08pts	0.41%	0.22pts
Earnings per share (€)	2.91	(4%)	5%	10.87	13%
Tangible book value (€)	43.17	11%	4%	43.17	11%

## DEVELOPMENTS in Q4 '25

Core revenues at €570m up by 3% vPQ ... NII up by 3% and NCI up 4%

Net interest margin (NIM) at 3.32% in Q4 '25

Cost-income ratio of 33.8% in Q4 '25

Risk costs in Q4 '25 at €(64)m include provision for a single name default ... risk-cost ratio at 45bps

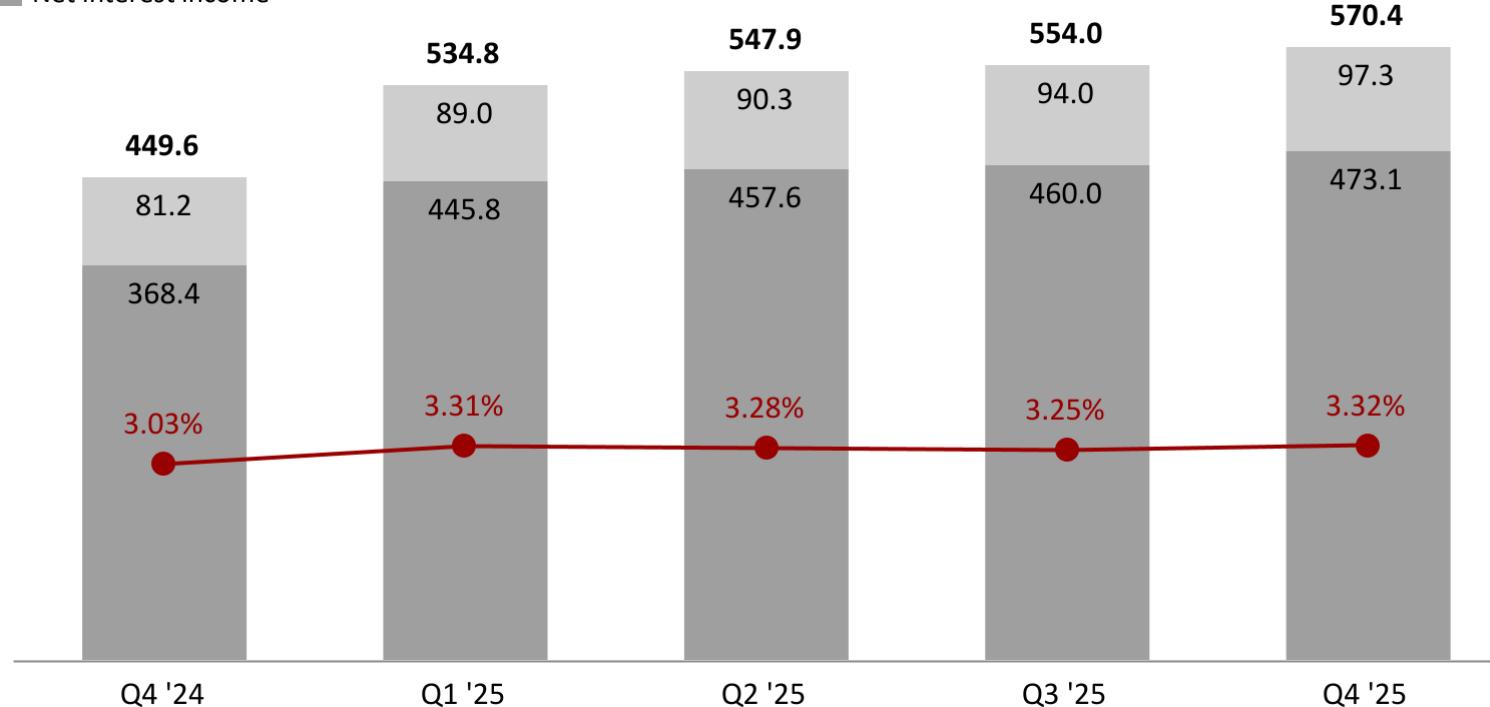
RoTCE at 28.3% ... Earnings per share of €2.91 in Q4'25

Note: All equity ratios and per share data reflect deduction of €481m dividend accrual and buybacks for FY '25.

# CORE REVENUES

€ millions

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



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

41.8	48.1	49.5	49.8	50.5
48.4	54.7	56.0	56.2	56.6

## Net interest income (NII) up by 3% vPQ

- Customer loan growth 2% with strong momentum in public sector and real estate, robust consumer business and stable mortgage portfolio with differing trends across countries
- Net interest margin 3.32% in Q4 reflecting change in asset mix
- Average 3-month Euribor flat vPQ
- Deposit beta 37% in Q4 ... down (1)pt vPQ

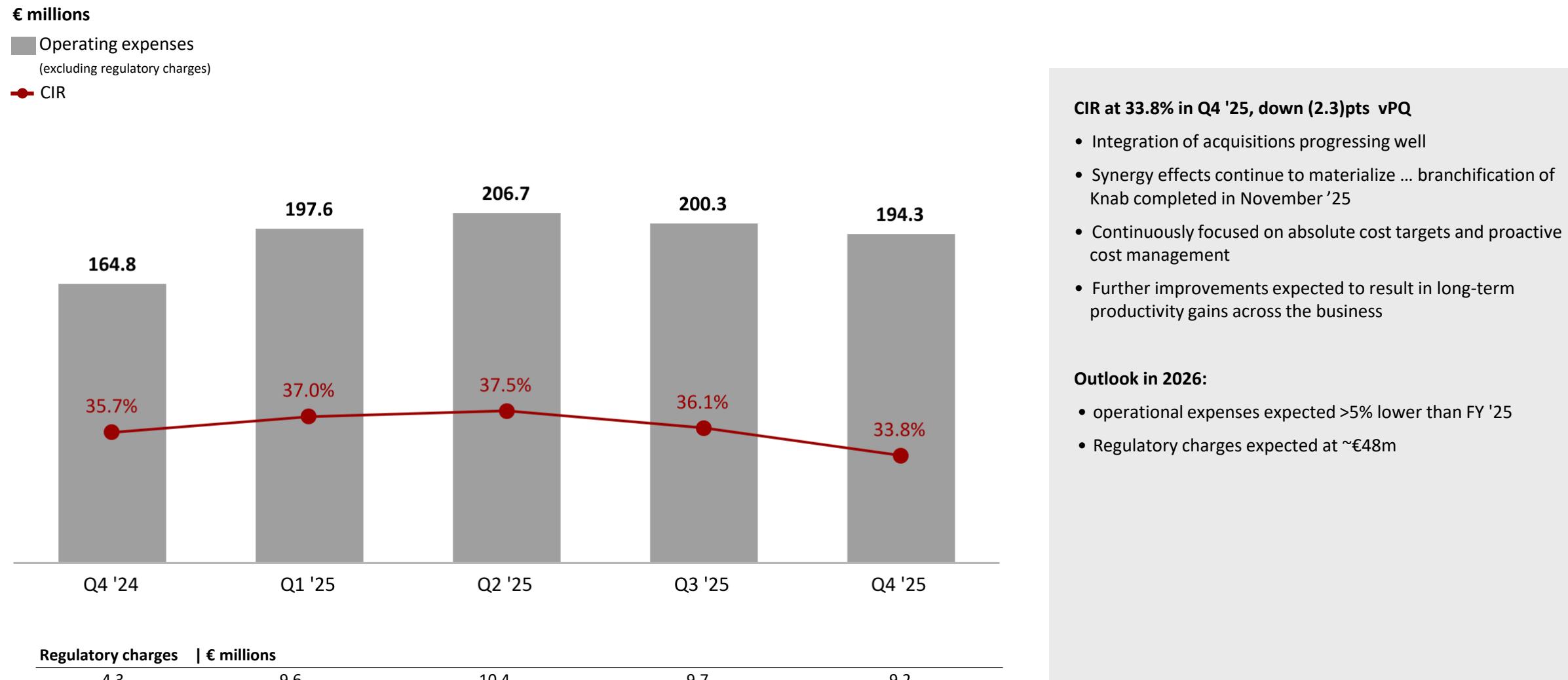
## Net commission income (NCI) up 4% vPQ

- Continuous strong results across business lines of Retail & SME, particularly in credit cards/payments

## Outlook in 2026:

- Net interest income and core revenues increase >6%

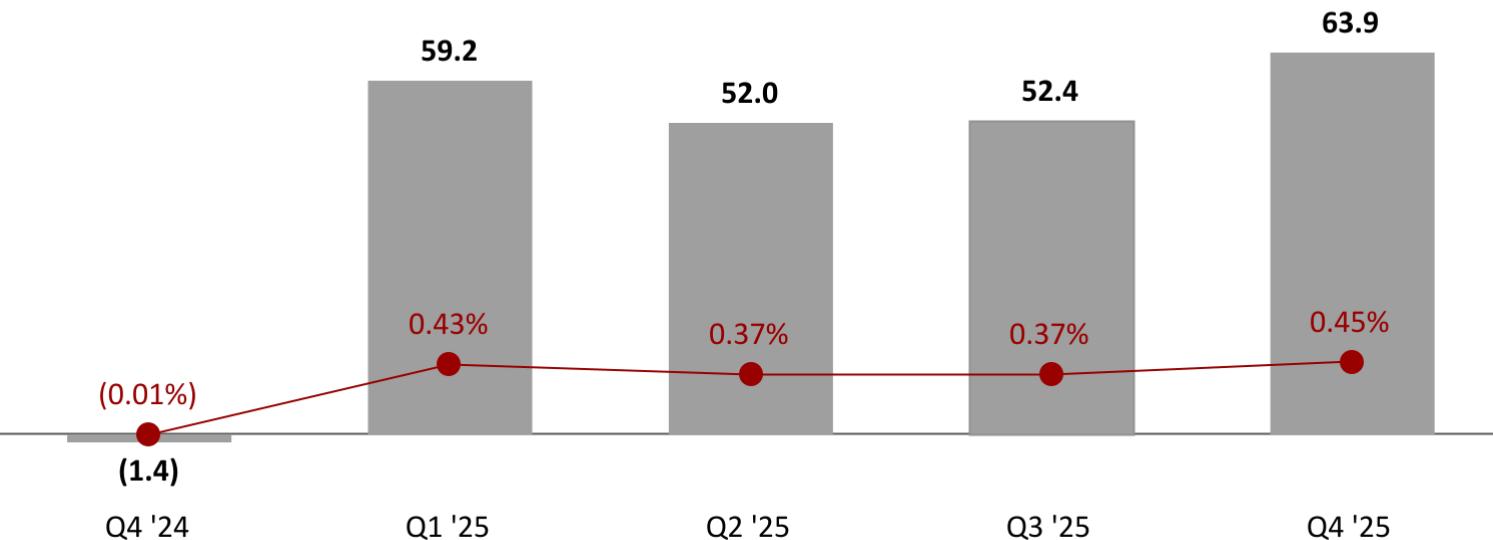
# OPERATING EXPENSES



# RISK COSTS

€ millions

- Risk costs
- Risk costs/average interest-bearing assets



NPL ratio

0.8% 0.7% 0.7% 0.8% 0.8%

**Q4 '25 risk costs €64m ... risk cost ratio 45bps (41bps FY 2025)**

- Q4 increase driven by provision for a single name default and volume increase in retail consumer lending
- NPL ratio stable at 0.8%

**Maintain safe & secure balance sheet**

- Focused on developed and mature markets ... ~90% in Euro-countries & ~10% in UK, US and Switzerland
- Conservative underwriting with a ~80% lending focused on secured or public sector lending

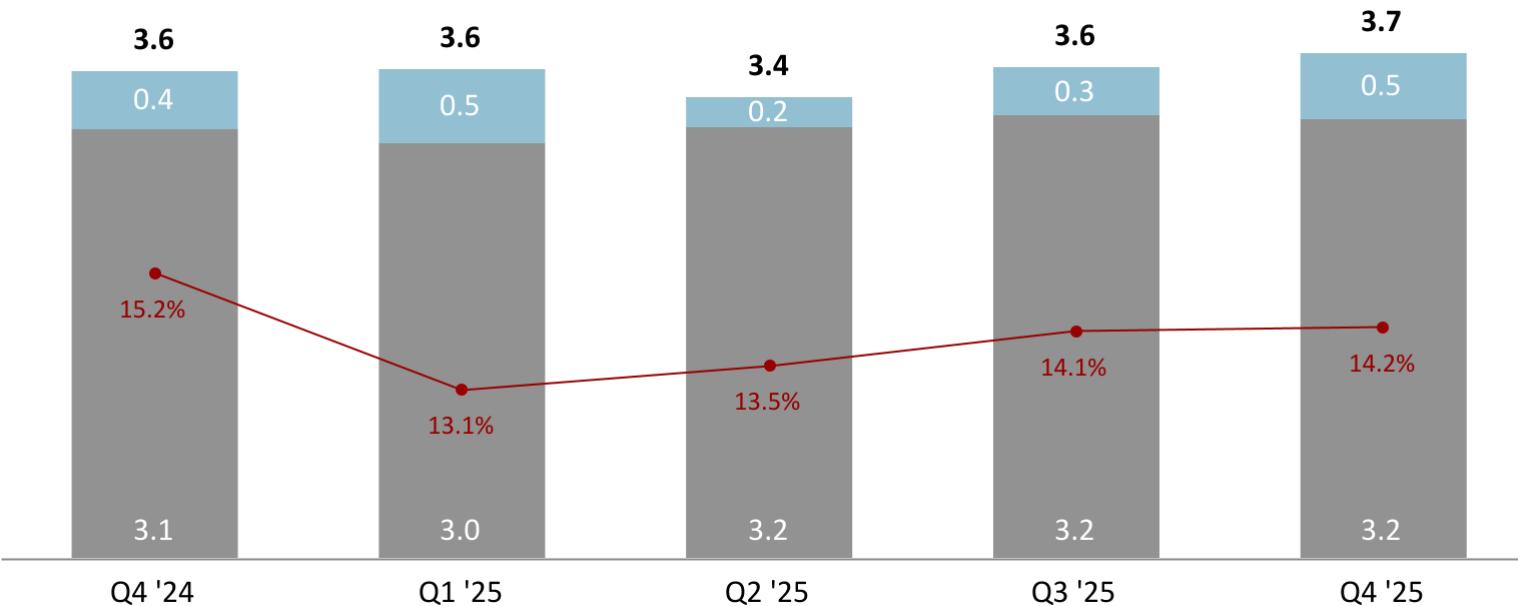
**Outlook for 2026**

- Risk cost ratio of ~45bps reflecting increased volume in consumer unsecured

# REGULATORY CAPITAL

€ billion

Dividend    CET1 capital (post dividend)



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

20.6	23.2	23.4	22.9	22.6
18.1%	15.7%	16.2%	16.1%	16.2%
21.2%	19.4%	19.9%	19.1%	19.3%
5.2%	4.9%	5.1%	5.0%	4.9%

Note: All equity ratios and per share data reflect deduction of €481m dividend accrual and buybacks for FY '25.

## Capital distribution plans:

- €481m dividend earmarked for financial year 2025 ... €6.25 dividend per share will be proposed to Annual General Meeting

## Capital ratios:

- €75m share buyback for company stock programs completed in Q1 '26 ... deducted from Q4 '25 ratio
- Tier1 Capital ratio 16.2%
- Total Capital ratio 19.3%

## 2026 capital requirements & Basel IV:

- P2R: 2.35%; P2G: 0.50%
- CET1 capital requirement: 10.23%
- Target CET1 ratio of 12.5% is 227bps above MDA trigger of 10.23%
- Basel IV: 20pts distance to output floor

# MREL

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

## MREL Strategy

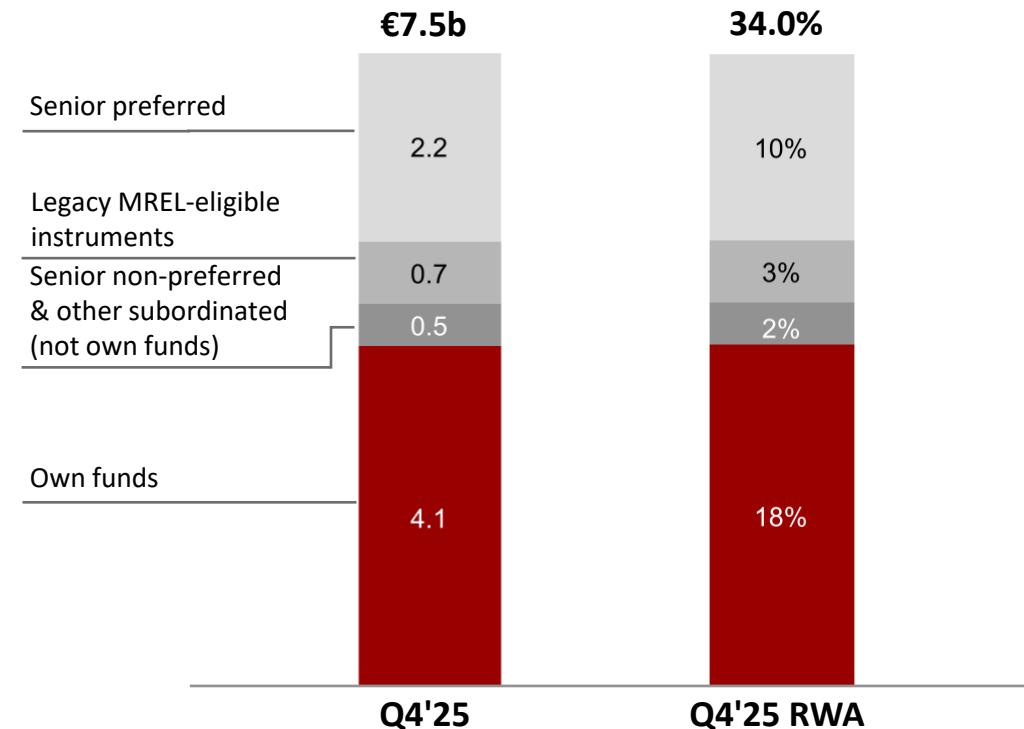
### MREL decision fully reflecting CRR2/BRRD2:

- 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 27.6%

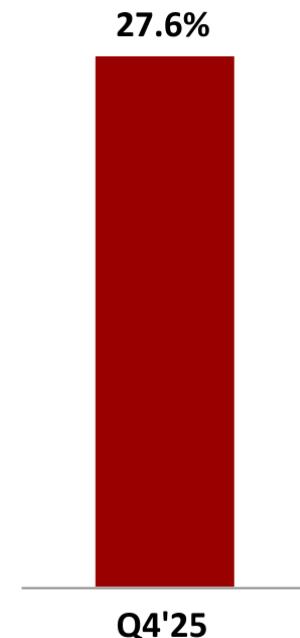
### Our MREL issuance plans:

- €2b senior preferred bonds issued since 2023 of which €500m senior preferred issued in 2023, €500m senior preferred issued in 2024, €1b senior preferred issued in 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

Frequent issuer with benchmarks outstanding across the capital stack

## Liquidity

Liquidity coverage ratio	<b>204%</b>
Liquidity buffer	<b>€17.8b</b>
Liquidity buffer including other marketable securities	<b>€18.8b</b>

## Issuance plans 2026 and beyond

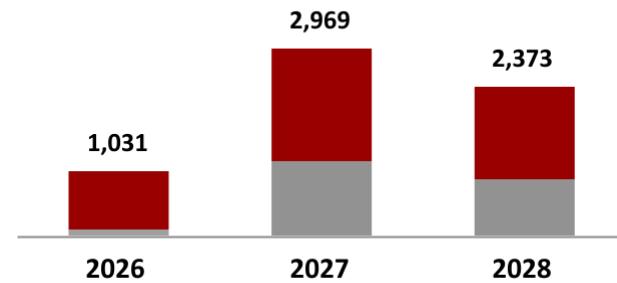
- At least 1-2 covered bond benchmarks per year
- 1-2 senior benchmarks per year
- At least one Green bond benchmark per year

### Maturity profile

€ millions notional

■ Covered bond

■ Unsecured



- 25 benchmark covered bonds outstanding with up to €1.25b issue size and maturities up to 2041 ... several benchmarks maturing in coming years
- €2b senior preferred bonds issued since 2023 ... further issuance planned in coming years to meet MREL requirement, replace maturities and build buffer
- Regulatory capital requirements comfortably met ... next call dates in 2028
- Continue to issue at least one Green benchmark per year ... €2.8b Green bonds issued vs. €5.9b Green use of proceeds available

### ... 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: **€1.25b**

- €1.0b senior preferred of which €1.0b Green bond
- €0.25b subordinated T2

2026 issuance ytd: **€1.25b**

- €1.25b covered bonds

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

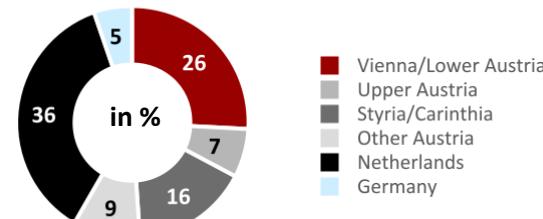
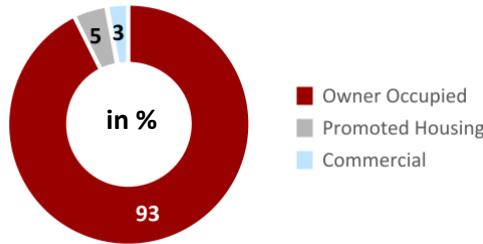
# BAWAG Covered Bonds

High-quality collateral with plain cover pools and leading issuer with fortress balance sheet



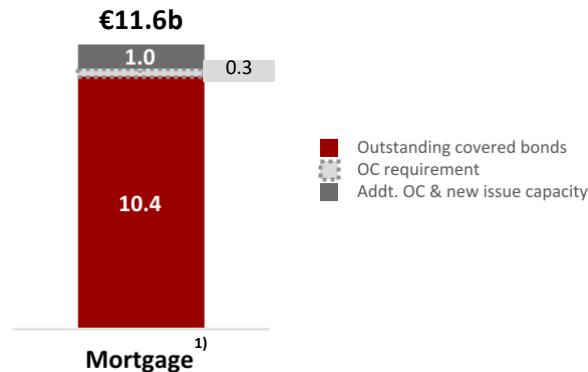
## Mortgage Cover Pool breakdown

Plain cover pool ... c. 97% residential housing and 3% commercial real estate ... no non-performing loans, no derivatives ... highly granular pools with >84k mortgages ... average LTV of c. 55% for residential loans ... c. 81% of loans with fixed rate agreements ... c. 27% of loans with additional government guarantee (NHG - Dutch National Mortgage Guarantee)<sup>1)</sup>



## 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
750	2033	Q1'26
500	2038	Q1'26

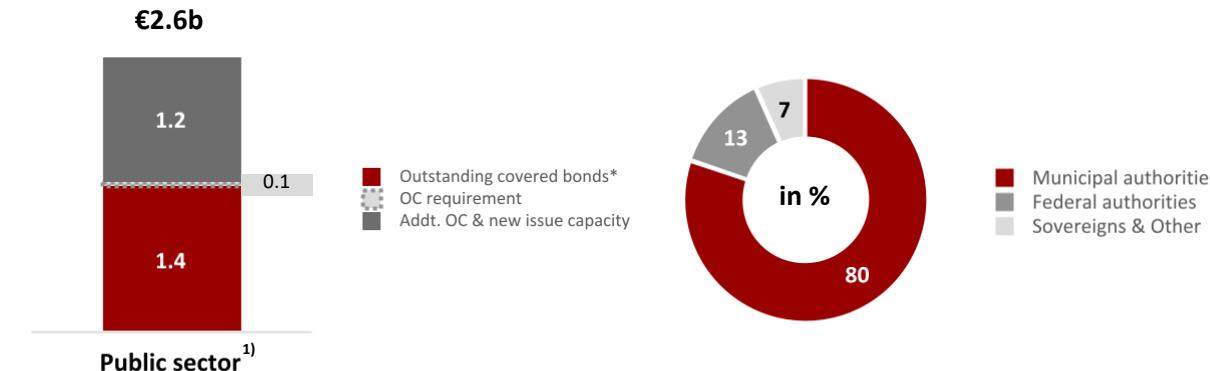


<sup>1)</sup> Data as of Q4 2025

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

## Public Sector Cover Pool breakdown

80% claims against local/municipal authorities and 13% claims against federal authorities ... no non-performing loans, no derivatives ... granular pool with >4k claims<sup>1)</sup>



- Covered bonds continue to be an important capital market funding source ... €12b executed since 2020 ... **25 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

# RETAIL & SME

## FINANCIAL PERFORMANCE

€ millions	Q4 '25	vPY	vPQ	2025	vPY
Core revenues	497.8	41%	4%	1,876.0	51%
Net interest income	407.6	46%	4%	1,533.6	59%
Net commission income	90.2	22%	3%	342.4	23%
Operating income	498.8	41%	4%	1,880.3	51%
Operating expenses	(156.3)	16%	(8%)	(673.7)	59%
<b>Pre-provision profit</b>	<b>342.5</b>	<b>56%</b>	<b>10%</b>	<b>1,206.6</b>	<b>47%</b>
Regulatory charges	(4.4)	>100%	(14%)	(19.7)	>100%
Risk costs	(58.1)	>100%	4%	(214.7)	>100%
<b>Profit before tax</b>	<b>280.0</b>	<b>46%</b>	<b>12%</b>	<b>972.2</b>	<b>36%</b>
<b>Net profit</b>	<b>210.0</b>	<b>46%</b>	<b>12%</b>	<b>729.1</b>	<b>36%</b>

## RATIOS

in %	Q4 '25	vPY	vPQ	2025	vPY
RoCE	33.7%	5.6pts	2.6pts	31.0%	3.3pts
RoTCE	39.3%	6.3pts	2.8pts	36.1%	3.5pts
CIR	31.3%	(6.7)pts	(4.0)pts	35.8%	1.8pts
NPL ratio	1.2%	—pts	—pts	1.2%	—pts
Risk cost ratio	0.60%	0.26pts	0.02pts	0.57%	0.14pts

## CUSTOMER DEVELOPMENT

€ millions	Q4 '25	vPY	vPQ	2025	vPY
Housing loans	26,585	(1%)	—%	26,585	(1%)
Consumer and SME	12,228	66%	3%	12,228	66%
<b>Total assets</b>	<b>38,813</b>	<b>14%</b>	<b>1%</b>	<b>38,813</b>	<b>14%</b>
<b>Total assets (Ø)</b>	<b>38,759</b>	<b>29%</b>	<b>1%</b>	<b>37,847</b>	<b>59%</b>
<b>Risk-weighted assets</b>	<b>14,813</b>	<b>19%</b>	<b>(3%)</b>	<b>14,813</b>	<b>19%</b>
<b>Customer deposits</b>	<b>44,516</b>	<b>11%</b>	<b>4%</b>	<b>44,516</b>	<b>11%</b>
<b>Customer deposits (Ø)</b>	<b>43,032</b>	<b>23%</b>	<b>1%</b>	<b>42,682</b>	<b>49%</b>
<b>Customer funding</b>	<b>56,182</b>	<b>7%</b>	<b>2%</b>	<b>56,182</b>	<b>7%</b>
<b>Customer funding (Ø)</b>	<b>55,602</b>	<b>18%</b>	<b>—%</b>	<b>55,568</b>	<b>39%</b>

## DEVELOPMENTS in Q4 '25

Net profit of €210m, up 12% vPQ ... Average assets up 1% vPQ driven by Consumer & SME  
 Pre-provision profit of €343m, up 10% vPQ ... core revenues up 4% and OPEX down (8%) vPQ with integration synergies materializing  
 Risk costs €(58)m, up 4% vPQ driven by increased consumer lending levels ... solid asset quality with stable NPL ratio of 1.2%  
 Solid growth in Consumer & SME and housing loans originations overall stable with varying trends across countries

# CORPORATES, REAL ESTATE & PUBLIC SECTOR

## FINANCIAL PERFORMANCE

€ millions	Q4 '25	vPY	vPQ	2025	vPY
Core revenues	74.5	(8%)	6%	289.1	(7%)
Net interest income	67.3	(8%)	6%	260.4	(6%)
Net commission income	7.2	(6%)	3%	28.7	(12%)
Operating income	75.2	(9%)	7%	291.4	(6%)
Operating expenses	(16.9)	(9%)	(4%)	(69.4)	(11%)
<b>Pre-provision profit</b>	<b>58.3</b>	<b>(9%)</b>	<b>10%</b>	<b>222.0</b>	<b>(5%)</b>
Regulatory charges	(2.3)	>100%	—%	(9.2)	>100%
Risk costs	(6.5)	—%	—%	(14.1)	—%
<b>Profit before tax</b>	<b>49.5</b>	<b>(45%)</b>	<b>(4%)</b>	<b>198.7</b>	<b>(20%)</b>
<b>Net profit</b>	<b>37.1</b>	<b>(45%)</b>	<b>(4%)</b>	<b>149.0</b>	<b>(20%)</b>

## RATIOS

in %	Q4 '25	vPY	vPQ	2025	vPY
RoCE	23.4%	(12.5)pts	(2.0)pts	22.3%	(1.8)pts
RoTCE	28.5%	(15.1)pts	(2.5)pts	27.3%	(2.6)pts
CIR	22.5%	0.1pts	(2.4)pts	23.8%	(1.4)pts
NPL ratio	0.2%	(0.5)pts	0.1pts	0.2%	(0.5)pts
Risk cost ratio	0.19%	0.99pts	0.21pts	0.10%	0.25pts

## CUSTOMER DEVELOPMENT

€ millions	Q4 '25	vPY	vPQ	2025	vPY
Corporates	2,710	(3%)	(1%)	2,710	(3%)
Real Estate	5,687	4%	13%	5,687	4%
Public Sector	5,647	14%	3%	5,647	14%
Short-term/money market lending	122	8%	11%	122	8%
<b>Total assets</b>	<b>14,166</b>	<b>6%</b>	<b>6%</b>	<b>14,166</b>	<b>6%</b>
<b>Total assets (Ø)</b>	<b>13,956</b>	<b>3%</b>	<b>4%</b>	<b>13,704</b>	<b>2%</b>
<b>Risk-weighted assets</b>	<b>4,862</b>	<b>(1%)</b>	<b>3%</b>	<b>4,862</b>	<b>(1%)</b>
<b>Customer deposits</b>	<b>3,386</b>	<b>(48%)</b>	<b>(5%)</b>	<b>3,386</b>	<b>(48%)</b>
<b>Customer deposits (Ø)</b>	<b>4,142</b>	<b>(33%)</b>	<b>(8%)</b>	<b>4,870</b>	<b>(24%)</b>
<b>Customer funding</b>	<b>5,406</b>	<b>(38%)</b>	<b>(4%)</b>	<b>5,406</b>	<b>(38%)</b>
<b>Customer funding (Ø)</b>	<b>6,128</b>	<b>(26%)</b>	<b>(6%)</b>	<b>6,890</b>	<b>(18%)</b>

## DEVELOPMENTS in Q4 '25

Net profit of €37m, down (4%) vPQ ... average assets up 4% vPQ with strong momentum in real estate and public sector

Pre-provision profit of €58m, up 10% vPQ ... Core revenues up 6% and OPEX down (4%) vPQ

NPL ratio at 0.2% ... risk costs driven by provision for a single name default

Focused on disciplined underwriting & risk-adjusted returns over chasing volume growth

# 2026 & BEYOND OUTLOOK & TARGETS

2026	2027	2028	Through-the-cycle
New target: <b>&gt; €960m</b>	Old target: <b>&gt; €1.0b</b> New target: <b>&gt; €1.1b</b>	New target: <b>&gt; €1.2b</b>	
<b>OUTLOOK</b>	<b>OUTLOOK - KEY DRIVERS</b>		<b>TARGETS</b>
<p><b>Net interest income</b>      &gt; 6%</p> <p><b>Core revenues</b>      &gt; 6%</p> <p><b>Operational expenses</b>      &gt; (5%)</p> <p><b>Risk cost</b>      ~45bps</p> <p><b>Regulatory charges</b>      €(48)m</p>	<p><b>Net interest income</b></p> <p><b>Operational expenses</b></p> <p><b>Risk cost</b></p>	<p>3-4% annual loan growth + margin expansion + deposit hedge</p> <p>ongoing cost-out</p> <p>risk cost ratio ~45bps</p>	<p><b>Return on tangible common equity</b>      &gt;20%</p> <p><b>Cost-income ratio</b>      &lt;33%</p> <p><b>CET1 Ratio</b>      12.5%</p>
<p>Excess capital of <b>&gt; €1.5 billion by 2028</b> net of 55% dividend payout ratio</p>			



# FY 2025 SUPPLEMENTAL INFORMATION

# FINANCIAL PERFORMANCE

P&L   € millions	Q4 '25	vPY	vPQ	2025	vPY
Core revenues	570.4	27%	3%	2,207.1	36%
Net interest income	473.1	28%	3%	1,836.5	40%
Net commission income	97.3	20%	4%	370.6	20%
Operating income	575.5	25%	4%	2,215.8	36%
Operating expenses	(194.3)	18%	(3%)	(798.9)	47%
<b>Pre-provision profit</b>	<b>381.2</b>	<b>28%</b>	<b>8%</b>	<b>1,416.9</b>	<b>31%</b>
Regulatory charges	(9.2)	>100%	(5%)	(38.9)	>100%
Risk costs	(63.9)	—%	22%	(227.5)	>100%
Net result of at-equity investments	3.6	71%	>100%	6.6	53%
<b>Profit before tax</b>	<b>311.7</b>	<b>5%</b>	<b>6%</b>	<b>1,157.1</b>	<b>17%</b>
<b>Profit after tax</b>	<b>232.2</b>	<b>(3%)</b>	<b>6%</b>	<b>861.9</b>	<b>13%</b>
Non-controlling interests	(2.0)	—%	—%	(2.0)	—%
<b>Net profit</b>	<b>230.2</b>	<b>(4%)</b>	<b>5%</b>	<b>859.9</b>	<b>13%</b>

Ratios	Q4 '25	vPY	vPQ	2025	vPY
RoCE	24.3%	(2.6)pts	0.5pts	23.1%	1.1pts
RoTCE	28.3%	(3.3)pts	0.5pts	26.9%	0.9pts
Net interest margin	3.32%	0.29pts	0.07pts	3.29%	0.22pts
CIR	33.8%	(1.9)pts	(2.3)pts	36.1%	2.6pts
Risk cost ratio	0.45%	0.46pts	0.08pts	0.41%	0.22pts

Balance Sheet & Capital   € millions	Q4 '25	Q3 '25	vPQ	vPY
Total assets	72,297	71,522	1%	1%
Cash & Cash Equivalent	14,545	13,963	4%	(21%)
Interest-bearing assets (average)	56,589	56,229	1%	17%
Customer funding (average)	62,253	62,606	(1%)	12%
Customer loans (average)	50,506	49,758	2%	21%
Customer loans	50,749	49,855	2%	12%
Customer deposits (average)	47,697	47,641	—%	15%
Customer deposits	47,367	45,726	4%	3%
Common Equity	3,859	3,724	4%	7%
Tangible Common Equity	3,323	3,192	4%	9%
<b>CET1 Capital</b>	<b>3,205</b>	<b>3,241</b>	<b>(1%)</b>	<b>2%</b>
Risk-weighted assets	22,594	22,944	(2%)	10%
<b>CET1 Ratio (post dividend)</b>	<b>14.2%</b>	<b>14.1%</b>	<b>0.1pts</b>	<b>(1.0)pts</b>

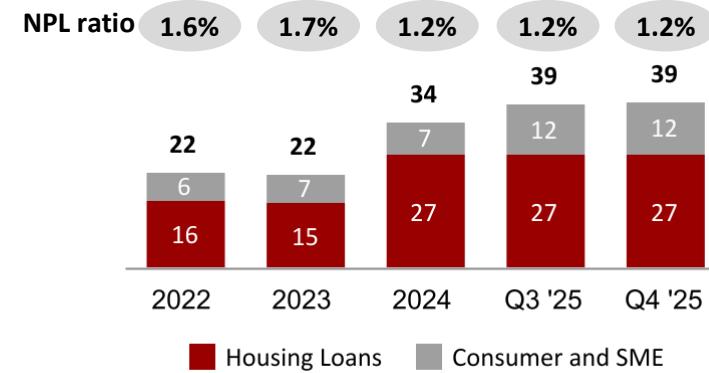
Per share data	2025	2024	vPY
Book value (€)	50.13	45.76	10%
Tangible book value (€)	43.17	38.98	11%
Shares outstanding (€ m)	76.98	78.52	(2%)
Earnings per share (€)	10.87	9.60	13%

Note: All equity, capital, ratios and per share data reflect deduction of €481m dividend accrual and buybacks for FY '25.

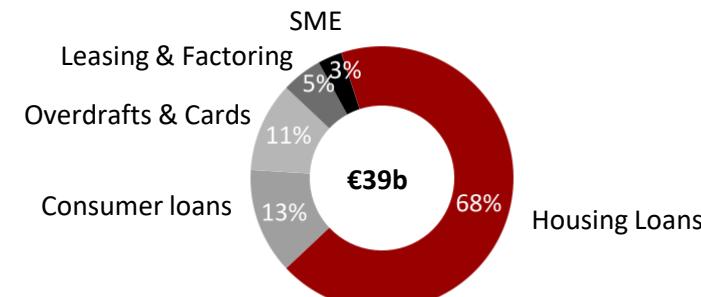
# RETAIL & SME

## RETAIL & SME OVERVIEW

Retail & SME assets, in € billion



## RETAIL & SME PRODUCTS



### HOUSING

- 37% state or insurance guaranteed
- Weighted average LTV 54% (non-guaranteed loans), weighted average LTV at origination below 70% since 2020
- De-minimis loss history, driven by significant affordability buffer and customer equity in established markets

### CONSUMER & SME

- Portfolio comprised of €8.0b consumer unsecured and €4.3b consumer secured
- Consumer & SME loss rates stable in the last few years ... acquisition of German cards portfolio increasing unsecured exposure
- Specialty finance: primarily cars, movables, with high utility value or liquid collateral, low loss profiles

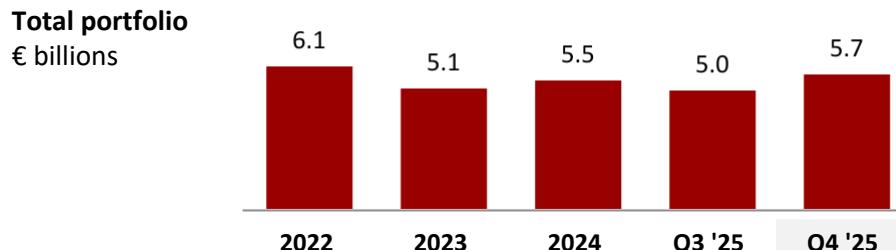
### DEVELOPMENTS

- Dynamic credit management across markets
- Ensure stress-resilient customers with strong debt-service ratios and loan to income metrics
- Fixed rate portfolio limits risk for customers
  - >95% of consumer loans and mortgage originations
  - ~90% of housing loan portfolio

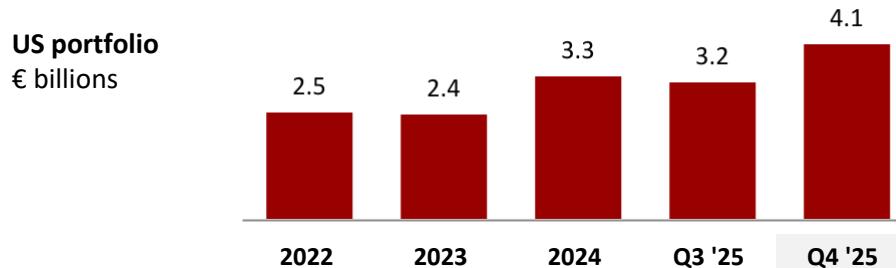
### OUTLOOK

- Economic sensitivity in consumer loan book remains primary risk for portfolio
- Unemployment remains low across customer base (Austria, Germany, Netherlands, Switzerland)
- Low NPL ratio of 1.2% (YE '25) representing high credit quality
- Losses expected to increase marginally with higher unsecured consumer share of portfolio

# COMMERCIAL REAL ESTATE LENDING



	2022	2023	2024	Q3 '25	Q4 '25
Residential	42%	43%	51%	58%	62%
Industrial / Logistics	22%	22%	21%	20%	16%
Office	22%	21%	15%	11%	10%
Hospitality	7%	7%	8%	7%	8%
Shopping / Retail	5%	5%	4%	3%	3%
Other	2%	2%	1%	1%	1%



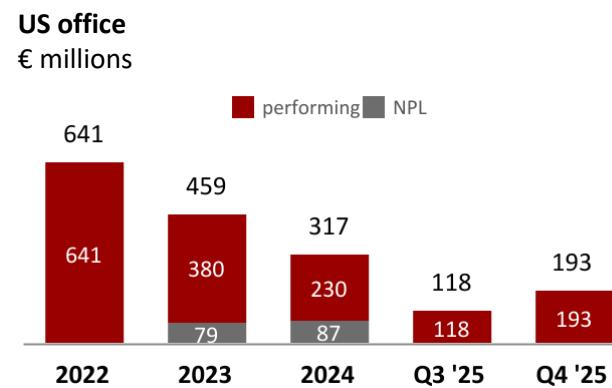
	2022	2023	2024	Q3 '25	Q4 '25
Residential	41%	46%	61%	70%	71%
Industrial / Logistics	26%	28%	24%	21%	16%
Hospitality	7%	7%	5%	6%	8%
Office	24%	26%	19%	10%	5%

## PORTFOLIO DEVELOPMENT

- Residential and Industrial / Logistics make up 78% of the total portfolio and 87% of US portfolio ... key growth areas with strong supply / demand fundamentals
- Average LTV ~50% with NPL ratio 0.0%
- New originations mainly in US, realizing strong pipeline with attractive risk-adjusted returns

## 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

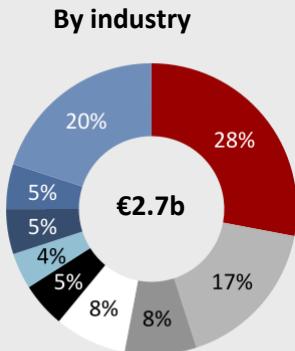


## €193m performing US office portfolio:

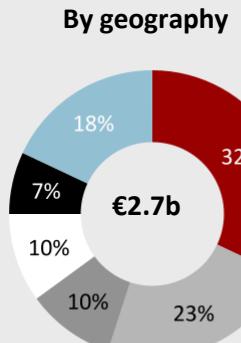
- 62% decrease vs PY of the back book
- Q4 '25 funded new mixed asset deals (€73m) at attractive risk/return levels
- 46% cross-collateralized with non-office assets
- Average senior debt yield ~10%, LTV ~ 65%
- Average occupancy levels ~80%, lease terms ~6 years
- US office portfolio <30bps of total assets and 3% of total CRE lending

# CORPORATES, REAL ESTATE & PUBLIC SECTOR

## CORPORATES



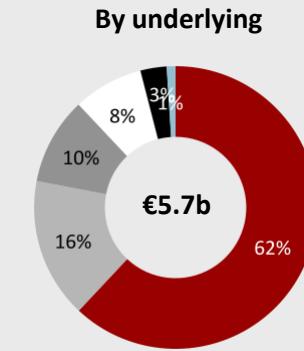
█ Lender Financing  
█ Services  
█ Food & beverage  
█ B-2-C  
█ Engineering & B-2-B  
█ Utilities  
█ Health Care  
█ Pharmaceuticals  
█ Other



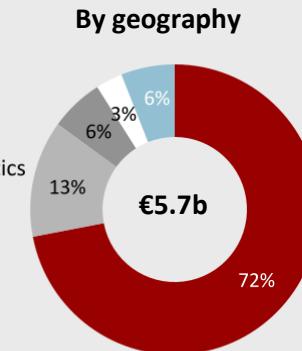
█ USA  
█ Germany  
█ Austria  
█ UK  
█ Ireland  
█ Others

- Strong credit quality driven by focus on consistent cash flows in non-cyclical industries
- Average net leverage <4.0x, 100% senior lending
- NPL ratio 1.1%
- Lender financing 28% of portfolio or 1% of total balance sheet (€0.8b total / €0.4b US)
  - Senior financing on secured basis of diversified portfolios of corporate loans
  - Average advance rate ~ 50%, look through net leverage ~2.5x
  - Granular pools of loans across 12 facilities
  - Strict diversification requirements and concentration limits

## REAL ESTATE



█ Residential  
█ Industrial / Logistics  
█ Office  
█ Hospitality  
█ Shopping / Retail  
█ Other

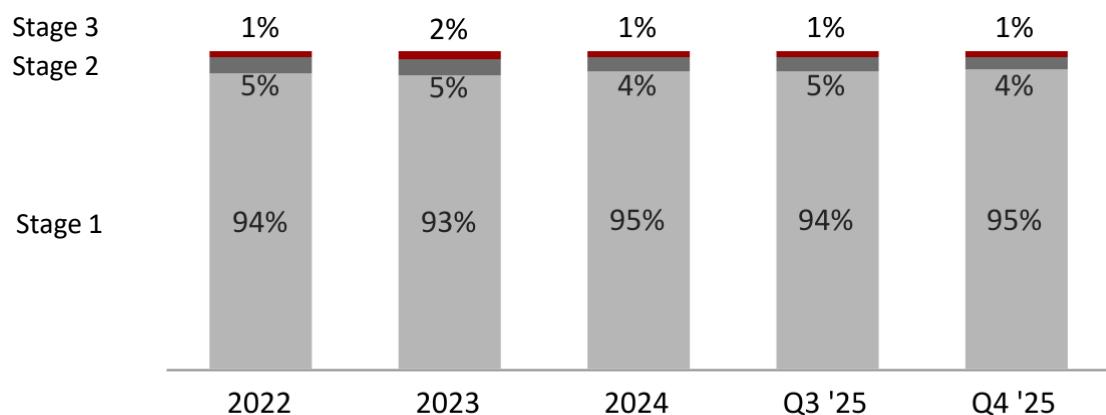


█ USA  
█ Ireland  
█ Germany  
█ Nordics  
█ Others

- Resilient portfolio with low leverage profile (50% LTV)
- NPL ratio 0.0%
- Senior-secured priority and strong structural protections
  - Mortgage collateral, first lien, guarantees typical
  - Collateral and title verification, insurance required
  - Full upfront due diligence, ongoing approval of new assets
- Financing for granular portfolios of cross-collateralized assets (>80% of portfolio, ~150 properties per deal)

# DETAILS ON RESERVES

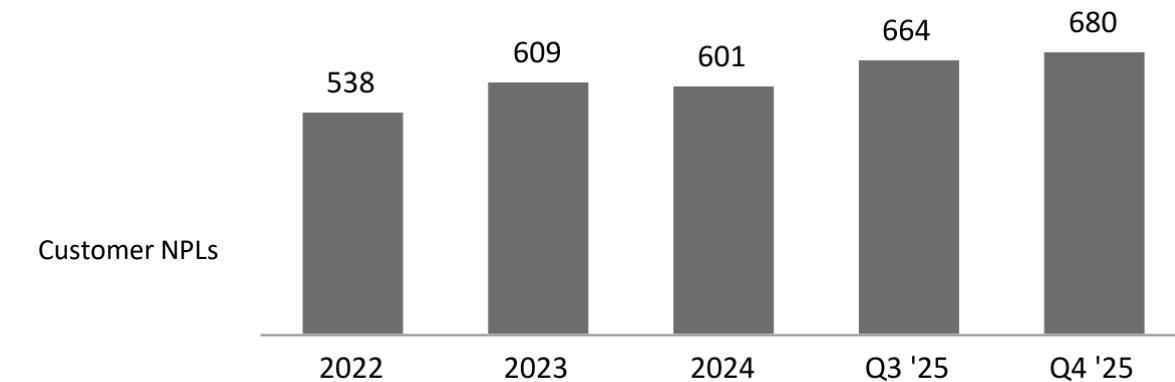
## IFRS 9 MIGRATION – CUSTOMER SEGMENT ASSETS



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

	2022	2023	2024	Q3 '25	Q4 '25
Stage 1 & 2	179	159	118	163	173
Stage3 Reserves incl PF	281	272	284	376	374
<b>Total Reserves</b>	<b>461</b>	<b>431</b>	<b>402</b>	<b>539</b>	<b>547</b>

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



NPL Ratio	0.9%	1.0%	0.8%	0.8%	0.8%
NPL Cash Coverage Ratio	52%	45%	47%	57%	55%

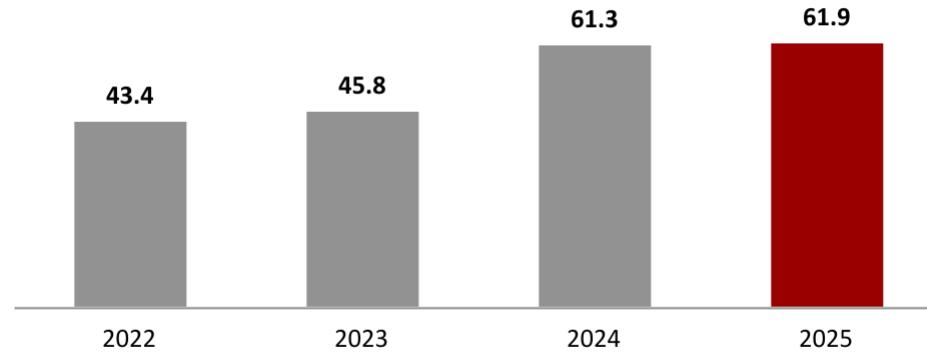
## KEY DEVELOPMENTS

Well-diversified and managed portfolio ... 99% of customer segment assets in stage 1 & 2  
 NPL ratio remains flat at historic lows (0.8%)  
 Customer NPLs up 3% vPQ ..Retail & SME run rate offset by NPL sale ... includes single name default  
 NPL cash coverage increased to 55% in 2025 from 47%  
 Total reserves increased in Q4 '25 to €547m, up by 1%

# FUNDING OVERVIEW

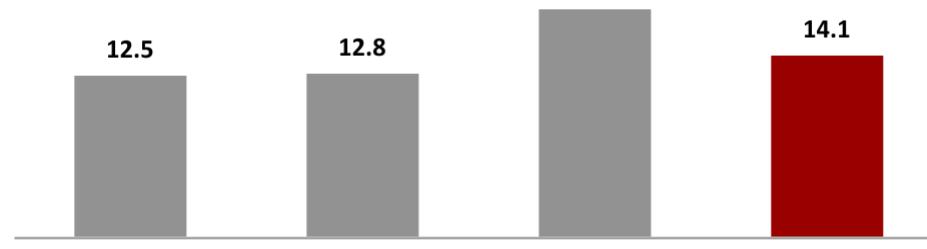
## Customer funding (eop) ... ~94% total funding

€ billion



## Cash Reserve

€ billion



## LCR

225% 215% 249% 204%

## Cash / Balance sheet

22% 23% 25% 19%

### DEPOSITS

- Retail & SME deposits €44.5b, thereof 76% insured by deposit guarantee scheme .... average deposit size of €16k
- Corporates & Public Sector average deposits €4.1b ... largest share in public sector, which are predominantly transactional current accounts
- Deposit beta 37% in Q4 '25 ... down from 38% in Q3 '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 4.6 years
- Provides long term funding for our mortgage and public sector business

### CASH DEVELOPMENT & TRENDS

- Cash balance €14.1b ... LCR at 204%
- Maintained excess liquidity over the years to address market opportunities ... continuing to stay patient and maintain liquid balance sheet

# DEFINITIONS

## **B/S leverage**

Total assets/common equity (excluding earmarked dividend and buybacks)

## **Book value per share**

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

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

Including interim profit and deducting earmarked dividends and buybacks; 1.1.25 including Basel IV impact with transitional rules

## **Common Equity Tier 1 ratio**

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

## **Common Equity Tier 1 ratio pro-forma**

Common Equity Tier 1 capital (CET1)/risk-weighted assets including sale of a participation (YE '25)

## **Core revenues**

The total of net interest income and net fee and commission income

## **Cost-income ratio**

Operating expenses (OPEX)/operating income

## **Customer Deposits (average)**

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

## **Customer Funding (average)**

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

## **Common equity**

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

## **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

## **Loan to Value (LTV)**

IFRS book value including prior liens excluding NPLs / Market value of real estate collaterals allocated excluding NPLs

## **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 / Non-performing exposure (economic IFRS)

## **NPL ratio**

Non-performing exposure (economic IFRS) - defined as NPL acc. to Art. 178 CRR excluding Retail & SME segment exposures without arrears (8.1. 8.2 and 8.4 RK) / BAWAG Group Total Exposure including off balance (IFRS scope of consolidation)

## **Pre-provision profit**

Operating income less operating expenses (excluding regulatory charges)

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

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

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

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

## **Risk cost ratio**

Stage 1&2 ECL risk costs and Stage 3 risk costs, 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

## **Total capital ratio**

Total capital/risk-weighted assets



**IMPORTANT DISCLAIMER:** This presentation is prepared solely for the purpose of providing general information about BAWAG Group, Wiedner Gürtel 11, 1100 Wien. The information does not constitute investment or other advice or any solicitation to participate in investment business. This presentation does not constitute an offer or recommendation to purchase any securities or other investments or financial products. In respect of any information provided past performances do not permit reliable conclusion to be drawn as to the future performances. BAWAG Group does not make any representation, express or implied, as to the accuracy, reliability or completeness of the information contained in this presentation. BAWAG Group disclaims all warranties, both express and implied, with regard to the information contained in this presentation. This presentation contains forward-looking statements relating to the business, financial performance and results of BAWAG Group or the industry in which BAWAG Group operates. These statements may be identified by words such as "expectation", "belief", "estimate", "plan", "target" or "forecast" and similar expressions, or by their context. These statements are made on the basis of current knowledge and assumptions and involve risks and uncertainties. Various factors could cause actual future results, performance or events to differ materially from those described in these statements and neither BAWAG Group nor any other person accepts any responsibility for the accuracy of the opinions expressed in this presentation or the underlying assumptions. No obligation is assumed to update any forward-looking statements. In no event shall BAWAG Group be liable for any loss, damages, costs or other expenses of any kind (including, but not limited to, direct, indirect, consequential or special loss or loss of profit) arising out of or in connection with any use of, or any action taken in reliance on, any information contained in this presentation. BAWAG Group assumes no obligation for updating the provided information in this presentation. The content in this presentation are not to be relied upon as a substitute for professional advice. This presentation shall not be forwarded to any third party.