

Q1 2026

Pre-earnings call

BAWAG GROUP



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Jutta Wimmer (IR):

Good morning everyone. Before we move on to the quarterly pre-earnings update, let me briefly cover a formal matter. Following our announcement that BAWAG has submitted a non-binding offer as part of the PTSB sale process, today's call is also attended by our advisor, Citigroup. In line with the Irish Takeover Rules, this call is being held on a noticed basis, and a transcript will be published on our website later today.

To address any questions upfront in regards to M&A opportunities: As announced on 18 March, BAWAG submitted a non-binding proposal which may or may not lead to an offer under the Irish Takeover Rules being made to acquire the entire issued and to be issued share capital of PTSB for cash as part of the formal sales process announced by PTSB on 30 October 2025. At this stage, no decision has been made by BAWAG as to whether it will make an offer for PTSB nor the price at which any such offer may be made. Therefore, there can be no certainty that any offer will be made, nor as to the terms on which any such offer may be made, if forthcoming. Due to restrictions under the Irish Takeover Rules, we are restricted from answering any questions relating to our interest in PTSB at this time.

Coming back to the business, developments are broadly in line with what we outlined a few weeks ago when we published our full-year 2025 results.

Starting with net interest income, we continue to expect a positive development in 2026. There are a few specifics worth highlighting for the first quarter: Q1 has two days less than the fourth quarter, and one calendar day is roughly €4m of net interest income.

Business volumes have remained stable, while we continued to reduce the investment book, reflecting the current market environment.

Net commission income is expected to remain at a similar run rate to the fourth quarter.

On the cost side, we expect operating expenses to be down by more than five percent in 2026, with integration effects continuing to materialize. Regulatory charges in the first quarter will be €14m, mainly driven by the front-loading of the deposit guarantee scheme,

while our full-year guidance for regulatory charges remains at unchanged €48m.

In terms of risk costs, our full-year guidance is 45 basis points, and we expect a strong asset quality.

With that, we hand over for any questions.

Gabor Kemeny (Autonomous):

Hi. Thanks for the comments, Jutta. Did you say the entire share capital of PTSB, was this the way you phrased it?

Jutta Wimmer (IR):

It is the same like in the announcement we did on 18 March.

Gabor Kemeny (Autonomous):

And any change to your previous indication that you are expecting to come up with an update on capital deployment with the Q1 release?

Enver Sirucic (CFO):

That is still the case that we will provide an update at Q1 earnings.

Gabor Kemeny (Autonomous):

OK, very clear. And an unrelated question: You had a pretty good momentum on consumer lending, I think, in Germany and maybe in Austria as well in the previous quarters. Can you give us an update on how consumer lending has been trending?

Enver Sirucic (CFO):

It's been quite stable in the first quarter, there is a bit of seasonality that you have in Q1 versus the fourth quarter, Christmas season - this season is a bit higher in volumes in Q4, but overall very robust trends in consumer lending that we see in Q1 as well.

Gabor Kemeny (Autonomous):

Got it, thank you.

Hugo Cruz (KBW):

Can you remind us of SRTs, if you have any big programs ongoing?

Enver Sirucic (CFO):

We don't disclose it typically, Hugo, but we have an ongoing SRT program. So we are looking what I think we said on the prior calls: Previously we have been more focused on the mortgage side in terms of SRTs, now we are moving more to the unsecured side. So there is an ongoing program, where we will evaluate whether we want to undertake any SRT or not.

Hugo Cruz (KBW):

OK. And you said strong asset quality in the prepared remarks. What does that mean exactly in terms of cost of risk?

Enver Sirucic (CFO):

Same - so it's in the range that we said, so it's up to 45 basis points for the FY guidance. Unchanged robust asset quality, so it's basically very similar to what we have seen in the prior quarters.

Hugo Cruz (KBW):

OK, thank you very much.

Amit Ramjan (JPMorgan):

Can I just ask on NII sensitivity, please, if you can remind us on on the sensitivity for rates movements?

Enver Sirucic (CFO):

We have not disclosed it. We'll prepare something for Q1 earnings, given the curve changes almost every day, it's hard to answer just with one sentence. So, we plan to disclose something at Q1 earnings. But I think in general what is fair to say, yes, we do benefit from higher rates, if they really happen. So if that's going to take place, we'll see a positive NII development. But right now I also would mention, you don't see it now. So, I think Euribor is at 210ish or so, so you wouldn't see anything right now because there's a repricing mechanism that takes place and that takes some time. So if that really materializes, we should see probably towards end of the year some positive tailwind out of it, but otherwise 2026 unless there are any major hikes, I would not expect anything in the NII line. And we will prepare something for the earnings call very likely.

Amit Ramjan (JPMorgan):

OK.

Chris Hallam (Goldman Sachs):

Two quick ones for me: The first one is a bit of a follow-up. Could you remind us how much of the deposit hedges sub one year? I think you've given that number in the past, you kind of run quite a lot below 12 months as a beta hedge. And then the second question different topic on any changes to a bit of a follow-up question to Hugo's point. So asset quality is good, cost of risk guidance is reaffirmed, but would there be a point at which you might want to change, you know on an IFRS 9 base, think about where you want to look in terms of different scenarios? And then also, would that be something that you feel more comfortable talking about at Q1, but really actioning in Q2, rather than thinking about actioning before you really know? As you said, things are changing every day.

Enver Sirucic (CFO):

So the first one, I think they're actually the right way to look at it on the non-maturity deposits. We do 40/20/40. So, 40 is kind of up to short term less than 12 months, 20% we do hedge on a three-year rolling and then 40% is the structural hedge up to 10 years that we're doing and then the first one mimics the deposit beta and I think we had 37% deposit beta that is basically designed to mimic that behavior on the second one. That's it on the first one, I'm not sure but you're talking about different macro scenarios is it?

Too early still in Q1, you know we are working together with the risk team on different analysis. Again too early for Q1, probably something that we will focus on in Q2. Overall our book if you look at it is quite robust and quite isolated to macro right now and all the geopolitical risks. But we are looking into it and probably will come up with something, but only probably in Q2.

Chris Hallam (Goldman Sachs): Got it. Super helpful. Thank you.