BAWAG Group

Strong Q2 '26 results with €255 million net profit, RoTCE 28.7% and CIR 31.0%; further strengthening capital in preparation for planned acquisition of PTSB

€255m
Net profit
+21% versus prior year

28.7%
RoTCE
+1.1 point versus prior year

31.0%
CIR
(6.5) points versus prior year

17.4%
CET1 ratio

- **Delivering strong Q2 '26 results:** Net profit of €255 million, supported by continued revenue growth and ongoing synergy gains
- **Highly profitable business model:** Q2 '26 RoTCE of 28.7% well above BAWAG's >20% through-the-cycle target
- **Excess capital:** CET1 ratio of 17.4% with excess capital of €1.05 billion above 12.5% CET1 target
- **PTSB as strategic opportunity in Ireland:** Capital build in first half of 2026 allows for fully self-funding of the transaction, which is subject to shareholder, High court, and regulatory approvals. PTSB shareholder scheme vote scheduled for July 30, 2026

Vienna, July 21, 2026 – Today, BAWAG Group released its results for the second quarter of 2026, with net profit of €255 million, a return on tangible common equity (RoTCE) of 28.7%, and cost-income ratio of 31.0%. For the first half 2026, net profit was €487 million and RoTCE 27.8%.

FINANCIAL PERFORMANCE IN THE SECOND QUARTER 2026

BAWAG Group reported **net profit** of €255 million in the second quarter with earnings per share of €3.28. **Pre-provision profit** increased by 5.5% quarter-over-quarter to €413 million.

RoTCE of 28.7% remained well above BAWAG's through-the-cycle target of >20% RoTCE, underpinned by disciplined capital allocation and the continued delivery of synergies and efficiency gains across the larger Group.

Net interest income amounted to €488 million in the second quarter of 2026, increasing by 2% compared to the first quarter 2026, supported by the continued positive trend in unsecured consumer lending which offset subdued mortgage volumes. **Net fee and commission income** rose to €102 million, up 3% compared to the prior quarter reflecting sustained momentum across business lines of Retail & SME, particularly in credit cards and payments.

Operating expenses decreased by 11% year-over-year and 2% quarter-over-quarter to €185 million, driven by continued delivery of synergies and efficiency gains across the larger Group. In addition, the second quarter includes the new collective bargaining agreement in Austria of +3%. The **cost-income ratio** improved to 31.0%, compared to 37.5% in the prior-year quarter, in line with our through-the-cycle target of below 33%.

Risk costs amounted to €75 million in the second quarter of 2026, compared to €65.2 million in the prior quarter. The increase was driven by the continued growth of the unsecured lending portfolio, consistent with the Group's evolving asset mix. The second quarter also incorporates updated macroeconomic assumptions reflecting ongoing geopolitical developments. Asset quality remained strong, with a non-**performing loan (NPL) ratio** of 0.9%.

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> *We delivered net profit of €255 million, earnings per share of €3.28, and a return on tangible common equity of 29% during the second quarter. The operating performance of our business remains very strong with core revenues of €590 million, up 8% versus prior year, pre-provision profits of €413 million, and a CIR of 31%. We continue to realize the benefits of investments over the years as we build-out a pan-European and U.S. banking group. During the first half of the year, we also worked diligently to ensure we positioned ourselves to fully self-fund the PTSB transaction.*
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> *What makes BAWAG Group special is our people. Their unwavering focus on our customers, strong work ethic, and relentless pursuit of excellence continue to set us apart and drive our success."*
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> **— Anas Abuzaakouk** · CEO, BAWAG Group

STRATEGIC GROWTH OPPORTUNITY IN IRELAND

Ireland represents an attractive market supported by strong macroeconomic fundamentals. Building on the Group's presence since 2015 and the establishment of its retail business with MoCo in 2023, BAWAG agreed to a recommended all cash offer for PTSB shares on April 14, 2026. The proposed acquisition would combine local expertise with BAWAG Group's balance sheet strength and operational capabilities.

"We remain incredibly excited about the opportunity to acquire PTSB, which represents a pivotal step in our commitment to the Irish market. Post the announcement of the recommended all cash offer, we have been working hard to prepare ourselves and have spent significant amount of time with regulators, the PTSB Board, and other stakeholders to introduce ourselves, our business, and outlining our plans in Ireland.

We look forward to the next milestone with the PTSB shareholder vote scheduled at the end of the month and, subject to satisfaction of the remaining conditions, expect the closing of the transaction in the fourth quarter 2026 or first quarter 2027," Anas Abuzaakouk added.

Given our strong capital generation in the first half of 2026 and a CET1 ratio of 17.4% at quarter-end, we are well positioned to fully self-fund the planned acquisition. BAWAG had temporarily adjusted its dividend policy, including a non-distribution commitment for first-half profits, with the maximum potential dividend limited to second-half earnings of approximately €500 million. In addition, the Group executed RWA optimization measures, including SRTs. The capital threshold to fully self-fund the deal is at approximately 17.0%. With that, we are fully funded for the transaction. We continue to generate capital at a strong pace and have multiple capital management levers available should additional growth opportunities arise.

In terms of approvals, the Competition and Consumer Protection Commission has recently cleared the proposed transaction. The shareholder vote on the PTSB scheme of arrangement is scheduled for 30 July 2026. In addition, completion of the transaction remains subject to High court approval and the remaining regulatory approval.

OVERVIEW

€ million	Q2 '26	Change vs prior year (in %)	HY '26	Change vs prior year (in %)
Core revenues	589.7	8	1,168.6	8
Net interest income	488.2	7	968.4	7
Net commission income	101.5	12	200.2	12
Operating income	**597.4**	**8**	**1,176.4**	**8**
Operating expenses	**(184.9)**	**(11)**	**(372.8)**	**(8)**
Pre-provision profit	**412.5**	**19**	**803.6**	**18**
Regulatory charges	(11.2)	8	(24.9)	25
Risk costs	(75.4)	45	(140.6)	26
Profit before tax	**332.0**	**17**	**645.3**	**17**
Net profit	**255.0**	**21**	**487.3**	**19**

KEY RATIOS

	Q2 '26	Change vs prior year (in %)	HY '26	Change vs prior year (in %)
RoTCE	**28.7**	**1.1 pts**	**27.8**	**1.1 pts**
CIR	**31.0**	**(6.5) pts**	**31.7**	**(5.5) pts**

OUTLOOK & TARGETS

BAWAG Group continues to execute its established strategy and therefore reconfirms its target for 2026 with net profit >€960 million. The mid-term targets will be updated with year-end results.

PRESENTATION

An earnings call will be held at 10.00 am CEST. Details are available under www.bawaggroup.com. The half-year report will be published on 31 July 2026.

ABOUT BAWAG GROUP

BAWAG Group (BG) is a pan-European and U.S. banking group serving more than four million customers. The Group is committed to delivering simple and intuitive banking solutions, combining its digital-first approach with an advisory-focused branch network. BAWAG is dedicated to creating long-term, sustainable value for all stakeholders by driving operational excellence, fostering customer-focused innovation, and upholding the principles of responsible banking. Through the consistent and disciplined execution of its strategy, BAWAG Group is one of Europe's financially most successful and efficient banking group today.

BAWAG Group's Investor Relations website **bawaggroup.com/ir** contains further information, including financial and other information for investors.

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FORWARD-LOOKING STATEMENT

This release contains “forward-looking statements” regarding the financial condition, results of operations, business plans and future performance of BAWAG Group. Words such as “anticipates,” “believes,” “estimates,” “expects,” “forecasts,” “intends,” “plans,” “projects,” “may,” “will,” “should,” “would,” “could” and other similar expressions are intended to identify these forward-looking statements. These forward-looking statements reflect management’s expectations as of the date hereof and are subject to risks and uncertainties that may cause actual results to differ materially from those projected. These risks and uncertainties include, but are not limited to, economic conditions, the regulatory environment, loan concentrations, vendors, employees, technology, competition, and interest rates. Readers are cautioned not to place undue reliance on the forward-looking statements as actual results may differ materially from the results predicted. Neither BAWAG Group nor any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this report or its content or otherwise arising in connection with this document. This report does not constitute an offer or invitation to purchase or subscribe for any securities and neither it nor any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This statement is included for the express purpose of invoking “safe harbor provisions”.

Responsibility statements required by the Irish Takeover Rules

The directors of the management boards of each of BAWAG and BAWAG PSK (the “BAWAG Directors”) accept responsibility for the information contained in this Announcement. To the best of the knowledge and belief of the BAWAG Directors (who have taken all reasonable care to ensure that this is the case), the information contained in this Announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Dealing Disclosure Requirements under the Irish Takeover Rules

Under Rule 8.3(b) of the Irish Takeover Rules, any person who is, or becomes, “interested” in 1% or more of any class of “relevant securities” of PTSB must make a “dealing” disclosure if the person

deals in such “relevant securities” during the “offer period”. A “dealing disclosure” by a person to whom Rule 8.3(b) applies must be made by no later than 3.30pm (Irish time) on the “business day” following the date of the relevant “dealing”. A dealing disclosure must contain the details specified in Rule 8.6(b) of the Irish Takeover Rules, including details of the dealing concerned and of the person's interests and short positions in any “relevant securities” of PTSB.

In addition, BAWAG and any other bidder must disclose details of any “dealings” by it or any person “acting in concert” with it in “relevant securities” of PTSB by no later than 12pm (Irish time) on the “business day” following the date of the transaction.

If two or more persons co-operate on the basis of any agreement, either express or tacit, either oral or written, to acquire an “interest” in “relevant securities” of PTSB, they will be deemed to be a single person for the purpose of Rule 8.3(a) and (b) of the Irish Takeover Rules.

A disclosure table, giving details of the companies in whose “relevant securities” “opening position disclosures” and “dealing” disclosures should be made, can be found on the Irish Takeover Panel’s website at www.irishtakeoverpanel.ie.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Irish Takeover Rules, which can be found on the Irish Takeover Panel’s website.

If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, please consult the Irish Takeover Panel's website at www.irishtakeoverpanel.ie or contact the Irish Takeover Panel on telephone number +353 1 678 9020. No profit forecast or estimate.

No profit forecast or estimate

No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share, for BAWAG or PTSB, respectively for the current or future financial years would necessarily match or exceed any historical published earnings or earnings per share for BAWAG or PTSB respectively. No statement in this Announcement constitutes an estimate of the anticipated financial effects of the acquisition.

Publication on website

Pursuant to Rule 26.1 of the Irish Takeover Rules, this Announcement will be made available on BAWAG’s website

(https://www.bawaggroup.com/en/investor-relations/ptsb-formal-sale-process) by no later than 12:00 noon (Irish time) on the Business Day following the date of this Announcement.

Neither the content of any such website, nor the content of any other website accessible from hyperlinks on such website, is incorporated into, or forms part of, this Announcement.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables or forms may vary slightly and figures shown as totals in certain tables or forms may not be an arithmetic aggregation of the figures that precede them.