

# **BAWAG Group**

## **Excerpts of public disclosure**

### **Barclays consumer bank**

---

4 July, 2024

# NOTE

This document provides excerpts of different public disclosure of BAWAG Group. The source of the excerpt is noted at each respective excerpt. Except where noted, the excerpts were prepared at the time of the Q1 2024 disclosure, are based on the Q1 2024 financial reporting as well as information released during the Q1 2024 earnings call and were provided to you at such time. BAWAG Group has not and expressly disclaims any obligation to update or alter any statements therein, including without limitations any forward-looking statements, whether as a result of new information, future events, or otherwise.

The information in this document is to be read together with the Q1 2024 earnings presentation as well as the transcript of the earnings call of Q1 2024 as well as all releases published since then.

Documents can be found on our website under <https://www.bawaggroup.com/BAWAGGROUP/IR/EN/Financial-Results> unless stated otherwise.

# 2024 OUTLOOK AND TARGETS

## P&L OUTLOOK (excluding M&A)

### Net interest income

FY '23: €1,230m

**+1%**

### Core revenues

FY '23: €1,537m

**+1%**

### Operating expenses

FY '23: €485m

**~3% increase**

### Regulatory charges

FY '23: €39m

**~€16m**

### Risk cost ratio

FY '23: 22bps

**25-30bps**

## 2024 FINANCIAL TARGETS (excluding M&A)

### Profit before tax

FY '23: €910m

**> €920m**

## 2024 & BEYOND RETURN TARGETS

Return on tangible common equity

**> 20%**

Cost-income ratio

**< 34%**

# P&L and capital items

## 2024 OUTLOOK/GUIDANCE

### Core revenues

FY '23: €1,537m

**1% growth**

### Operating expenses

FY '23: €485m

**~3% increase**

### Risk cost ratio

FY '23: 22bps (underlying)

**25-30bps**

### Regulatory charges

FY '23: €39m

**Expected at  
~ €16m**

### Balance sheet/capital

## STATEMENTS DURING Q1 2024 EARNINGS CALL

We are targeting net interest income and core revenue growth in 2024 of 1%.  
Overall deposit betas now at around 29%, expected to grow to 30-35% and peak in the coming quarters.

In March, the collective bargaining agreement for banking was finalized with an agreed 8% wage increase in Austria, which is in line with our expectations.

We kept our management overlay at €80 million, and we expect risk cost in 2024, in the context of 25 to 30 basis points ... fairly stable development for the rest of the year.

Regulatory charges in Q1 2024 €5.2m and Q2 2024 €2.8m

We have earmarked our excess capital for the acquisition of Knab Bank, which we signed earlier this year.  
In addition, we have announced the acquisition of Barclays Consumer Bank Europe today (details see next page).

# Barclays consumer bank

Planting the seeds for future growth consistent with our strategy to grow in DACH/NL and Retail & SME

## German credit card franchise

Leading revolving credit card issuer in Germany  
Barclays Consumer Bank Europe gross assets of € 4.7 billion primarily comprising of card and loan receivables, of which approximately € 2 billion are credit card receivables

## Self-funded platform

Deposits raised via cross-selling to credit card customers  
Meaningful customer engagement among the credit card customers on the platform leading to cross-selling potential

## Strategic opportunity

Revolving credit card market offers attractive risk-adjusted returns  
Growing our Retail & SME presence in the DACH/NL region in a core product

## Creating long-term value

>€100m profit before tax contribution by 2027  
EPS accretion of >10% after full integration ... >2x more accretive than share buyback  
~140bps CET1 consumption

## EXPANDING OUR GERMAN FRANCHISE

Headquartered in **HAMBURG**

~€2 BILLION credit card receivables

**LEADING**  
revolving credit card issuer In Germany

Enhancing our existing product offering in Germany of universal banking products & services, leasing, factoring, consumer loans

# Definitions

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

Including interim profit and deducting earmarked dividends and buyback of €175m (1.1.2023)

## **Common Equity Tier 1 ratio**

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

## **Core revenues**

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

## **Cost-income ratio**

Operating expenses (OPEX) / operating income

## **Common equity**

Equity attributable to the owners of the parent; excluding minorities, AT1 and deducted dividend accrual and buyback of €175m (1.1.2023)

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

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

FL ... Fully-loaded

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

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

## **Pre-provision profit**

Operating income less operating expenses (excluding regulatory charges)

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

Net profit/average IFRS common equity and deducted dividend accruals and buyback of €175m (1.1.2023)

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

Net profit/average IFRS tangible common equity and deducted dividend accruals and buyback of €175m (1.1.2023)

## **Risk cost ratio**

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

## **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.