

# BAWAG GROUP PUBLISHES Q2 2024 RESULTS: NET PROFIT € 175 MILLION AND ROTCE 24.3%

- ▶ Q2 '24 net profit of € 175 million, EPS of € 2.22 and RoTCE of 24.3%
- ▶ Average customer deposits +1% and average customer loans -1% vs. prior quarter
- ▶ Pre-provision profit of € 263 million (+2% vPQ) and CIR at 32.6%
- ▶ Risk-cost ratio of 27 basis points ... NPL ratio at 1.1%
- ▶ H1 '24 Net profit of € 342 million (+7% vs. H1 '23) and RoTCE of 24.0%
- ▶ CET1 ratio of 16.5% post deduction of dividend accrual of € 188 million for H1 '24
- ▶ Acquisition of Barclays Consumer Bank Europe signed in July ... second acquisition signed in 2024
- ▶ Targets for 2024 reconfirmed: Profit before tax > € 920 million, RoTCE >20%, and CIR < 34%

VIENNA, Austria – July 18, 2024 – Today, BAWAG Group released its results for the second quarter 2024, reporting a net profit of € 175 million, earnings per share of € 2.22, and a RoTCE of 24.3%. The operating performance of our business was strong with pre-provision profits of € 263 million and a cost-income ratio of 32.6%. This resulted in a net profit of € 342 million, € 4.33 earnings per share and a RoTCE of 24.0% for the first half 2024.

Anas Abuzaakouk, CEO, commented: *“In the second quarter we delivered a strong set of results with net profit of € 175 million and an RoTCE of 24.3%. We generated a significant amount of capital during the quarter, increasing our CET1 ratio by 90 basis points to 16.5%. We closed the second quarter with excess capital of € 770 million, which we are investing in two strategic acquisitions. In February we signed the acquisition of knab bank based in the Netherlands, which we forecast to add over € 150 million pre-tax profit by 2026. In early July, we signed the acquisition of Barclays consumer lending business in Germany, which we forecast to add over € 100 million pre-tax profit by 2027. We have purposely maintained dry powder to pursue these two strategic acquisitions that will be highly accretive to the franchise and will further position us for continued profitable growth in our core markets of the DACH/NL region focused on Retail & SME. Today, I am more excited about our future growth opportunities than I have ever been and look forward to the many opportunities ahead of us.”*

## Delivering strong HY 2024 results

in € million	Q2 '24	Change versus prior year (in %)	H1 2024	Change versus prior year (in %)
Core revenues	391.4	1%	784.2	4%
Net interest income	309.7	–	621.5	4%
Net commission income	81.7	7%	162.7	6%
Operating income	390.1	2%	773.9	3%
Operating expenses	(127.1)	5%	(253.3)	5%
<b>Pre-provision profit</b>	<b>263.0</b>	-	<b>520.6</b>	<b>2%</b>
Regulatory charges	(2.7)	nm	(8.0)	(79%)
Risk costs	(27.9)	36%	(57.8)	41%
<b>Profit before tax</b>	<b>233.5</b>	<b>(5%)</b>	<b>456.3</b>	<b>6%</b>
<b>Net profit</b>	<b>175.2</b>	<b>(3%)</b>	<b>342.1</b>	<b>7%</b>
RoTCE	24.3%	(3.3pts)	24.0%	-
CIR	32.6%	1.1pts	32.7%	<b>0.7pts</b>
Earnings per share (€)	2.22	1%	4.33	<b>12%</b>
Liquidity Coverage Ratio (LCR)	220%	13pts	220%	<b>13pts</b>

**Core revenues** increased by 1% to € 391.4 million in Q2 2024 versus the prior year. **Net interest income** is flat at € 309.7 million. **Net fee and commission income** increased by 7% to € 81.7 million.

**Operating expenses** increased by 5% to € 127.1 million in Q2 2024 versus the prior year. The significant inflationary pressure was partially offset by several operational measures launched over the last years.

The **cost-income ratio** increased by 1.1 points to 32.6% as a reflection of inflationary pressure. This resulted in a pre-provision profit of € 263 million for the second quarter 2024, flat versus prior year.

**Risk costs** were € 27.9 million in Q2 2024, an increase of € 7.4 million, compared to the previous year. The management overlay remained at € 80 million. The NPL ratio was 1.1% at the end of June 2024.

**Average customer loans** decreased by 1% and **average interest-bearing assets** were down 2% versus the prior quarter. **Average customer deposits and average customer funding** were up 1% versus the prior quarter, respectively.

At the end of June 2024, the **CET1 ratio** was at 16.5%, a net increase of 90 basis points compared to the first quarter 2024. The CET1 ratio considers the deduction of € 188 million dividend accrual for the first half 2024.

Our goal is, and will always be, maintaining a strong balance sheet, solid capitalization levels, low balance sheet leverage and conservative underwriting, a cornerstone of how we run the Bank.

### Acquisition of Barclays Consumer Bank Europe signed

On July 4, 2024, BAWAG Group signed the acquisition of Barclays Consumer Bank Europe. The acquisition will expand BAWAG Group's footprint in the DACH/NL region and position it for future growth in one of the bank's core markets. As of March 31, 2024, Barclays Consumer Bank Europe had gross assets of € 4.7 billion primarily comprising of card and loan receivables, of which approximately € 2 billion are credit card receivables. BAWAG Group will work with the current leadership team to continue growing its Retail business in Germany and Austria.

The acquisition creates long-term value to BAWAG's franchise, with an expected profit before tax contribution of greater than € 100 million in 2027 once the deal is fully integrated. The CET1 impact of the transaction is expected at ~140 basis points.

The transaction, subject to customary closing conditions, including regulatory approvals, is expected to occur in Q4 2024 / Q1 2025.

### Outlook and targets

Our outlook for 2024 is unchanged, and we confirm all our 2024 financial targets (which excludes M&A):

**Profit before tax > €920 million, RoTCE >20%, and CIR <34%.**

### Earnings presentation

BAWAG Group will host the earnings call with our CEO Anas Abuzaakouk and our CFO Enver Sirucic at 10 a.m. CEST on 18 July 2024. The webcast details are available on our website under [Financial Results | BAWAG Group](#). The half-year report will be published on 26 July 2024.

### About BAWAG Group

BAWAG Group AG is a publicly listed holding company headquartered in Vienna, Austria, serving 2.1 million retail, small business, corporate, real estate and public sector customers across Austria, Germany, Switzerland,

Netherlands, Western Europe and the United States. The Group operates under various brands and across multiple channels offering comprehensive savings, payment, lending, leasing, investment, building society, factoring and insurance products and services. Our goal is to deliver simple, transparent, and affordable financial products and services that our customers need.

BAWAG Group's Investor Relations website <https://www.bawaggroup.com/ir> contains further information, including financial and other information for investors.

### **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".

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