

PRE-EARNINGS CALL FY 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 Q3 2024 disclosure, are based on the Q3 2024 financial reporting as well as information released during the Q3 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 Q3 2024 earnings presentation as well as the transcript of the earnings call of Q3 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.

P&L AND CAPITAL ITEMS

Q3 '24

Core revenues¹⁾

€305m NII

€83m NCI

Operating expenses

€127m

Regulatory charges

€3m

Risk cost ratio

25bps

Balance sheet / capital

STATEMENTS DURING Q3 EARNINGS CALL

We will see a bit of a NIM compression, but that will be offset by obviously M&A and also the lending pipeline that looks really good ... NII will be growing from now on for the rest of the year, but also into 2025.

The net commission income remained strong in the third quarter, up by 1% versus prior quarter.

We expect to offset the largest part of inflationary increase ... and therefore expect a stable cost base in Q4. This is prior to any impact of M&A.

Regulatory charges of €4.3m in Q4 '24.

Outlook 2024: Risk cost ratio of 25-30bps in 2024

We built a strong pipeline of new lending opportunities during the third quarter that we anticipate funding in the fourth quarter...

Pro-forma CET1 ratio of >14.0% for FY'24 ... post 2x acquisitions, Basel IV impact, and strong lending pipeline in Q4 '24

M&A

+ 2 months of knab
(closed November 1, 2024)

Source: Q3 2024 earnings presentation, Q3 2024 transcript 1) As reported in Q3 '24, before reclassifications see page 4

RECLASSIFICATION OF SERVICING FEES AND CASH (HISTORIC)

Reclassification of historic periods for BAWAG Group as well as knab due to change of accounting treatment of servicing fees and overnight bank deposits (mainly central banks).

- **Servicing fees moved to commission expense**
(BAWAG: from interest expense; knab: from operational expense)
- **Overnight (central) bank deposits moved to cash reserves**
(from financial assets measured at amortized costs from credit institutions)

Updated historic periods provided on website under [Financial Results | BAWAG Group](#)

BAWAG Group 2023

Servicing fee	OLD	NEW	Delta
Net interest income	1,230	1,253	23
Net commission income	307	285	(23)

Knab 2023

Servicing fee	OLD	NEW	Delta
Net commission income	37	3	(34)
Operational expenses	(187)	(153)	34

KNAB BANK

Closed as of November 1, 2024

FINANCIAL PROFILE

Main P&L items	run-rate annualized	2025 trend
Net interest income	€290m	↘
Net commission income	€10m	↗
Core revenues	€300m	↘
Operating expenses	~(€150m)	↘
Profit before tax	~€150m	→

Main Balance Sheet items	YE '24
Customer assets	€12.7b
Customer deposits	€12.7b
Total risk weighted assets	€2.5b

Current run-rate as of February 2025, preliminary estimate

BUSINESS PROFILE

UNDERSERVED CUSTOMER BASE

Providing transactional banking to ~400k Retail & SME customers

€13b mortgages / €13b of deposits

Niche player focused on underserved market segment of „self-employed“ customers

KEY RATIONALE

Expanding our footprint into the Dutch Retail & SME banking space

Local team's experience and expertise coupled with the operating infrastructure of the Group

DIGITAL FIRST

Full service digital platform for primary banking customers

Digital first mindset that provides scalable business model

Powerful brand and highly valued customer experience

OUTLOOK

>€150m profit before tax by 2026

Platform for current accounts which we will augment with our Retail & SME product offering as well as existing Dutch mortgage origination channel

BARCLAYS CONSUMER BANK EUROPE

Closed as of February 1, 2025

FINANCIAL PROFILE

Main P&L items	Current run-rate annualized	2025 trend
Net interest income	~€350m	→
Net commission income	~€20m	→
Core revenues	~€370m	→
Operating expenses	~(€180m)	↘
Risk costs	~(€90m)	→
Profit before tax	~€100m	↗

Main Balance Sheet items	YE '24
Customer assets	€3.4b
Customer deposits	€4.4b
Credit RWA	€2.4b

Current run-rate as of February 2025, preliminary estimate

BUSINESS PROFILE

SELF-FUNDED GERMAN CREDIT CARD FRANCHISE

Leading revolving credit card issuer in Germany

€2.7 billion credit card receivables

€ 4.4 billion customer deposits

DIGITAL FIRST

Meaningful customer engagement among the credit card customers on the platform

Deposits raised via cross-sell to credit card customers

KEY RATIONALE

Revolving credit card market offers attractive risk-adjusted returns

Growing our Retail & SME presence in the DACH/NL region in a core product

OUTLOOK

>€100m profit before tax by 2027

Center of Excellence for credit cards with potential roll-out to existing BAWAG Group customers

2024 OUTLOOK AND TARGETS

2024 FINANCIAL TARGETS

Profit before tax

FY '23: €910m

>€950m

CET1 ratio

FY '23: 14.7%

>14.0%

Pro-forma

2024 & BEYOND RETURN TARGETS

Return on tangible common equity

>20%

Cost-income ratio

<34%

OVERVIEW MARCH 4, 2025

FY 2024 results

Release of FY 2024 results

7am CET

Technical call with analysts

8am CET

Earnings call

10am CET

Investor Day

Start of Investor Day presentation

3pm CET

Source: Q3 2024 earnings presentation

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

Customer Deposits (average)

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

Customer Funding

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 buyback of €175m (1.1.2023)

Earnings per share (EPS)

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

FL ... Fully-loaded

Leverage ratio

Tier 1 capital (including interim profit, dividend accruals, buyback of €175m (1.1.2023))/total exposure (CRR definition)

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 Loans IFRS Exposure

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

Total reserve ratio

Total reserves (including prudential filter)/asset volume of customer segments excluding public sector lending



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