2026

HALF-YEAR FINANCIAL REPORT

KEY FIGURES

Profit or loss statement

in € million	Jan-Jun 2026	Jan-Jun 2025	Change %
Net interest income	968.4	903.4	7.2
Net fee and commission income	200.2	179.3	11.7
Core revenues	**1,168.6**	**1,082.7**	**7.9**
Other income[1]	7.8	3.0	>100.0
Operating income	**1,176.4**	**1,085.7**	**8.4**
Operating expenses	**(372.8)**	**(404.3)**	**7.8**
Pre-provision profit	**803.6**	**681.4**	**17.9**
Regulatory charges	(24.9)	(20.0)	(24.5)
Total risk costs	(140.6)	(111.2)	(26.4)
Profit before tax	**645.3**	**551.9**	**16.9**
Income taxes	(158.2)	(140.7)	(12.4)
Net profit	**487.3**	**411.2**	**18.5**

Performance ratios

figures annualized	Jan-Jun 2026	Jan-Jun 2025	Change pts
Return on common equity	24.2%	22.8%	1.4
Return on tangible common equity	**27.8%**	**26.7%**	**1.1**
Net interest margin	3.46%	3.29%	0.17
Cost-income ratio	31.7%	37.2%	(5.5)
Risk costs / interest-bearing assets	0.50%	0.40%	0.10

Share data

	Jan-Jun 2026	Jan-Jun 2025	Change %
Pre-tax earnings per share (in €)[2]	8.31	6.96	19.4
After-tax earnings per share (in €)[2]	6.28	5.19	21.0
Book value per share (in €)	54.69	46.30	18.1
Tangible book value per share (in €)	47.87	39.54	21.1
Shares outstanding at the end of the period	76,998,527	78,524,046	(1.9)

Statement of financial position

in € million	Jun 2026	Dec 2025	Change %	Jun 2025	Change %
Total assets	72,218	72,297	(0.1)	72,760	(0.7)
Interest-bearing assets	56,342	56,653	(0.5)	55,913	0.8
Customer loans	51,074	50,749	0.6	49,300	3.6
Customer funding	61,299	61,873	(0.9)	62,128	(1.3)
Common equity	4,211	3,859	9.1	3,636	15.8
Tangible common equity	3,686	3,323	10.9	3,105	18.7
Risk-weighted assets	21,358	22,594	(5.5)	23,351	(8.5)

Balance sheet ratios

	Jun 2026	Dec 2025	Change pts	Jun 2025	Change pts
Common Equity Tier 1 capital ratio	17.4%	14.2%	3.2	13.5%	3.9
Total capital ratio	22.9%	19.3%	3.6	19.9%	3.0
Leverage ratio	5.7%	4.9%	0.8	5.1%	0.6
Liquidity coverage ratio (LCR)	217%	204%	13	237%	(20)
NPL ratio	0.9%	0.8%	0.1	0.7%	0.2

1 The term “Other Income” includes gains and losses on financial instruments and other operating income and expenses.
2 Before deduction of AT1 coupon.
Note: For details on definitions and calculation methodology, please refer to the section entitled "Definitions".

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The tables in this report may contain rounding differences.

HALF-YEAR GROUP MANAGEMENT REPORT

ECONOMIC AND REGULATORY DEVELOPMENTS

ECONOMIC DEVELOPMENTS

Prepared by Professor Dr. Ewald Nowotny, former Governor of Austrian National Bank (OeNB), former CEO of BAWAG and current Advisor to the BAWAG Group Supervisory Board

International Perspectives

The first half of 2026 was marked by a high level of economic uncertainty. The war in the Middle East led to an energy price shock, combined with widespread disruptions to important supply chains. By mid-year, a still fragile political stabilization resulted in a weakening of the energy price shock. However, energy prices are expected to remain higher for a prolonged period than they were before the start of the Middle East war.

Overall, however, the weakening of the global economy is likely to be only temporary, at least an almost permanent political stabilization, and the development of the global economy is likely to regain momentum with the gradual normalization of energy supply – although corresponding forecasts are still burdened with considerable uncertainty. In particular, the increasingly significant upswing in investments in connection with artificial intelligence (AI) can provide important impetus, from which the United States of America and Asian countries in particular benefit.

Market developments in the European Union

For the European Union, latest forecasts expect an economic growth of around 1% for 2026 and 1.4% for 2027. In addition to the Middle East crisis, the effects of the ongoing Russian war against Ukraine are also significant for Europe. The significant change in the geopolitical constellation results in the need for a significant increase in military spending in the short and medium term. This leads to considerable challenges for public budgets, which are already heavily burdened by previous crises. In connection with the problems of financing social systems and the expansion of ecologically sustainable infrastructure, the development of public budgets is of central focus of economic and social policy in most European countries.

The price shocks for energy and important input materials have led to a significant increase in inflation rates. The European Central Bank (ECB) reacted to this in June 2026 with a first increase in its key interest rates since June 2025. The further development of monetary policy is characterized by considerable uncertainty, in particular to prevent a slide into a stagflation constellation of high inflation and economic stagnation. In general, however, it can be assumed that inflation rates will also approach the ECB's target of 2% again with a normalization of the energy markets. On the financial markets, it is widely expected that the ECB will carry out another interest rate hike of 0.25% this year to prevent "second-round effects" on the labor and service markets.

In light of the Middle East crisis, Austria did not reach the expected notable economic upswing. Overall, however, the Austrian economy proved relatively resilient, as evidenced by stable or even increasing demand for bank loans. Slightly higher economic growth is expected again in 2027, driven primarily by positive impulses from exports. The inflation rate is projected to be at 3.0% in 2026, before a significant decline to 2.5% is expected in 2027.

A central problem of Austrian economic policy is the need for budget consolidation. The overall government budget deficit (federal, state, and local governments, social security institutions) of approximately 4% is higher than the 3% limit set by the European Stability and Growth Pact. Austria (like many other Eurozone countries) is therefore subject to EU proceedings for an "excessive deficit." However, even apart from these proceedings, it is necessary to limit new borrowing to prevent rapidly rising debt servicing costs from severely restricting the budget's capacity for important macroeconomic tasks. This is of particular importance for the government but also for private borrowers given the impending expiration of low interest loans and the expectation of higher interest rates on new debt.

The Austrian Federal Government has accordingly implemented a series of consolidation measures in the double budget for 2027 and 2028, adopted in the summer of 2026. These measures also affect the banking sector through a special tax. The Austrian banking system has proven itself to be stable and efficient, even in challenging times. In 2025, the highest capitalization ratio ever achieved was recorded, with a CET1 of 19%. Non-performing loan ratios remain low. However, there is a negative development in the area of commercial real estate loans – which does not affect the BAWAG Group.

Germany, Europe's most important economy, has been facing a structural crisis for years. The cornerstones of the German economy's business model, strong export performance and affordable energy are facing significant challenges, competition from Chinese companies is becoming increasingly noticeable, and the strategy of the "green energy transition" has proven more expensive and protracted than initially anticipated. The result has been low, and in some cases even negative, growth rates in recent years. In addition to these structural problems, Germany also had to contend with the negative effects of the 2026 energy crisis. In light of these challenges, the German government has now launched a series of growth initiatives, including a comprehensive package to modernize its long-neglected infrastructure. These measures will likely only reach their full effect in the medium term, but positive growth effects are expected as early as 2027. Overall, Germany remains a wealthy and technologically advanced economy with positive long-term prospects. This is also leading to a significantly increasing interest from international banks in the German market. The BAWAG Group took important steps in this direction earlier on.

The Dutch economy is experiencing continuous and strong growth, driven primarily by robust private consumption. A particular focus is on the housing sector, and thus on mortgage loans.

The Irish economy achieved by far the strongest growth in Europe in 2025, at 12%. However, in 2026, Ireland is expected to be the only country in Europe with a negative growth rate. This particular development is due to the significant presence of international, especially U.S., companies in Ireland – and consequently, to sensitivity to U.S. economic policies, particularly in the area of tariffs. Overall, the Irish economy is characterized by a long-term growth-oriented structure, coupled with a strong public finance position.

Outlook

At the global economic level, high levels of political uncertainty persist. However, experience has shown that companies are capable of responding to external crises. Even further political disruptions are therefore unlikely to have a lasting impact on the anticipated slight global economic recovery. In Germany, after many years of slower growth, slightly stronger economic momentum is now expected – with positive effects also for neighboring countries.

Inflation rates in the eurozone, which rose due to the energy crisis, are expected to gradually return to the ECB's 2% target. To avoid prematurely sounding the all-clear, the ECB is expected to continue pursuing a rather restrictive monetary policy for the foreseeable future. Preparations for the introduction of the digital euro as a complement to—not a replacement for—cash are becoming an increasingly important topic for the ECB, banks, and the public. A pilot program is scheduled to begin in 2027, with full implementation planned for 2029.

A key focus of economic policy in Austria remains the effort to reduce the overall budget deficit to below 3%. This involves combining effective consolidation policies with support for economic structural change and the maintenance of social stability. For the Austrian banking sector, it is crucial to maintain and secure Austria's strong position in international financial markets.

The slight economic upswing is also expected to lead to increased demand for investment and consumer loans. The housing sector is of particular economic and social importance. Having expanded BAWAG Group’s operations into Germany, the Netherlands, and Ireland not only creates additional earnings opportunities but further enhances the resilience of BAWAG`s business model through greater geographic and structural diversification.

Macro data in our core markets in 2026

in %	Austria	Germany	Netherlands	Ireland	Euro area	United States
GDP growth rate	0.6	0.6	1.0	(1.2)	0.9	2.2
Inflation rate	3.0	2.9	3.2	3.5	3.0	2.6
Unemployment rate	5.8	4.0	4.4	4.8	6.4	4.5
Outlook for 2027						
GDP growth rate	0.9	0.9	1.1	3.4	1.2	2.1
Inflation rate	2.5	2.7	2.5	2.6	2.3	3.5

Data sources: EU Commission (Spring 2026 Economic Forecast)

REGULATORY DEVELOPMENTS

The European Central Bank (ECB) continued its direct oversight of the Eurozone's main credit institutions, including BAWAG Group, under the Single Supervisory Mechanism (SSM). The SSM's supervisory priorities for the years 2026–2028 reflect ECB Banking Supervision's medium-term strategy and consist of strengthening banks' resilience to geopolitical risks and macro-financial uncertainties with a view to ensuring prudent risk-taking and sound credit standards, adequate capitalization and consistent implementation of CRR III and prudent management of climate and nature-related risks. This requires the continued strengthening of banks' operational resilience and fostering robust ICT capabilities focusing on the implementation of robust and resilient operational risk management frameworks, remedying deficiencies in risk reporting capabilities and related information systems and banks' digital and, in particular, AI-related strategies, governance and risk management.

In 2023 the European Commission published its proposal to introduce a digital euro with the aim to support open strategic autonomy by creating a new payment scheme that would be resilient against potential external disruptions and provide an alternative for private payments solutions. The digital euro will be a direct liability of the European Central Bank or of national central banks towards digital euro users. The Council adopted its general approach (negotiation mandate) in December 2025. The ECON adopted the European Parliament's negotiating position in June 2026. The co-legislators have not reached a final agreement yet. We will carefully assess the impact of the project, particularly regarding liquidity outflows and fee structure. The European Central Bank is advancing its work on the introduction of the digital euro with a possible start of the pilot digital euro in 2027 together with interested payment service providers and plans the potential issuance in 2029, assuming the legal act will be adopted in 2026.

On 19 June 2024, CRR III and CRD VI (the Banking Package, a review of the CRR and CRD adopted by the European Commission on 27 October 2021) were published in the European Official Journal. CRR III applies for the most part from January 1, 2025. Member States were required to implement CRD VI into their national law by January 10, 2026, with transitional rules applying for a further period of five years. The Banking Package completed the implementation of the international Basel III agreement (also known as Basel IV) in the EU, while considering the specific features of the EU's banking sector. The application of the CRR III articles that implement the Fundamental Review of the Trading Book (FRTB) into EU law was postponed until 1 January 2027. A Commission Delegated Regulation amending the CRR as regards temporary targeted operational relief measures and targeted multipliers for the calculation of an institution's own funds requirements for market risk is expected to apply from 1 January 2027.

The main points of the banking package primarily consist of significant adjustments to the measurement methods for credit, market and operational risk. The key elements are:

- Introduction of an output floor, limiting the capital benefits from risk models
- Update of the standardized approach for credit risk
- Changes to the internal ratings-based (IRB) approach for credit risk
- A new operational risk framework
- Amendments to the market risk framework and the calculation of credit valuation adjustments (CVA)

On 20 April 2026, the amendments to the EU Directives on Deposit Guarantee (DGSD) and Bank Recovery and Resolution (BRRD) and the EU Regulation on Single Resolution Mechanism (SRMR) under the review of the bank crisis management and deposit insurance framework (CMDI review) were published in the European Official Journal, with transposition of BRRD and DGSD into national law by 11 May 2028, and application as of 12 May 2028. The reform aims to enhance the ability of resolution authorities to manage the failure of small and medium-sized banks by broadening the scope of resolution to include these banks when it serves the public interest. It will also strengthen depositor protection across the European Union. The reform will replace the current partially harmonized depositor ranking with a fully harmonized three-tier depositor preference consisting of covered deposits and DGS subrogation (Tier 1), eligible retail, SME and certain public authority deposits above the coverage level (Tier 2) and other deposits which rank ahead of ordinary unsecured creditors (Tier 3). The reform also acknowledges the specificities of national banking sectors while ensuring that a level playing field is maintained.

We will continue to proactively monitor and implement the upcoming regulatory changes on a regular basis and to consider them in our business plans accordingly. Due to its strong capital position and profitable business model, BAWAG Group considers itself well prepared for the upcoming requirements.

Minimum requirement for own funds and eligible liabilities (MREL)

In December 2025, BAWAG Group received its new MREL decision from the Single Resolution Board (SRB), based on a single point of entry resolution strategy with BAWAG P.S.K. AG as the resolution entity. The MREL requirement, including the combined buffer requirement, was set at 27.6% of RWA at the consolidated level of BAWAG P.S.K. AG. The current decision does not include a subordination requirement. In addition, the SRB set the MREL requirement at 5.9% of LRE (leverage ratio exposure) on a consolidated basis.

As of 30 June 2026, BAWAG P.S.K. reported on consolidated level MREL-eligible instruments amounting to 36.1% of RWA and 10.3% of LRE (compared to 34.0% of RWA and 10.2% of LRE as of 31 December 2025), thereby exceeding the final requirements on both measures.

FINANCIAL REVIEW

ANALYSIS OF PROFIT OR LOSS STATEMENT AND STATEMENT OF FINANCIAL POSITION

in € million	Jan-Jun 2026	Jan-Jun 2025	Change	Change %
Net interest income	968.4	903.4	65.0	7.2
Net fee and commission income	200.2	179.3	20.9	11.7
Core revenues	**1,168.6**	**1,082.7**	**85.9**	**7.9**
Other income[1]	7.8	3.0	4.8	>100.0
Operating income	**1,176.4**	**1,085.7**	**90.7**	**8.4**
Operating expenses[2]	**(372.8)**	**(404.3)**	**31.5**	**7.8**
Pre-provision profit	**803.6**	**681.4**	**122.2**	**17.9**
Regulatory charges	(24.9)	(20.0)	(4.9)	(24.5)
Operating profit	**778.7**	**661.4**	**117.3**	**17.7**
Total risk costs	(140.6)	(111.2)	(29.4)	(26.4)
Net result of at-equity investments	7.2	1.7	5.5	>100.0
Profit before tax	**645.3**	**551.9**	**93.4**	**16.9**
Income taxes	(158.2)	(140.7)	(17.5)	(12.4)
Profit after tax	**487.1**	**411.2**	**75.9**	**18.5**
Non-controlling interests	0.2	—	0.2	—
Net profit	**487.3**	**411.2**	**76.1**	**18.5**

1 The term “Other Income” includes gains and losses on financial instruments and other operating income and expenses.
2 In accordance with IFRS, the item Other operating income and expenses also includes regulatory charges in the amount of € 21.0 million for the first six months 2026 (first half 2025: € 16.1 million). The item "Operating expenses" includes regulatory charges in the amount of € 3.9 million for the first six months 2026 as well (first half 2025: € 3.9 million). However, BAWAG’s management considers regulatory charges as a separate expense. Accordingly, they are shown in a separate expense line in the Group Management Report.

Net profit increased by 18.5% or € 76.1 million, to € 487.3 million in the first half 2026. The underlying operating performance of the business was strong during the first half 2026, generating pre-provision profit of € 803.6 million, up 17.9% year-over-year.

Net interest income increased by 7.2%, or € 65.0 million, to € 968.4 million in the first half 2026, supported by the continued growth in unsecured consumer lending which offset subdued mortgage volumes. In addition, deposit beta continued to decrease during the first half 2026.

Net fee and commission income increased by 11.7% to € 200.2 million compared to the first half 2025, reflecting a positive business momentum across retail business lines.

Other income, consisting of gains and losses on financial instruments and other operating income and expenses, was at € 7.8 million compared to € 3.0 million in the first half 2025.

Operating expenses decreased by 7.8% to € 372.8 million in the first half 2026, following ongoing synergy realization and efficiency gains across the Group.

Regulatory charges were € 24.9 million in the first half 2026, compared to € 20.0 million in the first half 2025.

Total risk costs were € 140.6 million in the first half 2026, an increase of € 29.4 million, or 26.4%, compared to the first half 2025. The underlying asset quality of the business remained strong with an NPL ratio of 0.9%. The increase in risk costs reflects the continued change in asset mix towards growth in unsecured consumer business as well as an update of macroeconomic assumptions following the geopolitical developments.

Total assets

in € million	Jun 2026	Dec 2025	Change %	Jun 2025	Change %
Cash reserves	14,513	14,093	3.0	14,991	(3.2)
Financial assets					
Held for trading	124	109	13.8	369	(66.4)
Fair value through profit or loss	476	517	(7.9)	573	(16.9)
Fair value through OCI	1,187	1,322	(10.2)	1,621	(26.8)
At amortized cost	54,677	54,814	(0.2)	53,720	1.8
Customers	51,074	50,749	0.6	49,300	3.6
Debt instruments	3,034	3,613	(16.0)	4,034	(24.8)
Credit institutions	569	452	25.9	386	47.4
Valuation adjustment on interest rate risk hedged portfolios	(586)	(616)	(4.9)	(371)	58.0
Hedging derivatives	212	358	(40.8)	367	(42.2)
Tangible non-current assets	542	532	1.9	459	18.1
Intangible non-current assets	525	535	(1.9)	532	(1.3)
Tax assets	113	131	(13.7)	131	(13.7)
Other assets	430	383	12.3	363	18.5
Non-current assets held for sale	5	119	(95.8)	5	—
Total assets	**72,218**	**72,297**	**(0.1)**	**72,760**	**(0.7)**

The **cash reserves** increased by 3.0% to € 14.5 billion in June 2026 compared to year-end 2025, equaling 20% of the balance sheet.

Financial assets at fair value through OCI decreased by 10.2%.

The line item **at amortized cost** slightly decreased by 0.2% compared to year-end 2025 and stood at € 54.7 billion as of June 2026.

Non-current assets held for sale decreased compared to December 2025 due to the sale of a participation in the first half 2026.

Total liabilities and equity

in € million	Jun 2026	Dec 2025	Change %	Jun 2025	Change %
Total liabilities	**67,502**	**67,452**	**0.1**	**68,046**	**(0.8)**
Financial liabilities					
Fair value through profit or loss	57	55	3.6	54	5.6
Held for trading	472	450	4.9	650	(27.4)
At amortized cost	65,552	65,707	(0.2)	65,935	(0.6)
Customers	45,815	47,367	(3.3)	47,250	(3.0)
Issued securities	19,013	17,528	8.5	17,697	7.4
Credit institutions	724	812	(10.8)	988	(26.7)
Valuation adjustment on interest rate risk hedged portfolios	(316)	(299)	5.7	(204)	54.9
Hedging derivatives	279	91	>100.0	93	>100.0
Provisions	244	251	(2.8)	279	(12.5)
Tax liabilities for current taxes	222	131	69.5	226	(1.8)
Tax liabilities for deferred taxes	179	189	(5.3)	141	27.0
Other obligations	813	877	(7.3)	872	(6.8)
Obligations in disposal groups held for sale	—	—	—	—	—
Total equity	**4,716**	**4,845**	**(2.7)**	**4,714**	**—**
Common equity	4,211	4,340	(3.0)	4,038	4.3
AT1 capital	496	496	—	670	(26.0)
Non-controlling interests	9	9	—	6	50.0
Total liabilities and equity	**72,218**	**72,297**	**(0.1)**	**72,760**	**(0.7)**

Financial liabilities at amortized cost decreased slightly by € 0.2 billion to € 65.6 billion as of 30 June 2026 compared to year-end 2025.

Total equity including Additional Tier 1 capital stood at € 4.7 billion as of 30 June 2026. In the first quarter a share buyback in amount of € 75 million was carried out and on 22 April 2026, a € 481 million dividend for the financial year 2025 was paid out.

CAPITAL AND LIQUIDITY POSITION

BAWAG Group set a target CET1 of 12.5%, considering regulatory capital requirements and in addition maintaining a conservative buffer above the minimum capital requirements set by the regulator.

	June 2026	Dec 2025
Pillar 1 minimum	4.5%	4.5%
Pillar 2 requirement (CET1 requirement)	1.32%	1.41%
Capital conservation buffer	2.5%	2.5%
Systemic risk buffer	0.5%	0.5%
O-SII buffer	0.9%	0.9%
Sectoral systemic risk buffer for commercial real estate financing	0.011%	0.007%
Countercyclical buffer based on exposure	0.46%	0.49%
Overall capital requirement (OCR)	**10.19%**	**10.30%**
Pillar 2 guidance (P2G)	0.5%	0.5%
Overall capital requirement including P2G	**10.69%**	**10.80%**
CET1 target ratio	**12.50%**	**12.50%**
Management buffer to OCR (in basis points)	231	220
Management buffer to OCR including P2G (in basis points)	181	170
CET1 capital (in € million)	3,723	3,205
Risk-weighted assets (in € million)	21,358	22,594
CET1 ratio (post dividend)	**17.4%**	**14.2%**
Tier1 ratio (post dividend)	**19.8%**	**16.2%**
Total capital ratio (post dividend)	**22.9%**	**19.3%**

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, Ireland's third largest bank, on 14 April 2026. The transaction is subject to the satisfaction or waiver of the conditions set out in the Scheme Document sent to PTSB shareholders dated 15 May 2026, including High Court and the remaining regulatory approval. During the first half of the year, BAWAG Group focused on ensuring we are positioned to fully self-fund the proposed PTSB transaction. Therefore, we ended the first six months 2026 with a CET1 ratio of 17.4% and are well positioned to fully self-fund the proposed 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. In addition, the Group executed RWA optimization measures, including significant risk transfers (SRTs). The capital threshold to fully self-fund the deal is at approximately 17.0%. We continue to generate capital at a strong pace and have multiple capital management levers available should additional organic growth opportunities arise.

Based on the ratios as of 30 June 2026, the maximum distributable amount above the regulatory requirements for 2026 (Pillar 1 minimum ratios, Pillar 2 CET1 requirement and combined buffer requirements) is € 1.5 billion (no dividend considered for the first six months 2026). Available distributable items as defined in Art. 4.1 (128) CRR on the level of BAWAG Group AG amount to approximately € 2.9 billion as of 30 June 2026.

Capital distribution policy

Following the approval by the Annual General Meeting held on 22 April 2026, BAWAG Group paid out € 481 million dividend for the financial year 2025, equivalent to € 6.25 per share.

Maintaining a strong capital base with a conservative buffer above regulatory requirements is a strategic priority for BAWAG Group. If the PTSB acquisition receives all required approvals, we still aim to maintain the minimum CET1 ratio target of 12.5%, while setting an excess capital distribution threshold of greater than 13% CET1 ratio for 2026 and 2027.

Our capital distribution framework is as follows:

Dividend – 55% payout

In light of the proposed acquisition of PTSB, BAWAG had temporarily adjusted its dividend policy, including a non-distribution commitment for first-half 2026 profits, with the maximum potential dividend for the financial year 2026 limited to the earnings of the second half 2026, barring unforeseen circumstances. Dividends will be distributed annually after the Annual General Meeting in line with the respective shareholders' resolution. Dividend distributions will comply with regulatory and/or corporate law restrictions and take into account recommendations made by competent regulatory authorities.

Excess capital management

Additional capital will be allocated to business growth, M&A, minority and/or platform investments.

Excess capital distribution

Any additional capital will be allocated to share buybacks and/or special dividends, subject to our routine annual assessment. If the PTSB acquisition receives all required approvals, we still aim to maintain the minimum CET1 ratio target of 12.5%, while setting an excess capital distribution threshold of greater than 13% CET1 ratio for 2026 and 2027.

Debt issuances

Customer funding, defined as deposits and covered bonds (mortgages and public sector), accounts for more than 90% of total funding and is complemented by diversified capital market funding.

In 2026, BAWAG remained an active issuer in the capital markets across funding instruments. The Bank executed a total of € 2.4 billion in issuances:

- a € 500 million senior preferred benchmark transaction was executed in the second quarter as a green bond under our Sustainable Finance Framework.
- on the covered bond side, we issued a € 1.25 billion dual tranche in the first quarter, consisting of a € 500 million mortgage covered bond and a € 750 million public sector covered bond issued at the same time. In the second quarter, we issued a US$ 700 million mortgage covered bond, representing the first USD denominated benchmark bond by BAWAG.

Liquidity management

BAWAG Group follows a conservative liquidity management strategy, reflected in a strong liquidity coverage ratio (LCR) of 217% and cash position of € 14.5 billion, representing 20% of total assets as of the end of June 2026. This significantly exceeds the regulatory LCR requirement of 100%.

BUSINESS SEGMENTS

RETAIL & SME

Business Review

In the first half 2026, the Retail & SME segment delivered a net profit of € 412 million, a return on tangible common equity of 35.7% and a cost-income ratio of 30.6%. Continued growth in Consumer & SME sector, particularly credit cards, together with ongoing synergy realization and efficiency gains across the Group, were the key drivers for the development in the first six months 2026. Average interest-bearing assets were € 39 billion, up 3% versus full-year 2025. Asset quality remained strong, with the NPL ratio at 1.4%.

Alongside the ongoing integration of easybank in Germany, we continued to make progress against our strategic priorities. We invested further in the digitalization of the customer journey, expanded our product capabilities across key channels, and advanced our simplification strategy by increasing automation and enhancing operational efficiency. These initiatives support scalable, sustainable growth while strengthening the customer experience. Throughout, we maintained our disciplined approach to pricing and capital allocation, with a continued focus on attractive risk-adjusted returns and delivering simple, intuitive financial products for our customers.

Outlook

Looking ahead, we remain committed to executing our long-term strategy, serving more than four million customers with best-in-class products and services in the most efficient and straightforward manner. Our streamlined operating model and focus on efficiency provide a competitive cost advantage, enabling us to succeed in low risk yet highly competitive markets.

With our most recent acquisitions largely complete, our focus shifts to channel development and the rollout of new products. By leveraging the Group’s broader platform and creating synergies across the Group, we aim to better serve existing markets and expand into new ones.

Building on our presence in Ireland since 2015 and the establishment of our retail business through the acquisition of MoCo in 2023, BAWAG agreed a recommended all-cash offer for PTSB on 14 April 2026. The proposed acquisition would combine PTSB’s local franchise with BAWAG Group’s financial strength and operational expertise to create a stronger platform for customers, employees, and shareholders. The transaction remains subject to the satisfaction or waiver of the conditions set out in the Scheme Document sent to PTSB shareholders dated 15 May 2026, including High Court and the remaining regulatory approval.

Financial results

Income metrics

in € million	Jan-Jun 2026	Jan-Jun 2025	Change %
Net interest income	826.9	733.5	12.7
Net fee and commission income	188.1	164.9	14.1
Core revenues	**1,015.0**	**898.4**	**13.0**
Other income[1]	—	2.1	(100.0)
Operating income	**1,015.0**	**900.5**	**12.7**
Operating expenses	**(310.3)**	**(347.4)**	**10.7**
Pre-provision profit	**704.7**	**553.1**	**27.4**
Regulatory charges	(15.2)	(10.2)	(49.0)
Total risk costs	(140.8)	(100.9)	(39.5)
Net result of at-equity investments	—	—	—
Profit before tax	**548.7**	**442.0**	**24.1**
Income taxes	(136.3)	(110.5)	(23.3)
Profit after tax	**412.4**	**331.5**	**24.4**
Non-controlling interests	—	—	—
Net profit	**412.4**	**331.5**	**24.4**

Key ratios

	Jan-Jun 2026	Jan-Jun 2025	Change pts
Return on tangible common equity	35.7%	34.2%	1.5
Net interest margin	4.28%	3.95%	0.33
Cost-income ratio	30.6%	38.6%	(8.0)
Risk costs / interest-bearing assets	0.72%	0.54%	0.18
NPL ratio	1.4%	1.1%	0.3

Business volumes

in € million	Jun 2026	Dec 2025	Change %	Jun 2025	Change %
Interest bearing assets	39,216	38,813	1.0	38,032	3.1
Interest bearing assets (average)	38,970	37,847	3.0	37,127	5.0
Risk-weighted assets	14,241	14,813	(3.9)	15,448	(7.8)
Own issues	11,990	11,552	3.8	11,974	0.1
Customer deposits	43,449	44,516	(2.4)	43,672	(0.5)
Customer deposits (average)	43,154	42,682	1.1	42,492	1.6
Customer funding	55,535	56,182	(1.2)	55,756	(0.4)
Customer funding (average)	55,829	55,568	0.5	55,500	0.6

1 The term “Other income” includes gains and losses on financial instruments and other operating income and expenses.

CORPORATES, REAL ESTATE AND PUBLIC SECTOR

Business Review

During the first half 2026, the Corporates, Real Estate & Public Sector segment delivered a net profit of € 82 million, a return on tangible common equity of 28.5% and a cost-income ratio of 24.6%. Core revenues increased by 4.7% in the first half 2026, while maintaining our focus on risk-adjusted returns. Average interest-bearing assets were € 14.1 billion, up 2.7% versus full-year 2025. Asset quality remained strong, with the NPL ratio at 0.4%.

Despite ongoing market volatility driven by geopolitical uncertainty, business activity remained resilient throughout the first six months of 2026. We continued to take a disciplined approach to risk, selectively pursuing higher-quality opportunities with a more conservative credit profile.

Outlook

Discipline remains at the core of our business model. We continue to avoid pursuing growth at any cost, which has allowed us to maintain a strong and diversified lending pipeline. While competition for defensive, high-quality assets remains intense, our focus remains on disciplined underwriting and risk-adjusted returns in line with our guidelines rather than uneconomic volume growth. We expect market volatility to remain elevated, reflecting uncertainty around the interest rate outlook and geopolitical developments.

Financial results

Income metrics

in € million	Jan-Jun 2026	Jan-Jun 2025	Change %
Net interest income	138.1	129.5	6.6
Net fee and commission income	12.6	14.5	(13.1)
Core revenues	**150.7**	**144.0**	**4.7**
Other income[1]	—	1.6	(100.0)
Operating income	**150.7**	**145.6**	**3.5**
Operating expenses	**(37.1)**	**(34.9)**	**(6.3)**
Pre-provision profit	**113.6**	**110.7**	**2.6**
Regulatory charges	(4.6)	(4.6)	—
Total risk costs	0.2	(8.2)	—
Net result of at-equity investments	—	—	—
Profit before tax	**109.2**	**97.9**	**11.5**
Income taxes	(27.2)	(24.5)	(11.0)
Profit after tax	**82.0**	**73.4**	**11.7**
Non-controlling interests	—	—	—
Net profit	**82.0**	**73.4**	**11.7**

Key ratios

	Jan-Jun 2026	Jan-Jun 2025	Change pts
Return on tangible common equity	28.5%	28.2%	0.3
Net interest margin	1.98%	1.89%	0.09
Cost-income ratio	24.6%	24.0%	0.6
Risk costs / interest-bearing assets	0.00%	0.12%	(0.12)
NPL ratio	0.4%	0.1%	0.3

Business volumes

in € million	Jun 2026	Dec 2025	Change %	Jun 2025	Change %
Interest bearing assets	13,874	14,166	(2.1)	13,331	4.1
Interest bearing assets (average)	14,079	13,704	2.7	13,702	2.8
Risk-weighted assets	4,428	4,862	(8.9)	4,881	(9.3)
Own issues	2,055	1,329	54.6	1,321	55.6
Customer deposits	2,852	3,386	(15.8)	4,082	(30.1)
Customer deposits (average)	3,529	4,870	(27.5)	5,414	(34.8)
Customer funding	5,577	5,406	3.2	6,139	(9.2)
Customer funding (average)	6,173	6,890	(10.4)	7,459	(17.2)

1 The term “Other Income” includes gains and losses on financial instruments and other operating income and expenses.

CORPORATE CENTER AND TREASURY

Business Review

As of June 2026, the investment portfolio amounted to € 2.7 billion and the liquidity reserve was € 13.8 billion. The investment portfolio's average maturity was 3 years, made up of approximately 100% investment grade rated securities, of which 88% were rated in the single A category or higher. As of June 2026, the portfolio had no direct exposure to China, Russia, Ukraine or the Middle East and limited exposure to Central Eastern European countries.

Outlook

In the second half of 2026, key drivers for credit spreads will be among others geopolitical risk, fiscal performance of Eurozone countries and political risk driven by key general elections approaching in France, Italy and Spain in 2027. We remain committed to maintaining high credit quality across the portfolio.

Financial results

Income metrics

in € million	Jan-Jun 2026	Jan-Jun 2025	Change %
Net interest income	3.4	40.4	(91.6)
Net fee and commission income	(0.5)	(0.1)	>100.0
Core revenues	**2.9**	**40.3**	**(92.8)**
Other income[1]	7.8	(0.7)	—
Operating income	**10.7**	**39.6**	**(73.0)**
Operating expenses	**(25.4)**	**(22.0)**	**(15.5)**
Pre-provision profit	**(14.7)**	**17.6**	**—**
Regulatory charges	(5.1)	(5.2)	1.9
Total risk costs	0.0	(2.1)	100.0
Net result of at-equity investments	7.2	1.7	>100.0
Profit before tax	**(12.6)**	**12.0**	**—**
Income taxes	5.3	(5.7)	—
Profit after tax	**(7.3)**	**6.3**	**—**
Non-controlling interests	0.2	—	—
Net profit	**(7.1)**	**6.3**	**—**

Business volumes

in € million	Jun 2026	Dec 2025	Change %	Jun 2025	Change %
Assets	19,128	19,319	(1.0)	21,397	(10.6)
Risk-weighted assets	2,689	2,919	(7.9)	3,022	(11.0)
Equity	4,707	4,355	8.1	3,812	23.5
Own issues and other liabilities	6,399	6,354	0.7	4,693	36.4

1 The term “Other income” includes gains and losses on financial instruments and other operating income and expenses.

OUTLOOK AND TARGETS

The macroeconomic outlook for our core markets is described in the chapter "Macroeconomic developments".

For the banking industry, the key themes in the second half of 2026 are expected to remain broadly consistent. Persistent geopolitical uncertainty is likely to keep macroeconomic developments and the interest rate development in focus. At the same time, earnings of European banks remained strong, with headlines on sector consolidation increasingly emerging as a key strategic theme.

At the same time, structural challenges, like legacy cost bases and business models, outdated technology stacks, overleveraged balance sheets and the rapid evolution of the financial ecosystem driven by artificial intelligence, stablecoins, the digital euro and intensifying competition, will continue to accelerate.

We will continue to execute on our strategic ambitions across businesses and brands as well as the continued integration of the easybank business in Germany following the rebranding in the first quarter.

BAWAG Group held excess capital above its 12.5% CET1 ratio target of € 1.05 billion as of end of June 2026. The capital build during the first half 2026 positioned the Group to fund the proposed acquisition of PTSB, which is subject to the satisfaction or waiver of the conditions set out in the Scheme Document sent to PTSB shareholders dated 15 May 2026, including High Court and the remaining regulatory approval.

Our resilience across all cycles is underpinned by a focus on profitable growth, disciplined cost management, and risk-adjusted returns. The 2026 targets remain unchanged and exclude any effects from the proposed acquisition of PTSB subject to the aforementioned approvals or waiver. The mid-term targets communicated in early 2026 will be updated with full-year results.

Given the evolving asset mix, ongoing loan growth, and the contribution from the deposit hedge, we foresee continued positive momentum in net interest income for the remainder of 2026.

Targets

Financial targets	2026	2027	2028
Net profit	**>€ 960 million**	**>€ 1.1 billion**	**>€ 1.2 billion**
Return targets	**2026 & beyond**		
Return on tangible common equity	**>20%**		
Cost-Income ratio	**<33%**		

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 proposed acquisition of PTSB. BAWAG Group 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. With the capital threshold to fully self-fund the proposed acquisition of approximately 17.0%, 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 organic growth opportunities arise.

RISK MANAGEMENT

With respect to the explanations on financial and legal risks at BAWAG Group as well as the goals and methods of risk management, please refer to the information in the Notes section. For policies on our investment standards in the context of sustainability, please refer to our website, https://www.bawaggroup.com/en/sustainability.

Vienna, 31 July 2026
The Management Board

Anas Abuzaakouk m.p.
Chief Executive Officer

Enver Sirucic m.p.
Member of the Management Board

Andrew Wise m.p.
Member of the Management Board

David O'Leary m.p.
Member of the Management Board

Sat Shah m.p.
Member of the Management Board

Guido Jestädt m.p.
Member of the Management Board

CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

CONSOLIDATED ACCOUNTS

PROFIT OR LOSS STATEMENT

in € million	[Notes]	Jan-Jun 2026	Jan-Jun 2025 restated
Interest income		1,621.3	1,698.9
thereof calculated using the effective interest method		1,474.8	1,468.5
Interest expense		(657.0)	(799.4)
thereof calculated using the effective interest method		(390.5)	(459.8)
Dividend income		4.1	3.9
Net interest income		**968.4**	**903.4**
Fee and commission income		280.0	264.9
Fee and commission expense		(79.8)	(85.6)
Net fee and commission income	**[2]**	**200.2**	**179.3**
Gains and losses on financial assets and liabilities	[3]	37.3	0.6
thereof gains from the derecognition of financial assets measured at amortized cost		—	0.1
thereof losses from the derecognition of financial assets measured at amortized cost		(17.8)	(0.2)
Other operating income		63.5	43.4
Other operating expenses		(114.0)	(57.2)
Operating expenses	[4]	(376.7)	(408.1)
thereof administrative expenses		(342.6)	(372.4)
thereof depreciation and amortization on tangible and intangible non-current assets		(34.1)	(35.7)
Risk costs	[5]	(140.6)	(111.2)
thereof according to IFRS 9		(131.7)	(102.5)
Share of the profit or loss of associates accounted for using the equity method		7.2	1.7
Profit before tax		**645.3**	**551.9**
Income taxes		(158.2)	(140.7)
Profit after tax		**487.1**	**411.2**
Thereof attributable to non-controlling interests		(0.2)	—
Thereof attributable to owners of the parent		**487.3**	**411.2**

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STATEMENT OF OTHER COMPREHENSIVE INCOME

in € million	[Notes]	Jan-Jun 2026	Jan-Jun 2025 restated
Profit after tax		**487.1**	**411.2**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains (losses) on defined benefit plans		0.3	4.4
Fair value changes of shares and other equity investments at fair value through other comprehensive income		(0.8)	0.3
thereof from shares and other equity investments held at the end of the reporting period		(0.8)	0.1
thereof from shares and other equity investments derecognized during the reporting period		—	0.2
Change in credit spread of financial liabilities		(0.4)	—
Share of other comprehensive income of associates accounted for using the equity method		—	3.4
Deferred income tax on items that will not be reclassified		—	(1.6)
Total items that will not be reclassified to profit or loss		**(0.9)**	**6.5**
Items that may be reclassified subsequently to profit or loss			
Foreign exchange differences		6.2	(25.2)
Hedge of net investment in foreign operations		(5.2)	22.9
Cash flow hedge reserve		(33.9)	69.1
thereof transferred to profit (-) or loss (+)[1]		1.6	2.0
Fair value changes of debt instruments at fair value through other comprehensive income		8.8	(11.1)
thereof transferred to profit (-) or loss (+)		(1.0)	(8.9)
Deferred income tax on items that will not be reclassified		(1.3)	(13.4)
Total items that may be reclassified subsequently to profit or loss		**(25.4)**	**42.3**
Other comprehensive income		**(26.3)**	**48.8**
Total comprehensive income, net of tax		**460.8**	**460.0**
Thereof attributable to non-controlling interests		—	(0.2)
Thereof attributable to owners of the parent		**460.8**	**460.2**

1 To net interest income.

STATEMENT OF FINANCIAL POSITION

Total assets

in € million	[Notes]	30.06.2026	31.12.2025
Cash reserves		14,513	14,093
Financial assets at fair value through profit or loss	[6]	476	517
Financial assets at fair value through other comprehensive income	[7]	1,187	1,322
Financial assets held for trading	[8]	124	109
Financial assets measured at amortized cost	[9]	54,677	54,814
Customers		51,074	50,749
Credit institutions		569	452
Securities		3,034	3,613
Valuation adjustment on interest rate risk hedged portfolios		(586)	(616)
Hedging derivatives		212	358
Property, plant and equipment		295	300
Investment properties		247	232
Goodwill		118	117
Brand names and customer relationships		219	223
Software and other intangible assets		188	195
Tax assets for current taxes		25	23
Tax assets for deferred taxes	[10]	88	108
Associates recognized at equity		120	106
Other assets		310	277
Non-current assets and disposal groups held for sale	[11]	5	119
Total assets		**72,218**	**72,297**

Total liabilities and equity

in € million	[Notes]	30.06.2026	31.12.2025
Total liabilities		**67,502**	**67,452**
Financial liabilities designated at fair value through profit or loss	[12]	57	55
Financial liabilities held for trading	[13]	472	450
Financial liabilities at amortized cost	[14]	65,552	65,707
Customers		45,815	47,367
Issued bonds and supplementary capital		19,013	17,528
Credit institutions		724	812
Valuation adjustment on interest rate risk hedged portfolios		(316)	(299)
Hedging derivatives		279	91
Provisions	[15]	244	251
Tax liabilities for current taxes		222	131
Tax liabilities for deferred taxes	[10]	179	189
Other obligations		813	877
Total equity		**4,716**	**4,845**
Equity attributable to the owners of the parent (ex AT1 capital)		4,211	4,340
AT1 capital		496	496
Non-controlling interests		9	9
Total liabilities and equity		**72,218**	**72,297**

STATEMENTS OF CHANGES IN EQUITY

in € million	Subscribed capital	Capital reserves	Other equity instruments issued	Retained earnings reserve	Cash flow hedge reserve net of tax	Actuarial gains/losses net of tax	Debt instruments at fair value through other comprehensive income net of tax
Balance as of 01.01.2025	**79**	**1,173**	**708**	**2,940**	**(68)**	**(78)**	**39**
Transfer from other comprehensive income	—	—	—	1	—	—	—
Transactions with owners	—	8	—	(432)	—	—	—
Share-based payment	—	8	—	—	—	—	—
Dividends	—	—	—	(432)	—	—	—
AT1 capital	—	—	(38)	—	—	—	—
AT1 redemption	—	—	(38)	—	—	—	—
AT1 coupon	—	—	—	(24)	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—
Total comprehensive income	—	—	—	411	53 [1]	4	(9) [2]
Balance as of 30.06.2025	**79**	**1,181**	**670**	**2,896**	**(14)**	**(74)**	**30**
Balance as of 01.01.2026	**77**	**1,228**	**496**	**3,143**	**(13)**	**(71)**	**31**
Transfer from other comprehensive income	—	—	—	(56)	—	—	—
Transactions with owners	—	(17)	—	(555)	—	—	—
Share-based payment	1	(17)	—	—	—	—	—
Dividends	—	—	—	(481)	—	—	—
Buyback of shares	(1)	—	—	(74)	—	—	—
AT1 capital	—	—	—	—	—	—	—
AT1 redemption	—	—	—	—	—	—	—
AT1 coupon	—	—	—	(18)	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—
Total comprehensive income	—	—	—	487	(26) [1]	—	— [2]
Balance as of 30.06.2026	**77**	**1,211**	**496**	**3,001**	**(39)**	**(71)**	**31**

1 Thereof transferred to profit or loss: plus € 1 million (H1 2025: plus € 2 million).
2 Thereof transferred to profit or loss: minus € 1 million (H1 2025: minus € 7 million).

in € million	Equity investments at fair value through other comprehensive income net of tax	Change in credit spread of financial liabilities net of tax	Hedge of net investment in foreign operations net of tax	Foreign exchange differences	Equity attributable to the owners of the parent	Non-controlling interests	Equity including non-controlling interests
Balance as of 01.01.2025	**(6)**	**(53)**	**(10)**	**9**	**4,733**	**—**	**4,733**
Transfer from other comprehensive income	(1)	—	—	—	—	—	—
Transactions with owners	—	—	—	—	(424)	—	(424)
Share-based payment	—	—	—	—	8	—	8
Dividends	—	—	—	—	(432)	—	(432)
AT1 capital	—	—	—	—	(38)	—	(38)
AT1 redemption	—	—	—	—	(38)	—	(38)
AT1 coupon	—	—	—	—	(24)	—	(24)
Change in scope of consolidation	—	—	—	—	—	6	6
Total comprehensive income	3	—	23	(25)	460	—	460
Balance as of 30.06.2025	**(4)**	**(53)**	**13**	**(16)**	**4,708**	**6**	**4,714**
Balance as of 01.01.2026	**2**	**(53)**	**12**	**(16)**	**4,836**	**9**	**4,845**
Transfer from other comprehensive income	2	54	—	—	—	—	—
Transactions with owners	—	—	—	—	(572)	—	(572)
Share-based payment	—	—	—	—	(16)	—	(16)
Dividends	—	—	—	—	(481)	—	(481)
Buyback of shares	—	—	—	—	(75)	—	(75)
AT1 capital	—	—	—	—	—	—	—
AT1 redemption	—	—	—	—	—	—	—
AT1 coupon	—	—	—	—	(18)	—	(18)
Change in scope of consolidation	—	—	—	—	—	—	—
Total comprehensive income	(1)	—	(5)	6	461	—	461
Balance as of 30.06.2026	**3**	**1**	**7**	**(10)**	**4,707**	**9**	**4,716**

CONDENSED CASH FLOW STATEMENT

in € million	Jan-Jun 2026	Jan-Jun 2025 restated
Profit (after tax, before non-controlling interests)	**487**	**411**
Non-cash items included in the profit (loss) and reconciliation to net cash from operating activities	(461)	(385)
Change in assets and liabilities arising from operating activities after corrections for non-cash items	(826)	(3,067)
Interest receipts	1,734	1,610
Interest paid	(736)	(976)
Dividend receipts	7	6
Taxes paid	(51)	(53)
Net cash from operating activities	**154**	**(2,454)**
Cash receipts from sales and redemptions of		
Financial investments	793	838
Tangible and intangible non-current assets	39	5
Cash paid for		
Financial investments	(50)	(608)
Tangible and intangible non-current assets	(75)	(19)
Cash receipts from sales of associates	151	—
Cash payments for the acquisition of associates	(7)	—
Acquisition of subsidiaries, net of cash acquired	—	(121)
Net cash used in investing activities	**851**	**95**
Cash paid for treasury shares	(75)	—
Dividends paid	(481)	(432)
Issuance of subordinated liabilities (including those designated at fair value through profit or loss)	—	250
Changes in ownership interests in subsidiaries not resulting in a loss of control	—	6
Cash paid for the buyback of AT1 capital	—	(38)
AT1 coupon	(18)	(24)
Cash paid for amounts included in lease liabilities	(11)	(16)
Net cash from financing activities	**(585)**	**(254)**
Cash and cash equivalents at end of previous period	**14,093**	**17,604**
Net cash from operating activities	**154**	**(2,454)**
Net cash used in investing activities	**851**	**95**
Net cash from financing activities	**(585)**	**(254)**
Cash and cash equivalents at end of period	**14,513**	**14,991**

NOTES

The condensed Consolidated Half-Year Financial Statements of BAWAG as of 30 June 2026 were prepared in accordance with the International Financial Reporting Standards (IFRS) released by the International Accounting Standards Board (IASB) and in accordance with their interpretation by the IFRS Interpretations Committee (IFRIC/SIC) to the extent adopted by the EU.

These Consolidated Half-Year Financial Statements for the first half 2026 were prepared in accordance with IAS 34 (Interim Financial Reporting).

The accounting principles used in preparing these Consolidated Half-Year Financial Statements are the same as those applied in the consolidated annual financial statements as of 31 December 2025.

The Half-Year Financial Report as of 30 June 2026 was not audited or reviewed by the external auditor.

The reporting currency is euro. Unless indicated otherwise, all figures are rounded to millions of euros. The tables in this report may contain rounding differences.

All monetary balance sheet figures in foreign currencies are translated at the middle exchange rate on the reporting date.

Exercise of judgment and uncertainty of estimates

The Consolidated Half-Year Financial Statements include values which are determined, as permitted, on the basis of estimates and judgments. The estimates and judgments used are based on past experience and other factors, such as planning and expectations or forecasts of future events that are considered likely as far as we know today. The estimates and judgments themselves and the underlying estimation methods and judgment factors are reviewed regularly and compared with actual results. With respect to the current geopolitical situation, please refer to the bullet point on IFRS 9.

The measurement of financial instruments and the related estimates in respect of measurement parameters, in particular the future development of interest rates, have a material effect on the results of operations. The parameter values applied by the Bank are derived largely from market conditions prevailing as of the reporting date.

The determination of the fair value for financial assets and liabilities for which there is no observable market price (Level 2, Level 3) requires the use of valuation techniques. For financial instruments that trade infrequently, calculation of fair value requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. Details regarding valuation techniques and uncertainty of estimates regarding unobservable input factors are described in Note 17 Fair value.

Assessments of the recoverability of long-term loans are based on assumptions regarding the borrower's future cash flows and, hence, possible impairments of loans and the recognition of provisions for off-balance-sheet commitments in relation to the lending business. In light of the current geopolitical situation (conflicts in Ukraine, the Middle East and Southeast Asia, as well as the future dynamics of international climate policy in general), assessments regarding the measurement of individual financial assets, assessments regarding the transfer of financial instruments from Stage 1 to Stage 2, macroeconomic assumptions for the determination of forward-looking information in the course of the calculation of expected credit losses and assumptions for expected cash flows for impaired loans are based on the latest observations available to us. The long-term impact of the current geopolitical situation on economic development, the development of labor and other industry-specific markets may be overestimated or underestimated when applying hindsight in the future.

The Bank may also face an impact from changed climate conditions and consequently see an impact on the loan portfolio or any collaterals (e.g. through flooding). Other ESG risks may contain changes in client behavior, changes in relevant legislation etc. ESG risks may impact our planning assumptions used for impairment testing, valuation of collateral and financial instruments. The analysis and monitoring of these risks is an ongoing process. For further information on ESG risks, please refer to the Risk Report in the BAWAG Group Consolidated Annual Report 2025.

Assessments as to whether or not cash-generating units (CGUs) were unimpaired are based on planning calculations. These naturally reflect the management's evaluations, which are in turn subject to a degree of predictive uncertainty.

In determining the amount of deferred tax assets, the Group uses historical utilization possibilities of tax loss carryforwards and a multi-year forecast prepared by the management of the subsidiaries and the approved budget for the following year, including tax planning. The Group regularly re-evaluates its estimates related to deferred tax assets, including its assumptions about future profitability. Details regarding deferred taxes are set out in Note 10 Net deferred tax assets and liabilities on the Statement of Financial Position.

Pension obligations are measured based on the projected unit credit method for defined benefit pension plans. In measuring such obligations, assumptions have to be made regarding long-term trends for salaries, pensions and future mortality in particular. Changes in the underlying assumptions from year to year and divergences from the actual effects each year are reported under actuarial gains and losses.

The following items are also subject to the judgment of management:

- recoverability of intangible assets
- recognition of provisions for uncertain liabilities
- assessments of legal risks from legal proceedings, supreme court rulings and inspections of regulatory authorities and the recognition of provisions regarding such risks
- assessment of the lease term applied for the standard IFRS 16 Leases
- assessing which entities are structured entities, and which involvements in such entities are interests
- IFRS 9: Judgment may be required when assessing the SPPI criterion to ensure that financial assets are classified into the appropriate measurement category.
- fair value calculation for unquoted financial instruments where some parameters required for the valuation model are not observable in the market (Level 3).

Restatement in accordance with IAS 8.41

Correction of presentation of net interest income from derivatives

During the preparation of the financial statements as of 30 June 2026, an incorrect presentation of interest income and interest expense arising from derivatives used to hedge interest rate risk and forming part of a hedging relationship in accordance with IAS 39 was identified. The misstatement relates to the financial statements as of 30 June 2025.

The correction resulted in a reduction in total interest income and interest expense of € 212.5 million, while net interest income remained the same.

The prior-year figures in the income statement have been corrected and are presented in the table below:

Statement of comprehensive income in € million	Jan-Jun 2025 published	Correction of presentation of net interest income from derivatives	Jan-Jun 2025 restated
Interest income	1,911.4	(212.5)	1,698.9
Interest expense	(1,011.9)	212.5	(799.4)
Net interest income	**903.4**	—	**903.4**

Accounting standards issued but not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and is effective from 1 January 2027. BAWAG did not adopt the standard early and is currently assessing its impact. Preliminary impacts may change as the assessment and implementation progress.

Structure of the statement of profit or loss

IFRS 18 requires all income and expenses to be classified into five categories in the statement of profit or loss: operating, investing, financing, income taxes and discontinued operations. The classification is based on an entity's main business activities.

BAWAG has assessed its business model and concluded that its main business activities within the meaning of IFRS 18 are providing financing to customers and investing in financial assets. Accordingly, income and expenses arising from those activities are classified within the operating category. Neither net profit nor net assets will change as a result of BAWAG's adoption of IFRS 18. However, a new subtotal "operating profit" will have to be presented. BAWAG has not finalized the assessment and implementation of changes, hence the actual impacts may change. Based on the information currently available, BAWAG expects the following changes to the current structure of the statement of profit or loss:

- → Income and expenses arising from equity accounted investments, gains and losses from not consolidated participations measured at fair value through profit or loss and dividend income will be presented in the investing category.
- → Income and expenses from IAS 40 investment properties will be presented in the investing category.
- → Interest expenses from IFRS 16 lease liabilities and interest expenses from provisions for social capital will be presented in the financing category.
- → Regulatory charges will be presented as a separate line item in the operating category.

Management-defined Performance Measures (MPMs)

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate management's view of an aspect of BAWAG's financial performance as a whole and are not listed in IFRS 18. IFRS 18 requires an entity to disclose specific information about MPMs in a single note in the financial statements.

BAWAG is currently in the process of identifying its MPMs. MPMs relate to the same reporting period as the financial statements. Accordingly, MPMs disclosed following adoption of IFRS 18 will be determined based on public communications issued by BAWAG relating to the 2027 reporting period.

Principals of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to group information in the primary financial statements and the notes. It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

BAWAG is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.

Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7 Statement of Cash Flows. BAWAG expects these changes to affect the presentation of the statement of cash flows (e.g. received dividends will be reclassified from cash flows from operating activities to cash flows from investing activities; operating profit as the starting point for the indirect method), without impacting cash flows themselves.

Finalization of acquisition of Barclays Consumer Bank Europe in accordance with IFRS 3

The acquisition of Barclays Consumer Bank Europe was completed in February 2025. The accounting for the business combination was regarded as preliminary in our consolidated financial statements as of 31 Dec 2025. After the date of signing the consolidated annual report of BAWAG, no new information about facts and circumstances that existed as of the acquisition date was obtained. Therefore, no adjustment of the provisional amounts recognized as of year-end 2025 was required. As of the date of publication of this half year report no more information is expected to be obtained and the measurement period therefore ended.

Miscellaneous

The scope of consolidation includes all direct and indirect material equity investments of BAWAG.

As of 30 June 2026, the Group consists of 45 (31 December 2025: 48) fully consolidated companies and 2 (31 December 2025: 3) companies that are accounted for using the equity method in Austria and abroad.

Events after the reporting date

On 30 July 2026, PTSB's shareholders approved the proposed acquisition of Permanent TSB Group Holdings plc ("PTSB") with 91% of votes cast at the meeting supportive of the transaction and all related resolutions at the PTSB extraordinary general meeting receiving the requisite approvals. With this approval, the transaction has reached the required shareholder majority for BAWAG Group's all-cash offer, announced in April 2026, to acquire 100% of PTSB's issued share capital. The completion of the transaction is expected in the fourth quarter of this year or the first quarter 2027 and remains subject to satisfaction or waiver of the other conditions set out in the Scheme Document sent to PTSB shareholders dated 15 May 2026, including High Court sanction and the remaining regulatory approval.

DETAILS OF THE CONSOLIDATED PROFIT OR LOSS STATEMENT

1 | Earnings per share

Earnings per share pursuant to IAS 33

	Jan-Jun 2026	Jan-Jun 2025
Net result attributable to owners of the parent (in € million)	487.3	411.2
AT1 coupon (in € million)	(18.1)	(23.6)
Net result attributable to owners of the parent after deduction of AT1 coupon (in € million)	**469.2**	**387.6**
Weighted average number of outstanding shares	76,905,855	78,524,046
Basic earnings per share (in €)	**6.10**	**4.94**
Weighted average diluted number of outstanding shares	77,632,404	79,294,597
Diluted earnings per share (in €)	**6.04**	**4.89**

Supplemental information on after-tax earnings per share according to BAWAG's internal definition (before deduction of AT1 coupon; not in accordance with IAS 33)

	Jan-Jun 2026	Jan-Jun 2025
Net result attributable to owners of the parent (in € million)	**487.3**	**411.2**
Weighted average diluted number of outstanding shares	77,632,404	79,294,597
After-tax earnings per share in (€) – BAWAG definition	**6.28**	**5.19**

Changes in number of outstanding shares

	Jan-Jun 2026	Jan-Jun 2025
Shares outstanding at the beginning of the period	76,976,955	78,524,046
Shares outstanding at the end of the period	76,998,527	78,524,046
Weighted average number of outstanding shares	76,905,855	78,524,046
Weighted average diluted number of outstanding shares	77,632,404	79,294,597

Earnings per share represent the net result attributable to ordinary equity holders divided by the weighted average number of ordinary shares outstanding during the reporting period. As part of our incentives program, shares will be awarded to employees after fulfillment of certain conditions. For these shares, a potential dilutive effect is calculated.

2 | Net fee and commission income

Net fee and commission income can be broken down by BAWAG's segments as follows:

Jan–Jun 2026 in € million	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Corporate Center	BAWAG Group
Fee and commission income	**265.6**	**14.3**	**0.1**	**—**	**280.0**
Transactional	156.8	14.3	—	—	171.1
Advisory	76.4	—	—	0.3	76.7
Securities	66.3	—	—	0.3	66.6
Insurance	10.1	—	—	—	10.1
Lending and others	32.4	—	0.1	(0.3)	32.2
Lending	17.9	—	—	—	17.9
Factoring	9.5	—	—	—	9.5
Others	5.0	—	0.1	(0.3)	4.8
Fee and commission expense	**(77.5)**	**(1.7)**	**(0.3)**	**(0.3)**	**(79.8)**
Transactional	(49.6)	(1.7)	—	—	(51.3)
Advisory	(6.9)	—	—	(0.1)	(7.0)
Securities	(6.9)	—	—	(0.1)	(7.0)
Insurance	—	—	—	—	—
Lending and others	(21.0)	—	(0.3)	(0.2)	(21.5)
Lending	(20.1)	—	—	—	(20.1)
Factoring	(0.6)	—	—	—	(0.6)
Others	(0.3)	—	(0.3)	(0.2)	(0.8)
Net fee and commission income	**188.1**	**12.6**	**(0.2)**	**(0.3)**	**200.2**

Jan–Jun 2025

in € million	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Corporate Center	BAWAG Group
Fee and commission income	**247.3**	**16.7**	**0.1**	**0.8**	**264.9**
Transactional	145.4	16.7	—	—	162.1
Advisory	67.5	—	—	0.3	67.8
Securities	57.4	—	—	0.3	57.7
Insurance	10.1	—	—	—	10.1
Lending and others	34.4	—	0.1	0.5	35.0
Lending	19.7	—	—	—	19.7
Factoring	9.6	—	—	—	9.6
Others	5.1	—	0.1	0.5	5.7
Fee and commission expense	**(82.4)**	**(2.2)**	**(0.3)**	**(0.7)**	**(85.6)**
Transactional	(52.9)	(2.2)	—	—	(55.1)
Advisory	(6.6)	—	—	(0.1)	(6.7)
Securities	(6.6)	—	—	(0.1)	(6.7)
Insurance	—	—	—	—	—
Lending and others	(22.9)	—	(0.3)	(0.6)	(23.8)
Lending	(21.7)	—	—	—	(21.7)
Factoring	(0.6)	—	—	—	(0.6)
Others	(0.6)	—	(0.3)	(0.6)	(1.5)
Net fee and commission income	**164.9**	**14.5**	**(0.2)**	**0.1**	**179.3**

Net fee and commission income includes an amount of € 0.1 million (H1 2025: € 0.2 million) for fiduciary transactions. Income from payment transfers and securities and custody business is recognized mainly at a point in time, income from lending over time and other income using a mix of point in time and over time.

3 | Gains and losses on financial assets and liabilities

in € million	Jan–Jun 2026	Jan–Jun 2025
Realized gains and losses on financial assets and liabilities not measured at fair value through profit or loss, net	29.3	10.7
Gains (losses) on financial assets and liabilities held for trading, net	29.6	(16.3)
Gains (losses) on financial assets and liabilities measured at fair value through profit or loss, net	3.1	14.4
Gains (losses) from fair value hedge accounting	(26.7)	(5.9)
Exchange differences, net	2.0	(2.3)
Gains and losses on financial assets and liabilities	**37.3**	**0.6**

The item Gains and losses on financial assets and liabilities is primarily driven by the valuation and sale of the Group's investments, the valuation of issued securities and derivatives.

4 | Operating expenses

in € million	Jan–Jun 2026	Jan–Jun 2025
Staff costs	(211.8)	(227.1)
Other administrative expenses	(130.8)	(145.3)
Administrative expenses	**(342.6)**	**(372.4)**
Depreciation and amortization on tangible and intangible non-current assets	(34.1)	(35.7)
Operating expenses	**(376.7)**	**(408.1)**

5 | Risk costs

in € million	Jan–Jun 2026	Jan–Jun 2025
Loan loss provisions and changes in provisions for off-balance credit risk	(131.7)	(102.5)
Provisions and expenses for operational risk	—	(2.6)
Securitization costs	(8.9)	(6.1)
Risk costs	**(140.6)**	**(111.2)**

DETAILS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

6 | Financial assets at fair value through profit or loss

in € million	30.06.2026	31.12.2025
Financial assets designated at fair value through profit or loss	**35**	**38**
Receivables from customers	35	38
Financial assets mandatorily at fair value through profit or loss	**441**	**479**
Bonds and other securities	210	220
Receivables from customers	139	149
Subsidiaries and other equity investments	92	110
Financial assets at fair value through profit or loss	**476**	**517**

The category Financial assets designated at fair value through profit or loss contains all financial instruments that are carried at their fair value through profit or loss because the fair value option defined in IFRS 9 has been exercised for them. The maximum credit risk of loans and advances to customers equals book value.

7 | Financial assets at fair value through other comprehensive income

in € million	30.06.2026	31.12.2025
Debt instruments	**1,139**	**1,275**
Bonds and other fixed income securities	1,139	1,275
Bonds of other issuers	962	1,100
Public sector debt instruments	177	175
Subsidiaries and other equity investments	**48**	**47**
Investments in non-consolidated subsidiaries	5	5
Other shareholdings	43	42
Financial assets at fair value through other comprehensive income	**1,187**	**1,322**

8 | Financial assets held for trading

in € million	30.06.2026	31.12.2025
Derivatives in banking book	**124**	**109**
Foreign currency derivatives	19	15
Interest rate derivatives	105	94
Financial assets held for trading	**124**	**109**

9 | Financial assets measured at amortized cost

The following breakdown depicts the composition of the item Financial assets at amortized cost of the Group.

30.06.2026 in € million	Total gross carrying amount	Impairments Stage 1	Impairments Stage 2	Impairments Stage 3	POCI	Total net carrying amount
Receivables from customers	51,637	(81)	(89)	(386)	(7)	51,074
Securities	3,034	—	—	—	—	3,034
Public sector debt instruments	254	—	—	—	—	254
Debt instruments of other issuers	2,780	—	—	—		2,780
Receivables from credit institutions	569	—	—	—	—	569
Total	**55,240**	**(81)**	**(89)**	**(386)**	**(7)**	**54,677**

31.12.2025 in € million	Total gross carrying amount	Impairments Stage 1	Impairments Stage 2	Impairments Stage 3	POCI	Total net carrying amount
Receivables from customers	51,223	(84)	(95)	(304)	9	50,749
Securities	3,613	—	—	—	—	3,613
Public sector debt instruments	263	—	—	—	—	263
Debt instruments of other issuers	3,350	—	—	—	—	3,350
Receivables from credit institutions	452	—	—	—	—	452
Total	**55,288**	**(84)**	**(95)**	**(304)**	**9**	**54,814**

The following table depicts the breakdown of receivables from customers by credit type:

in € million	**30.06.2026**	31.12.2025
Loans	44,130	44,079
Current accounts	4,471	4,306
Finance leases	2,155	2,075
Cash advances	245	209
Money market	73	80
Receivables from customers	**51,074**	**50,749**

10 | Net deferred tax assets and liabilities on Statement of Financial Position

The deferred tax assets and liabilities reported on the Statement of Financial Position are the result of temporary differences between the carrying amounts pursuant to IFRS and the valuations of the following items according to the tax requirements:

in € million	30.06.2026	31.12.2025
Financial liabilities designated at fair value through profit or loss	43	44
Financial liabilities at amortized cost	367	445
Financial assets at fair value through other comprehensive income	45	4
Provisions	10	8
Liabilities held for trading	54	59
Tax loss carryforwards	5	6
Other	15	10
Deferred tax assets	**539**	**576**
Deferred tax assets netted with deferred tax liabilities	(451)	(468)
Deferred tax assets reported on the balance sheet[1]	**88**	**108**
Financial assets at fair value through profit or loss	17	22
Financial assets at amortized cost	501	517
Hedging derivatives	20	42
Internally generated intangible assets	29	27
Other intangible assets	48	49
Property, plant and equipment	15	—
Deferred tax liabilities	**630**	**657**
Deferred tax liabilities netted with deferred tax assets	(451)	(468)
Deferred tax liabilities reported on the balance sheet	**179**	**189**

1 Representing deferred tax assets of companies that were not part of the tax group.

For each group member, the deferred tax assets and liabilities pertaining to the same local tax authority were offset against each other and reported under Tax assets or Tax liabilities.

Deferred tax assets and deferred tax liabilities have a remaining maturity of more than one year.

As of 30 June 2026, deferred tax assets on tax loss carryforwards of BAWAG amount to € 5 million (31 December 2025: € 6 million). The risk that the current geopolitical situation will have an impact on the recoverability of tax loss carryforwards that have not yet been utilized is therefore considered to be low. As outlined in the table above, the Statement of Financial Position shows a net deferred tax liability of € 91 million (31 December 2025: liability of € 82 million). There is no increased risk that deferred tax assets cannot be used for future taxable profits.

11 | Disclosures in compliance with IFRS 5 – Non-current assets and disposal groups held for sale and Liabilities in disposal groups held for sale

The sale of the investment in Best Egg Inc., which was accounted for using the equity method, was closed in the second quarter 2026. The remaining book value of investment properties classified as non-current assets held for sale, reported in the segment Corporate Center, amounted to € 5 million as of 30 June 2026 (31 December 2025: € 5 million).

12 | Financial liabilities designated at fair value through profit or loss

in € million	30.06.2026	31.12.2025
Issued bonds, subordinated and supplementary capital	**57**	**55**
Issued debt securities and other securitized liabilities	22	23
Subordinated capital	15	14
Short-term notes and non-listed private placements	20	18
Financial liabilities designated at fair value through profit or loss	**57**	**55**

13 | Financial liabilities held for trading

in € million	30.06.2026	31.12.2025
Derivatives banking book	**472**	**450**
Foreign currency derivatives	45	12
Interest rate derivatives	421	432
Credit derivatives	6	6
Financial liabilities held for trading	**472**	**450**

14 | Financial liabilities measured at amortized cost

in € million	30.06.2026	31.12.2025
Deposits from credit institutions	**724**	**812**
Deposits from customers	**45,815**	**47,367**
Current accounts	19,596	20,027
Retail & SME	17,430	17,360
Corporates, Real Estate & Public Sector	2,163	2,663
Treasury	—	—
Corporate Center	3	4
Deposits	26,219	27,340
Daily deposits	19,606	20,412
Retail & SME	19,264	20,052
Corporates, Real Estate & Public Sector	185	155
Treasury	75	148
Corporate Center	82	57
Term deposits	6,613	6,928
Retail & SME	6,153	6,421
Corporates, Real Estate & Public Sector	433	431
Treasury	27	76
Corporate Center	—	—
Issued bonds and supplementary capital	**19,013**	**17,528**
Issued debt securities	17,336	15,713
Supplementary capital	663	685
Other obligations evidenced by paper	1,014	1,130
Financial liabilities at amortized cost	**65,552**	**65,707**

The issued bonds are mainly listed securities.

15 | Provisions

in € million	30.06.2026	31.12.2025
Provisions for social capital	211	215
Thereof for severance payments	58	58
Thereof for pension provisions	152	156
Thereof for jubilee benefits	1	1
Anticipated losses from pending business	27	26
Credit promises and guarantees	27	26
Other items including legal risks	6	10
Provisions	**244**	**251**

According to IAS 19, provisions for post-employment and termination benefits and for jubilee benefits are calculated using the projected unit credit method.

A discount rate of 4.10% was used for pension provisions in euro (31 December 2025: 4.00%). For pensions provisions in Swiss franc a discount rate of 1.15% was used (31 December 2025: 1.15%). Compared to 31 December 2025, the wage growth rates remained the same: wage growth post-employment pension obligations of 1.0%–2.0% p.a., wage growth severance payments of 2.75% p.a. and wage growth anniversary bonuses of 2.50% p.a.

Actuarial adjustments resulted in a positive net impact of € 0.2 million in other comprehensive income and a positive net impact of € 0.1 million in profit (H1 2025: a positive net impact of € 3.3 million in other comprehensive income and a negative net impact of € (0.1) million in profit).

16 | Related parties

Transactions with related parties

The following table shows transactions with related parties.

30.06.2026 in € million	Parent company	Entities with joint control of, or significant influence over, the entity	Subsidiaries, not consolidated	Associates	Joint ventures	Other companies
Receivables – customers	—	—	32	—	12	—
Unutilized credit lines	—	—	21	4	2	—
Securities	—	—	—	—	—	—
Other assets (incl. derivatives)	—	—	2	—	—	—
Financial liabilities – customers	—	—	8	—	—	—
Other liabilities (incl. derivatives)	—	—	—	—	—	—
Guarantees provided	—	—	3	—	—	—
Interest income[1]	—	—	0.3	—	—	—
Interest expense	—	—	—	—	—	—
Net fee and commission income	—	—	—	—	—	—

1 Gross income; hedging costs not offset.

31.12.2025 in € million	Parent company	Entities with joint control of, or significant influence over, the entity	Subsidiaries, not consolidated	Associates	Joint ventures	Other companies
Receivables – customers	—	—	34	—	13	—
Unutilized credit lines	—	—	20	4	2	—
Securities	—	—	—	—	—	—
Other assets (incl. derivatives)	—	—	3	—	—	—
Financial liabilities – customers	—	—	8	—	1	—
Other liabilities (incl. derivatives)	—	—	—	—	—	—
Guarantees provided	—	—	3	—	—	—
Interest income[1]	—	—	1.0	—	—	—
Interest expense	—	—	0.1	—	—	—
Net fee and commission income	—	—	—	—	—	—

1 Gross income; hedging costs not offset.

30.06.2025 in € million	Parent company	Entities with joint control of, or significant influence over, the entity	Subsidiaries, not consolidated	Associates	Joint ventures	Other companies
Receivables – customers	—	—	38	—	13	—
Unutilized credit lines	—	—	20	4	2	—
Securities	—	—	—	—	—	—
Other assets (incl. derivatives)	—	—	3	—	—	—
Financial liabilities – customers	—	—	10	—	—	—
Other liabilities (incl. derivatives)	—	—	—	—	—	—
Guarantees provided	—	—	3	—	—	—
Interest income[1]	—	—	0.6	—	0.3	—
Interest expense	—	—	0.2	—	—	—
Net fee and commission income	—	—	—	—	—	—

1 Gross income; hedging costs not offset.

Information regarding natural persons

The following breakdowns depict the business relations with related individuals and their family members. All business is conducted at standard industry and group terms for employees or at standard market terms.

in € million	**Key management of the entity or its parent**	**Other related parties[1]**	Key management of the entity or its parent	Other related parties[1]
	30.06.2026	**30.06.2026**	31.12.2025	31.12.2025
Deposits	6	1	10	2
Loans	18	—	21	—
	Jan–Jun 2026	**Jan–Jun 2026**	Jan–Jun 2025	Jan–Jun 2025
Interest income	0.3	—	0.3	—
Interest expense	0.1	—	0.1	—

1 With respect to key management.

Number of shares	**Key management of the entity or its parent**	**Other related parties[2]**	Key management of the entity or its parent	Other related parties[2]
	30.06.2026	**30.06.2026**	31.12.2025	31.12.2025
Shares of BAWAG Group AG [1]	3,704,500	—	3,213,186	—

1 Key management includes related trusts.
2 With respect to key management.

SEGMENT REPORTING

This information is based on the Group structure as of 30 June 2026.

The segment reporting presents the results of the operating business segments of BAWAG Group. The following segment information is based on IFRS 8 Operating Segments, which follows the management approach. In this, the segment information is prepared based on the internal reports used by the Management Board to assess the performance of the segments and to make decisions on allocating resources to the segments.

The breakdown of the net interest income and its allocation to the segments in the management report is based on the principles of the market interest rate method, also taking into account allocated liquidity costs and premiums. According to this method, it is assumed that asset and liability items are refinanced by means of money and capital market transactions with corresponding maturities, and that there is therefore no interest rate risk. The interest rate risk is managed actively through asset and liability management, and the related results are reported in the Corporate Center. The remaining earnings components and the directly allocable costs are assigned to the respective business units based on where they are incurred. The overhead costs and planned depreciations are assigned to the individual segments according to an allocation factor. Regulatory charges and corporate tax are allocated based on relevant input parameters.

BAWAG Group is managed in accordance with the following four business and reporting segments:

- Retail & SME – includes savings, payment, card and lending activities, investment and insurance services for our private customers, small business lending, factoring and leasing business and our social housing activities as well as own issues covered with retail assets and Wohnbaubank bonds. The segment services its domestic and international private and small business customers through a centrally managed branch network focused on high-touch and high-quality advisory and complementary online, mobile and partnership (broker, dealers) channels providing 24/7 customer access and driving asset origination. Our online product offering, for example, covers savings, payments, securities, card and lending activities for private and small business customers while the platform business provides auto, mobile and real estate leasing as well as consumer and mortgage loans. It also includes lending portfolios and platform business to our international retail borrowers in Western Europe and the United States. While driving our cross-border multi-brand and multi-channel strategy, we are committed to conservative lending strongly supported by our platform business in the DACH/NL region.
- Corporates, Real Estate & Public Sector – includes lending activities to international corporates as well as international real estate financing activities. It also includes our corporate, mid-cap and public sector lending business and other fee-driven financial services for mainly Austrian and German customers, expanding to the broader Western European market. Own issues covered with corporate or public sector assets are included in this segment as well.
- Treasury – includes any treasury activities associated with providing trading and investment services such as certain asset-liability management transactions (including secured and unsecured funding) and the investment results of the portfolio of financial securities of BAWAG Group.
- Corporate Center – provides central functions for the entire Group such as legal services, risk management and Group asset-liability management and includes unallocated items related to these support functions, accounting positions (e.g. market values of derivatives), the company’s equity, real estate and fixed assets, non-interest bearing assets and liabilities as well as selected results related to subsidiary and participation holdings and reconciliation positions.

Our segments are fully aligned with our business strategy as well as our objective of providing transparent reporting of our business units and bank-wide results while minimizing the financial impact within the Corporate Center.

The segments in detail:

Jan-Jun 2026 in € million	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Corporate Center	Total
Net interest income	826.9	138.1	12.8	(9.4)	968.4
Net fee and commission income	188.1	12.6	(0.2)	(0.3)	200.2
Core revenues	**1,015.0**	**150.7**	**12.6**	**(9.7)**	**1,168.6**
Other income[1]	—	—	(2.0)	9.8	7.8
Operating income	**1,015.0**	**150.7**	**10.6**	**0.1**	**1,176.4**
Operating expenses	**(310.3)**	**(37.1)**	**(10.1)**	**(15.3)**	**(372.8)**
Pre-provision profit	**704.7**	**113.6**	**0.5**	**(15.2)**	**803.6**
Regulatory charges	(15.2)	(4.6)	(4.9)	(0.2)	(24.9)
Total risk costs	(140.8)	0.2	0.2	(0.2)	(140.6)
Net result at-equity investments	—	—	—	7.2	7.2
Profit before tax	**548.7**	**109.2**	**(4.2)**	**(8.4)**	**645.3**
Income taxes	(136.3)	(27.2)	0.9	4.4	(158.2)
Profit after tax	**412.4**	**82.0**	**(3.3)**	**(4.0)**	**487.1**
Non-controlling interests	—	—	—	0.2	0.2
Net profit	**412.4**	**82.0**	**(3.3)**	**(3.8)**	**487.3**
Business volumes					
Assets	39,216	13,874	17,989	1,139	72,218
Liabilities	55,535	5,577	4,909	6,197	72,218
Risk-weighted assets	14,241	4,428	705	1,984	21,358

1 The term "Other income" includes gains and losses on financial instruments and other operating income and expenses.

The segments in detail:

Jan-Jun 2025 in € million	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Corporate Center	Total
Net interest income	733.5	129.5	17.7	22.7	903.4
Net fee and commission income	164.9	14.5	(0.2)	0.1	179.3
Core revenues	**898.4**	**144.0**	**17.5**	**22.8**	**1,082.7**
Other income[1]	2.1	1.6	8.2	(8.9)	3.0
Operating income	**900.5**	**145.6**	**25.7**	**13.9**	**1,085.7**
Operating expenses	**(347.4)**	**(34.9)**	**(9.1)**	**(12.9)**	**(404.3)**
Pre-provision profit	**553.1**	**110.7**	**16.6**	**1.0**	**681.4**
Regulatory charges	(10.2)	(4.6)	(4.7)	(0.5)	(20.0)
Total risk costs	(100.9)	(8.2)	(0.2)	(1.9)	(111.2)
Net result at-equity investments	—	—	—	1.7	1.7
Profit before tax	**442.0**	**97.9**	**11.7**	**0.3**	**551.9**
Income taxes	(110.5)	(24.5)	(2.9)	(2.8)	(140.7)
Profit after tax	**331.5**	**73.4**	**8.8**	**(2.5)**	**411.2**
Non-controlling interests	—	—	—	—	—
Net profit	**331.5**	**73.4**	**8.8**	**(2.5)**	**411.2**
Business volumes					
Assets	38,032	13,331	19,456	1,941	72,760
Liabilities	55,756	6,139	4,693	6,172	72,760
Risk-weighted assets	15,448	4,881	939	2,083	23,351

1 The term "Other income" includes gains and losses on financial instruments and other operating income and expenses.

As the internal and external reporting of BAWAG Group is fully harmonized, the total of reportable segments' measures of profit or loss do not differ from the Bank's profit or loss. Therefore, no separate reconciliation column is shown in the segment tables.

Geographical split

The tables below show a geographical split of the business segments based on the risk-related assignment of individual customers to a country. Customer groups are not aggregated and assigned to a single country (i.e. the country of the parent company) but allocated to their respective countries on a single entity level.

The following tables show core revenues per segment and geography:

Jan-Jun 2026 in € million	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Corporate Center	Total
Euro Countries	936.7	74.8	16.5	(11.8)	1,016.2
thereof Austria	487.3	41.5	7.4	(18.4)	517.8
thereof Germany	259.7	13.7	2.5	3.7	279.6
thereof Netherlands	187.1	0.9	0.4	1.0	189.4
Non-Euro Countries	78.3	75.9	(3.9)	2.1	152.4
Total	**1,015.0**	**150.7**	**12.6**	**(9.7)**	**1,168.6**

Jan-Jun 2025 in € million	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Corporate Center	Total
Euro Countries	837.5	86.8	19.9	14.6	958.8
thereof Austria	456.1	49.1	7.9	13.9	527.0
thereof Germany	201.3	12.7	2.3	(0.3)	216.0
thereof Netherlands	177.5	1.5	0.5	(0.8)	178.7
Non-Euro Countries	60.9	57.2	(2.4)	8.2	123.9
Total	**898.4**	**144.0**	**17.5**	**22.8**	**1,082.7**

The segment result can be reconciled with the Profit or Loss Statement as follows:

in € million	Jan–Jun 2026	Jan–Jun 2025
Other operating income and expenses according to segment report[1]	(29.5)	2.3
Regulatory charges[1]	(21.0)	(16.1)
Other operating income and expenses according to Consolidated Profit or Loss Statement	**(50.5)**	**(13.8)**

in € million	Jan–Jun 2026	Jan–Jun 2025
Operating expenses according to segment report[1]	(372.8)	(404.3)
Regulatory charges[1]	(3.9)	(3.9)
Operating expenses according to Consolidated Profit or Loss Statement	**(376.7)**	**(408.1)**

1 In accordance with IFRS, the item Other operating income and expenses also includes regulatory charges in the amount of € 21.0 million for the first half 2026 (H1 2025: € 16.1 million). The item Operating expenses includes regulatory charges in the amount of € 3.9 million for the first half 2026 as well (H1 2025: € 3.9 million). However, BAWAG's management considers regulatory charges as a separate expense. Accordingly, they are shown in a separate expense line in the Group Management Report.

CAPITAL MANAGEMENT

Regulatory reporting is performed on the level of BAWAG Group. The following table shows the breakdown of own funds of BAWAG Group applying transitional rules per 30 June 2026 and 31 December 2025 pursuant to CRR applying IFRS figures and the CRR scope of consolidation.

	BAWAG Group	
in € million	**30.06.2025**	31.12.2025
Share capital and reserves (including funds for general banking risk)[1]	4,273	3,957
Deduction of intangible assets	(377)	(472)
Other comprehensive income	(76)	(106)
IRB risk provision shortfalls	(7)	(3)
Prudent valuation, cumulative gains due to changes in own credit risk on fair valued liabilities, prudential filter for unrealized gains, cash flow hedge reserve	36	9
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	—	(1)
Securitization positions which can alternatively be subject to a 1,250% risk weight	(65)	(44)
Insufficient coverage for non-performing exposures	(30)	(22)
Additional deductions of CET 1 capital due to article 3 CRR	(29)	(28)
Common Equity Tier I	**3,723**	**3,290**
Capital instruments eligible as additional Tier 1 capital	500	500
Deduction of significant investments	—	(40)
Additional Tier I	**500**	**460**
Tier I	**4,223**	**3,751**
Tier II capital	663	685
Tier II	**663**	**685**
Own funds	**4,887**	**4,436**

Capital requirements (risk-weighted assets)

	BAWAG Group	
in € million	**30.06.2025**	31.12.2025
Credit risk	17,197	18,433
Operational risk	4,160	4,160
Capital requirements (risk-weighted assets)	**21,358**	**22,594**

Key figures including (interim) profit

	BAWAG Group	
	30.06.2025	31.12.2025
Common Equity Tier 1 capital ratio based on total risk	17.4%	14.2%
Total capital ratio based on total risk	22.9%	19.3%

Key figures based on transitional rules

	BAWAG Group	
	30.06.2025	31.12.2025
Common Equity Tier 1 capital ratio based on total risk	17.4%	14.6%
Total capital ratio based on total risk	22.9%	19.6%

17 | Fair value

The following tables depict a comparison of the carrying amounts and fair values for selected items on the Statement of Financial Position.

in € million	Carrying amount 30.06.2026	Fair value 30.06.2026	Delta Fair value/ Carrying amount 30.06.2026	Carrying amount 31.12.2025	Fair value 31.12.2025	Delta Fair value/ Carrying amount 31.12.2025
Assets						
Cash reserves	14,513	14,513	—	14,093	14,093	—
Financial assets designated at fair value through profit or loss	35	35	—	38	38	—
Loans to customers	35	35	—	38	38	—
Financial assets mandatorily at fair value through profit or loss	441	441	—	479	479	—
Securities	210	210	—	220	220	—
Loans to customers	139	139	—	149	149	—
Subsidiaries and other equity investments	92	92	—	110	110	—
Financial assets at fair value through other comprehensive income	1,187	1,187	—	1,322	1,322	—
Debt instruments	1,139	1,139	—	1,275	1,275	—
Subsidiaries and other equity investments	48	48	—	47	47	—
Financial assets held for trading	124	124	—	109	109	—
At amortized cost	54,677	54,223	(454)	54,814	54,335	(479)
Customers	51,074	50,628	(446)	50,749	50,280	(469)
Credit institutions	569	565	(4)	452	448	(4)
Securities	3,034	3,030	(4)	3,613	3,607	(6)
Valuation adjustment on interest rate risk hedged portfolios	(586)	(586)	—	(616)	(616)	—
Hedging derivatives	212	212	—	358	358	—
Property, plant and equipment	295	n/a	n/a	300	n/a	n/a
Investment properties	247	247	—	232	232	—
Intangible non-current assets	525	n/a	n/a	535	n/a	n/a
Other assets	543	n/a	n/a	514	n/a	n/a
Non-current assets and disposal groups held for sale	5	5	—	119	n/a	n/a
Total assets	**72,218**			**72,297**		

in € million	Carrying amount 30.06.2026	Fair value 30.06.2026	Delta Fair value/ Carrying amount 30.06.2026	Carrying amount 31.12.2025	Fair value 31.12.2025	Delta Fair value/ Carrying amount 31.12.2025
Equity and liabilities						
Financial liabilities designated at fair value through profit or loss	57	57	—	55	55	—
Issued debt securities and other securitized liabilities	42	42	—	41	41	—
Subordinated capital	15	15	—	14	14	—
Financial liabilities held for trading	472	472	—	450	450	—
Financial liabilities at amortized cost	65,552	65,394	(158)	65,707	65,511	(196)
Deposits from credit institutions	724	730	6	812	819	7
Deposits from customers	45,815	45,802	(13)	47,367	47,366	(1)
Issued bonds and supplementary capital	19,013	18,862	(151)	17,528	17,326	(202)
Valuation adjustment on interest rate risk hedged portfolios	(316)	(316)	—	(299)	(299)	—
Hedging derivatives	279	279	—	91	91	—
Provisions	244	n/a	n/a	251	n/a	n/a
Other obligations	1,214	n/a	n/a	1,197	n/a	n/a
Equity	4,707	n/a	n/a	4,836	n/a	n/a
Non-controlling interests	9	n/a	n/a	9	n/a	n/a
Total liabilities and equity	**72,218**			**72,297**		

The fair values of material investment properties are based on external and internal valuations. The carrying amount of other assets and other obligations is a reasonable approximation of their fair value. Therefore, information on the fair value of these items is not shown.

Market standard valuation methods are used to determine the fair value of assets and liabilities. With regard to Level 3 assets and liabilities for which non-observable valuation parameters are used for measurement, the current macroeconomic environment results in increased uncertainty with regard to the measurement of the fair value of these items.

Carrying amount adjustments of hedged items in a portfolio fair value hedge are presented in a separate balance sheet item Valuation adjustment on interest rate risk hedged portfolios in accordance with IFRS 9. To enable a direct comparison with the balance sheet items, fair value changes relating to the interest rate risk hedged here are also presented in a separate line.

Fair value hierarchy

The following table depicts an analysis of the fair values of financial instruments and investment properties on the basis of the fair value hierarchy in IFRS 13. The breakdown consists of the following groups:

- **Level 1:** The value of financial instruments is measured using a quoted price without adjustment. This includes government bonds, bonds with quoted prices and exchange-traded derivatives.

- **Level 2**: If no current, liquid market values are available, generally accepted, standard state-of-the-art methods of measurement are used. This applies to the category liabilities evidenced by paper (issued by BAWAG), and, in individual cases, other current financial assets in the Bank's trading portfolio where the valuation of plain vanilla securities was performed on the basis of the yield curve plus the current credit spread. The value is measured using input factors (default rates, costs, liquidity, volatility, interest rates etc.) to derive values from quoted prices (Level 1). This pertains to prices that are calculated using internal models or using valuation methods, as well as to external price quotes for securities that are traded on markets with limited liquidity and that are demonstrably based on observable market prices.

This category includes the majority of the OTC derivative contracts, corporate bonds and other bonds for which no quoted price is available, as well as the majority of the Group's own issues that are recognized at their fair values.

For customer receivables accounted for at fair value, modeling techniques following industry standard models are applied, for example discounted cash flow analysis and standard option pricing models. Market parameters such as interest rates, FX rates or volatilities are used as inputs to the valuation models to determine fair value. The discount curves used to determine the pure time value of money contain only instruments that assume no or only low default risk, such as swap rates. Spread curves that reflect the refinancing costs of the respective borrower are either derived from outstanding funding instruments, distinguished by seniority (senior unsecured, subordinated, collateralized funding), or benchmark yield curves (e.g. indices).

Linear derivative financial instruments containing no optional components (such as interest rate swaps, currency forwards and futures) were also measured using a present value technique (discounting of future cash flows applying the current swap curve, derivatives with counterparties with a Credit Support Annex [CSA] agreement are discounted by the corresponding RFR curve [risk free rate; e.g. €STR]).

Optional instruments were measured using option price models such as Black-Scholes (swaptions, caps, floors), Bachelier (caps, floors and swaptions in currencies with negative interest rates), Garman-Kohlhagen (currency options) or the Hull-White model (swaps with multiple cancellation rights), which were implemented and applied consistently in the front office systems.

The basic parameters on which the models are based (yield curves, volatilities and exchange rates) are input into the system by the Market Risk unit independently of the Treasury departments, which ensures the separation of front office functions from back office processing and control.

For more complex derivatives that are held for hedging purposes and that are concluded back to back, external valuations are obtained by the Market Risk unit and input into the systems for correct processing.

Standard providers such as Bloomberg and Markit are used to evaluate the spreads of issued securities recognized at fair value through profit or loss. A senior unsecured spread curve and an LT2 spread curve are calculated based on the term structure of the A Europe Financial sector curve and the quotes of the international BAWAG P.S.K. issues. For covered issues, the spread curve is derived directly from the quotes of several BAWAG P.S.K. benchmark bonds. The securities prices for BAWAG P.S.K. issues are then calculated by discounting the swap curve adapted by the spread.

As of 30 June 2026, the portion of change in fair value of securities issued by BAWAG accounted for solely by changes in the Group's credit spreads was minus € 0.4 million (minus € 1.1 million as of 31 December 2025). This is defined as the product of the credit spread basis point value with the respective spread change, supplemented by the pull-to-par effect. As of 30 June 2026, the cumulative fair value change resulting from changes in the Group's credit rating amounted to minus € 0.4 million (€ 0.0 million as of 31 December 2025).

A one basis point narrowing of the credit spread is expected to change their valuation by minus € 0.02 million (minus € 0.02 million as of 31 December 2025).

The cumulative fair value change of receivables recognized at fair value through profit or loss that was recognized due to changes in credit spreads amounted to € 0.1 million as of 30 June 2026 (€ 0.1 million as of 31 December 2025) and is calculated as the change in the spread between the government yield curve and the swap curve during the observed period. The respective annual fair value change amounted to € 0.0 million (€ 0.0 million as of 31 December 2025).

A one basis point narrowing of the credit spread is expected to change their valuation by plus € 0.01 million (plus € 0.02 million as of 31 December 2025).

- **Level 3:** The measurement is based on unobservable input factors that have a material influence on the market value. This pertains primarily to illiquid funds as well as own issues of BAWAG P.S.K. Wohnbaubank. Loans and receivables and financial liabilities measured at amortized cost are valued using the discounted cash flow method using a spread-adjusted swap curve. This also pertains to stakes in non-consolidated subsidiaries that are classified as mandatorily at fair value through profit or loss or at fair value through other comprehensive income and customer liabilities accounted for at fair value through profit or loss.

The fair values of material investment properties are based on external and internal valuations.

For the determination of the credit value adjustment for the credit risk of OTC derivatives, netting effects at the customer level within transactions of the same kind and currency are taken into account.

30.06.2026 in € million	Level 1	Level 2	Level 3	Total
Assets				
Financial assets designated at fair value through profit or loss	—	35	—	35
Financial assets mandatorily at fair value through profit or loss	—	45	396	441
Financial assets at fair value through other comprehensive income	897	242	48	1,187
Debt instruments	897	242	—	1,139
Subsidiaries and other equity investments	—	—	48	48
Financial assets held for trading	—	124	—	124
Valuation adjustment on interest rate risk hedged portfolios	—	(586)	—	(586)
Hedging derivatives	—	212	—	212
Investment properties	—	—	247	247
Total assets	**897**	**72**	**691**	**1,660**
Liabilities				
Financial liabilities designated at fair value through profit or loss	—	57	—	57
Issued debt securities and other securitized liabilities	—	42	—	42
Subordinated capital	—	15	—	15
Financial liabilities held for trading	—	472	—	472
Valuation adjustment on interest rate risk hedged portfolios	—	(316)	—	(316)
Hedging derivatives	—	279	—	279
Total liabilities	**—**	**492**	**—**	**492**

31.12.2025 in € million	Level 1	Level 2	Level 3	Total
Assets				
Financial assets designated at fair value through profit or loss	—	38	—	38
Financial assets mandatorily at fair value through profit or loss	—	—	479	479
Financial assets at fair value through other comprehensive income	986	289	47	1,322
Debt instruments	986	289	—	1,275
Subsidiaries and other equity investments	—	—	47	47
Financial assets held for trading	—	109	—	109
Valuation adjustment on interest rate risk hedged portfolios	—	(616)	—	(616)
Hedging derivatives	—	358	—	358
Investment properties	—	—	232	232
Total assets	**986**	**178**	**758**	**1,922**
Liabilities				
Financial liabilities designated at fair value through profit or loss	—	55	—	55
Issued debt securities and other securitized liabilities	—	41	—	41
Subordinated capital	—	14	—	14
Financial liabilities held for trading	—	450	—	450
Valuation adjustment on interest rate risk hedged portfolios	—	(299)	—	(299)
Hedging derivatives	—	91	—	91
Total liabilities	**—**	**297**	**—**	**297**

BAWAG recognizes transfers between levels as of the end of the reporting period during which the transfer has occurred.

Movements between Level 1 and Level 2

In the first half of 2026, securities at fair value through other comprehensive income with a book value of € 5 million (31 December 2025: € 30 million) were moved from Level 1 to Level 2 due to subsequent illiquid market prices. Securities at fair value through other comprehensive income with a book value of € 53 million (31 December 2025: € 46 million) were moved from Level 2 to Level 1 due to a more liquid market.

Movements in Level 3 financial instruments measured at fair value

The changes in financial instruments accounted for at fair value in the Level 3 category were as follows:

			Financial assets at fair value through other comprehensive income		
in € million	Financial assets mandatorily at fair value through profit or loss	Financial assets designated at fair value through profit or loss	Debt instruments	Subsidiaries and other equity investments	Financial liabilities
Opening balance as of 01.01.2026	**479**	**—**	**—**	**47**	**—**
Valuation gains (losses) in profit or loss					
for assets held at the end of the period	9	—	—	—	—
for assets no longer held at the end of the period	(1)	—	—	—	—
Valuation gains (losses) in other comprehensive income					
for assets held at the end of the period	—	—	—	—	—
for assets no longer held at the end of the period	—	—	—	—	—
Purchases/Additions	1	—	—	1	—
Redemptions	(94)	—	—	—	—
Sales	—	—	—	—	—
Foreign exchange differences	2	—	—	—	—
Change in scope of consolidation	—	—	—	—	—
Closing balance as of 30.06.2026	**396**	**—**	**—**	**48**	**—**

			Financial assets at fair value through other comprehensive income		
in € million	Financial assets mandatorily at fair value through profit or loss	Financial assets designated at fair value through profit or loss	Debt instruments	Subsidiaries and other equity investments	Financial liabilities
Opening balance as of 01.01.2025	**577**	**—**	**—**	**116**	**4**
Valuation gains (losses) in profit or loss					
for assets held at the end of the period	48	—	—	—	—
for assets no longer held at the end of the period	(7)	—	—	—	—
Valuation gains (losses) in other comprehensive income					
for assets held at the end of the period	—	—	—	1	—
for assets no longer held at the end of the period	—	—	—	—	—
Purchases/Additions	59	—	—	3	—
Redemptions	(114)	—	—	(1)	(4)
Sales	(11)	—	—	—	—
Foreign exchange differences	(25)	—	—	(8)	—
Change in scope of consolidation	(48)	—	—	(64)	—
Closing balance as of 31.12.2025	**479**	**—**	**—**	**47**	**—**

Valuation (including the parameterization of observable input factors) is performed by a market-independent back office division within the risk group on a monthly basis. Changes that have occurred are verified, as far as possible, by comparing them to references observable on the market.

Quantitative and qualitative information regarding the valuation of Level 3 financial instruments

The main unobservable input factor for own issues of BAWAG P.S.K. Wohnbaubank and the former IMMO-BANK is the spread premium on the swap curve, which is used to determine the risk-adjusted discount curve. Subsequently, the fair value is calculated by discounting the future cash flows with the risk-adjusted discount curve. The gross spread premium for own issues of BAWAG P.S.K. Wohnbaubank depends on the maturity and is currently 65 basis points (31 December 2025: 67 basis points) for 5 years (mid). For issues of the former IMMO-BANK, the spreads depend on the seniority of the bond and the maturity.

In general, the mentioned input parameter is dependent on the general market development of credit spreads within the banking sector and in detail on the credit rating development of the housing banks, with spread increases having a positive effect.

In general, the discounted cash flow method (DCF) is used to determine the fair values of loans. Caps, floors or simple call options, if existing, are measured using the Bachelier model. The discount factor used in the DCF consists of various parameters: the funding curve (derived from a peer group of European banks with the same rating as BAWAG P.S.K.) and a customer-specific credit spread curve (derived from the CDS or Bloomberg bond sector curve, depending on availability; for retail and SME, from an internally derived default probability), which is adjusted by the respective collateral ratio.

For illiquid funds that could not be sold in time for the published net asset values, a discount is applied as an input factor which is not directly observable, taking the expected selling price into account. The fair value is subsequently calculated as the difference between the net asset values and this liquidity discount. The funds are reported under Financial assets mandatorily at fair value through profit or loss.

The fair value of non-traded investment funds is based on fair value quotes provided by the fund manager.

For real estate investment funds, the underlying investments are appraised at least annually by an independent appraiser engaged by the fund manager; net asset value (NAV) is determined at least quarterly. The net asset value of the investment fund corresponds to the excess of the value of the investment fund's assets over the value of its liabilities.

Funds investing in loan portfolios are valued by an independent external valuation agent based on a discounted cash flow methodology that uses proprietary default and prepayment models to derive expected cash flows, which are discounted at a market rate. The model utilizes credit and performance as well as macroeconomic indicators to forecast cash flows for each loan pool segmented by origination, vintage, sub-grade and term. Net asset value is calculated on a monthly basis.

The fund's financial statements are prepared according to local GAAP and an independent auditor conducts the annual audit for the funds, providing assurance on the accuracy of the above.

The dividend discount and discounted earnings method is applied to a significant part of the investments in equity instruments. A smaller portion is valued based on external price indications and pro-rata equity.

Expected dividends and earnings as well as external price indications take into account the most recent forecasts, including the observed and expected impact of the current geopolitical situation on the profitability of the companies concerned.

The fair values of customer liabilities at fair value through profit or loss are determined analogously to receivables using the discounted cash flow method and the Bachelier model.

Sensitivity analysis of fair value measurement from changes in unobservable parameters

If the value of financial instruments is dependent on unobservable input parameters, the precise level for these parameters can be drawn from a range of reasonably possible alternatives. The current geopolitical situation results in increased uncertainty with regard to unobservable input parameters and the measurement of the fair value of such items. Financial liabilities in Level 3 that are measured at fair value through profit or loss relate to own issues of BAWAG P.S.K. Wohnbaubank and the former IMMO-BANK and customer deposits in start:bausparkasse Austria.

If the credit spread used in calculating the fair value of own issues increased by 20 basis points, the accumulated valuation result as of 30 June 2026 would have increased by € 0.0 million (31 December 2025: € 0.0 million). If the credit spread used in calculating the fair value of own issues decreased by 20 basis points, the accumulated valuation result as of 30 June 2026 would have decreased by € 0.0 million (31 December 2025: € 0.0 million).

The cumulative fair value change of receivables recognized at fair value through profit or loss that was recognized due to changes in credit spreads amounted to plus € 7.7 million as of 30 June 2026 (31 December 2025: plus € 7.1 million) and is calculated as the change in the credit spread over the swap curve during the observed period. The corresponding annual fair value change amounted to plus € 0.6 million (31 December 2025: plus € 2.9 million).

A one basis point narrowing of the credit spread is expected to change their valuation by plus € 0.04 million (31 December 2025: plus € 0.05 million).

If the credit spread used in calculating the fair value of loans increased by 100 basis points, the accumulated valuation result as of 30 June 2026 would have decreased by € 4.0 million (31 December 2025: € 4.3 million). If the credit spread used in calculating the fair value of loans decreased by 100 basis points, the accumulated valuation result as of 30 June 2026 would have increased by € 4.5 million (31 December 2025: € 4.8 million).

If the liquidity discount of illiquid funds is increased by 10 percentage points, the valuation result as of 30 June 2026 would have decreased by € 0.1 million (31 December 2025: € 0.1 million). If the liquidity discount of illiquid funds is decreased by 10 percentage points, the valuation result as of 30 June 2026 would have increased by € 0.1 million (31 December 2025: € 0.1 million).

For the valuation of a part of the investments in equity instruments, the main input parameters are the discount factor, dividend income or earnings as well as (possibly) necessary capital measures. If the discount rate for investments in equity instruments is decreased by 100 basis points, the fair value would increase by € 8.7 million (thereof € 1.9 million FVTOCI and € 6.8 million FVTPL; 31 December 2025: € 7.7 million; thereof € 1.9 million FVTOCI and € 5.8 million FVTPL), whereas if the discount rate is increased by 100 basis points, the fair value would decrease by € 6.7 million (thereof € 1.5 million FVTOCI and € 5.2 million FVTPL; 31 December 2025: € 5.9 million; thereof € 1.4 million FVTOCI and € 4.5 million FVTPL). If changes in dividend income or net profit where applicable rose by 20%, the fair value of those assets would rise by €2.9 million (thereof € 0.4 million FVTOCI and € 2.5 million FVTPL; 31 December 2025: € 2.0 million; thereof € 0.7 million FVTOCI and € 1.3 million FVTPL); if changes in dividend income or net profit where applicable declined by 20%, the fair value would decrease by € 2.8 million (thereof € 0.4 million FVTOCI and € 2.4 million FVTPL; 31 December 2025: €1.9 million; thereof € 0.6 million FVTOCI and € 1.3 million FVTPL).

A part of the investments in equity instruments is valued based on external price indications. If these indications were 10% lower, the fair value of this portion would decrease by € 7.0 million (thereof € 2.8 million FVTOCI and € 4.2 million FVTPL; 31 December 2025: € 9.3 million, thereof € 2.7 million FVTOCI and € 6.6 million FVTPL). If these indications were 10% higher, the fair value of this portion would increase by € 7.0 million (thereof € 2.8 million FVTOCI and € 4.2 million FVTPL; 31 December 2025: € 9.4 million; thereof € 3.0 million FVTOCI and € 6.4 million FVTPL).

The smallest portion is valued based on pro-rata equity. If the equity was 10% lower, this would result in a decrease of € 1.0 million (thereof € 0.7 million FVTOCI and € 0.3 million FVTPL; 31 December 2025: € 1.0 million; thereof € 0.7 million FVTOCI and € 0.3 million FVTPL), whereas if the equity was 10% higher, there would be an increase of € 1.0 million (thereof € 0.7 million FVTOCI and € 0.3 million FVTPL; 31 December 2025: € 1.0 million; thereof € 0.7 million FVTOCI and € 0.3 million FVTPL).

The fair value of the non-traded investment funds is based on fair value quotes provided by the fund manager. Based on the current portfolio allocation, one fund has an expected interest rate sensitivity of approximately minus € 0.0 million (31 December 2025: minus € 0.0 million) if rates rise by 100 bp and a credit spread sensitivity of minus € 0.0 million (31 December 2025: minus € 0.0 million) if credit spreads widen by 100 bp (and vice versa).

For the other fund, the following applies: If the fair value indicated increased by 10%, the Group would recognize a gain of € 14.0 million in profit or loss (31 December 2025: € 15.2 million). If the fair value indicated decreased by 10%, the Group would recognize a loss of € 14.0 million in profit or loss (31 December 2025: € 15.2 million).

Fair value changes of Level 3 assets with alternative parameterization

To determine the potential impact, credit spreads are used for debt securities, income funds with the risk factor credit spreads as well as loans. For these, the value range between +100 bp and (50) bp is used in the sensitivity analysis. An increase (a reduction) in spreads leads to a reduction (an increase) in the respective fair value.

30.06.2026 in € million	(50) bp	+50 bp	+100 bp
Financial assets at fair value through profit or loss	**2.2**	**(2.1)**	**(4.0)**
Debt securities	—	—	—
Loans to customers	2.2	(2.1)	(4.0)
Income funds	—	—	—
Financial assets at fair value through other comprehensive income	**—**	**—**	**—**
Debt securities			

31.12.2025 in € million	(50) bp	+50 bp	+100 bp
Financial assets at fair value through profit or loss	**2.3**	**(2.2)**	**(4.4)**
Debt securities	—	—	—
Loans to customers	2.3	(2.2)	(4.3)
Income funds	—	—	(0.1)
Financial assets at fair value through other comprehensive income	**—**	**—**	**—**
Debt securities	—	—	—

18 | Treatment of day one gain

IFRS 9.B5.1.2A states that the fair value on initial recognition will normally be equal to the transaction price. If the entity determines that the fair value on initial recognition differs from the transaction price and this fair value measurement is not evidenced by a valuation technique that uses only data from observable markets, the carrying amount of the financial instrument on initial recognition is adjusted. If the fair value of a loan portfolio differs from the transaction price, the initial recognition must be based on the fair value but will be adjusted for any day one gain or loss; this will eventually lead to a book value of the loan portfolio that equals the transaction price.

In the case of the acquisition of several loan portfolios, market interest rates on the transaction date were different than when prices were negotiated. In the majority of cases, the seller wanted to exit the respective business and therefore the transaction prices did not represent the fair value of the loans. The initial recognition is based on the fair value of the acquired loans and receivables determined using a DCF method taking into consideration market conditions on the purchase date. Because the fair value and therefore the day one gain or loss is neither evidenced by a quoted price nor based on a valuation technique that uses only data from observable markets, the day one gain or loss must not be realized on day one but must be accrued and the difference is subsequently recognized as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would consider in setting a price. IFRS 9 does not state how to subsequently measure this difference.

IFRS does not provide guidance on the presentation of the amortization of day one gain or loss. Day one gain or loss will be amortized on a systematic basis and is presented as part of interest income for performing loans and as part of risk costs for loans classified as POCI. The following differences will be recognized in income in subsequent years:

in € million	**30.06.2026**	31.12.2025
Balance at the beginning of the period	13	22
Amounts recognized in profit or loss during the period	(3)	(9)
Balance at the end of the period	**10**	**13**

19 | Changes in the Group's holdings

Changes in the scope of consolidation with no material impact on the consolidated financial statements

In the first quarter of 2026, Knab Conditional Pass-Through Covered Bond Company B.V. was deconsolidated, due to immateriality. Also in the first quarter of 2026, Health Coevo AG was merged with BAWAG P.S.K. AG, retrospectively as of 30 June 2025. In the second quarter of 2026, BAWAG Group Germany GmbH was deconsolidated, due to immateriality.

Changes in the scope of consolidation with material impact on the consolidated financial statements

In the second quarter of 2026, the investment in Best Egg Inc., which had been accounted for using the equity method, was sold.

20 | Contingent assets, contingent liabilities and unused lines of credit

in € million	30.06.2026	31.12.2025
Contingent liabilities	**96**	**96**
Arising from guarantees	96	96
Unused customer credit lines	**17,251**	**17,436**
Thereof terminable at any time and without notice	15,244	15,563
Thereof not terminable at any time	2,007	1,873

RISK REPORT

BAWAG operates a business model primarily focused on Retail & SME, complemented by targeted Corporate, Real Estate and Public sector business. From a geographic perspective, BAWAG concentrates on developed countries and operates in Austria, Germany, Netherlands, Ireland, United Kingdom, Switzerland and United States. All of these countries have a sovereign rating of AA or higher and have a robust banking and legal infrastructure. Our banking activities are primarily funded by retail deposits. In combination with mortgage as well as public sector covered bonds, customer funding comprises more than 90% of BAWAG's financing. Simplicity and efficiency are core to what we do, aiming to streamline processes from end to end and deliver simple and intuitive financial products and services to our customers.

Our business model and long-term development are a reflection of our conservative risk appetite. Risk management and the active steering of risks are integral to the Group's business strategy and key to achieving our strategic and financial objectives. This approach enables us to create sustainable value for our stakeholders, including shareholders and customers.

Safe and Secure is a cornerstone of our Group strategy, risk policies and governance. It is founded on the following tenets:

- Conservative and forward-looking risk management framework
- Strong capital position, stable customer funding and a low risk profile through focus on risk-adjusted returns
- Focus on mature, developed and sustainable markets
- Conservative and disciplined underwriting with a focus on secured lending to maintain a fortress balance sheet
- Proactively managing and mitigating non-financial risks including climate and environmental risks

Half-year 2026 summary

- Our core markets Austria, Germany, Netherlands, Ireland, Switzerland and the United States have benefited from resilient employment levels and the healthy financial positions of our customers. As always, downside risks exist, including ongoing geopolitical tensions, potential for persistent inflation and a compounding economic slowdown. Such risks would expose economic vulnerabilities particularly for entities or customers with high debt levels and cause high uncertainty and negatively impact company investments. We believe our prudent risk management and long-term conservative underwriting practices have positioned BAWAG well to withstand adverse developments. We maintain prudence through sufficient reserve levels, high levels of capital and liquidity well above regulatory requirements, and reliance on stable funding sources.

- Our strong and stable asset quality is evidenced by the high share of the customer book in Stage 1 (performing) of 94% (2025: 94%) and 4% (2025: 4%) in Stage 2 (performing, but increased credit risk). BAWAG's Stage 2 assets remain low as a share of our total book, reflecting the disciplined underwriting standards and credit quality. With the share remaining stable, it demonstrates a good fit of the acquired businesses with our risk appetite.

- We maintain a strong credit profile with low NPL ratio at 0.9% (2025: 0.8%), NPL cash coverage at 53% (2025: 55%) and NPL coverage ratio at 64% (2025: 68%).

- In the first half of 2026 risk costs amounted to € 141 million (30.06.2025: € 111 million) or 54 basis points (30.06.2025: 40 basis points). The increase was driven by ongoing shift of asset mix toward unsecured lending due to the integration and growth of the German credit cards business.

- Robust liquidity with an LCR of 217% (2025: 204%) and an NSFR of 143% (2025: 142%), both of which are well above regulatory requirements.

Development of key risk metrics

	Total book		
in € million	30.06.2026	31.12.2025	Change (pts)
NPL ratio	0.9%	0.8%	0.1
NPL cash coverage ratio	52.7%	55.0%	(2.2)
NPL coverage ratio	64.2%	68.1%	(3.9)
Impairments	589	500	89
Stage 2 Asset Ratio	4.5%	4.3%	0.2
LCR	217%	204%	13
NSFR	143%	142%	1

21 | Risk governance

Risk statement

BAWAG is active in banking activities, focusing primarily on retail banking in our core markets, with a secondary focus on low-risk public financing, selective corporate lending and commercial real estate financing in established markets that demonstrate adequate risk-adjusted returns. As such, the Group takes on the typical risks inherent to the banking industry, as well as the economy in general. BAWAG closely monitors and manages all such risks within a strict and comprehensive risk framework, with the intent to mitigate such risks in the event that negative impacts occur and ensure adequate levels of capital and liquidity.

BAWAG has established a comprehensive and forward-looking risk management framework which considers the nature, scale and complexity of the Group’s business activities and the resulting risks. The Group’s risk management governance and oversight involves understanding drivers of risks, types of risks and impacts of risks. BAWAG’s approach to risk, risk appetite and governance framework remained unchanged.

BAWAG’s approach to risk

BAWAG’s risk management framework is based on the following guiding principles:

→ Risk-conscious culture: Risk management is a shared responsibility across all business units and risk functions. We have fostered a risk-aware culture throughout the Group, ensuring that decisions are consistently made on a risk-informed basis.

→ Prudent approach to risk and underwriting: Our strategic commitment to maintaining a low risk profile is reflected in our focus on developed markets, our conservative underwriting with emphasis on risk-adequate returns, a strong capital position, customer-funding comprised of deposits and covered bonds, and the proactive mitigation of non-financial risks.

→ Integrated risk management: We manage relevant risk categories on a Group-wide basis, ensuring a consistent and coherent approach towards our risk management activities throughout the Group.

→ Well-established risk governance: The governance framework ensures a strict separation of business and risk functions at all organizational levels and contributes to the effective implementation and control of the Group’s preferred risk appetite and strategy.

→ Effective risk analysis, management and reporting: Comprehensive risk reporting together with sophisticated risk measurement and validation techniques covering all material risk types ensure the close monitoring and the early detection of emerging risks. Risk analysis is supplemented by a sound and comprehensive stress testing framework, allowing the targeted stressing of the Group’s risk vulnerabilities.

The implemented risk management framework ensures the effective identification, measurement and management of risks across BAWAG and forms the basis for making informed, risk-based business decisions. It allows us to react quickly and proactively to market trends or other deteriorating developments as well as support the Group’s sustainable organic and inorganic growth within the overall risk appetite.

22 | ICAAP and stress test

The definitions of Risk Strategy and ICAAP & Stress Test remained unchanged in first half of 2026 compared to FY 2025, except the following enhancements:

→ Internal Capital: quality of the capital further increased.

→ Credit Risk: methodology has been enhanced to increase conservatism in the risk parameters and in the quantification of credit risk components.

In connection with the Governance framework, the Group has already considered, as far as applicable, the requirements stemming from the consultation paper draft revised Guidelines on internal governance under Directive 2013/36/EU (EBA/CP/2025/20) with marginal impact on ICAAP and Stress Test.

23 | Credit risk

The definitions of Credit Risk (including the Credit risk governance, Assessing creditworthiness, Collateral valuation, Definition of default, Forbearance and Impairments) remained unchanged in first half of 2026 compared to FY 2025.

Overview of the total credit risk portfolio

The following sections provide an overview of the structure and the portfolio quality of the total credit risk portfolio and in the individual segments.

30.06.2026 in € million	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Corporate Center	Total portfolio
At amortized cost	39,093	13,598	2,479	(492)	54,677
Loans and advances to customers	39,093	12,043	431	(493)	51,074
Loans and advances to banks	—	42	526	—	569
Debt securities	—	1,512	1,521	—	3,034
Financial assets FVPL/FVOCI	118	276	966	165	1,525
Other assets	5	—	14,544	(36)	14,513
On-balance business	**39,216**	**13,874**	**17,989**	**(363)**	**70,715**
Off-balance business	15,150	2,161	20	957	18,289
Total	**54,366**	**16,035**	**18,009**	**594**	**89,004**
thereof collateralized	30,349	6,008	14	25	36,396
thereof NPL (gross view)	763	67	—	—	830
Impairments Stage 1	86	11	—	—	98
Impairments Stage 2	114	3	—	—	117
Impairments Stage 3	355	13	—	—	368
POCI	5	2	—	—	7
Total impairments	**560**	**28**	**—**	**—**	**589**
Prudential filter	55	1	—	—	55

31.12.2025 in € million	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Corporate Center	Total portfolio
At amortized cost	38,679	13,938	2,653	(457)	54,814
Loans and advances to customers	38,679	12,312	214	(457)	50,749
Loans and advances to banks	—	48	404	—	452
Debt securities	—	1,579	2,035	—	3,613
Financial assets FVPL/FVOCI	131	227	1,105	220	1,683
Other assets	2	—	14,184	(93)	14,093
On-balance business	**38,813**	**14,166**	**17,942**	**(330)**	**70,590**
Off-balance business	15,357	2,143	23	455	17,977
Total	**54,170**	**16,308**	**17,965**	**124**	**88,568**
thereof collateralized	30,292	5,986	324	196	36,798
thereof NPL (gross view)	645	36	—	—	680
Impairments Stage 1	88	11	1	—	99
Impairments Stage 2	98	5	—	—	102
Impairments Stage 3	294	13	—	—	307
POCI	(11)	2	—	—	(9)
Total impairments	**469**	**31**	**1**	**—**	**500**
Prudential filter	46	—	—	—	46

Total credit portfolio overview – rating, geography, currencies and collateral

Rating distribution of the total credit portfolio

The following table shows the distribution by ratings for the performing portfolio. Overall, the risk profile improved mostly in Retail & SME following updates of rating models.

30.06.2026 in %	Moody's rating equivalent	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Total portfolio
Rating class 1	Aaa–Aa2	2.9%	31.8%	90.7%	31.1%
Rating class 2	Aa3–A1	12.9%	20.9%	5.0%	12.4%
Rating class 3	A2–A3	21.5%	9.6%	1.1%	13.9%
Rating class 4	Baa1–Baa3	35.8%	22.8%	2.7%	24.8%
Rating class 5	Ba1–B1	20.3%	14.1%	0.2%	13.9%
Rating class 6	B2–Caa2	2.8%	0.3%	—%	1.6%
Rating class 7	Caa3	3.9%	0.3%	0.4%	2.3%

31.12.2025 in %	Moody's rating equivalent	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Total portfolio
Rating class 1	Aaa–Aa2	0.1%	29.3%	90.0%	28.8%
Rating class 2	Aa3–A1	10.4%	21.5%	4.8%	11.2%
Rating class 3	A2–A3	22.7%	7.2%	1.5%	14.2%
Rating class 4	Baa1–Baa3	41.9%	29.8%	3.0%	29.6%
Rating class 5	Ba1–B1	18.5%	11.7%	0.2%	12.5%
Rating class 6	B2–Caa2	2.7%	0.5%	—%	1.6%
Rating class 7	Caa3	3.7%	—%	0.5%	2.1%

Geographic distribution of the total credit portfolio

The geographic distribution of the credit portfolio is in line with BAWAG’s strategy of focusing on stable economies and currencies, with Austria, Germany, Netherlands and Ireland share stable at 81% (2025: 81%) of the balance sheet.

	Book value		in %	
in € million	**30.06.2026**	31.12.2025	**30.06.2026**	31.12.2025
Austria	26,686	25,765	38%	36%
Netherlands	18,756	19,579	27%	28%
Germany	9,726	9,699	14%	14%
North America	9,259	9,179	13%	13%
Ireland	2,193	2,139	3%	3%
France	1,720	1,803	2%	3%
Others	2,375	2,426	3%	3%
Total portfolio	**70,715**	**70,590**	**100%**	**100%**

Currency distribution of the total credit portfolio

Consistent with BAWAG's overall positioning, the majority of financing remained denominated in EUR. The currency distribution of the total credit portfolio is as follow:

	Book value		in %	
in € million	30.06.2026	31.12.2025	30.06.2026	31.12.2025
EUR	60,106	60,164	85.0%	85.2%
USD	9,182	9,041	13.0%	12.8%
CHF	695	656	1.0%	0.9%
GBP	370	285	0.5%	0.4%
Others	363	444	0.5%	0.6%
Total	**70,715**	**70,590**	**100%**	**100%**

Collateral distribution of the total credit portfolio and collateral valuation

The collateral types overview below demonstrates the stable high share of residential real estate collateral of 76% (2025: 76%) of the total credit portfolio.

in € million	30.06.2026	31.12.2025	30.06.2026	31.12.2025
Real estate	30,373	29,522	66.8%	65.7%
thereof residential	23,040	22,454	75.9%	76.1%
thereof commercial	7,333	7,068	24.1%	23.9%
Guarantees	9,914	10,385	21.8%	23.1%
Financial collateral	3,188	2,793	7.0%	6.2%
Other collateral	2,023	2,242	4.4%	5.0%
Total	**45,498**	**44,942**	**100%**	**100%**

Collateral distribution has been restated for 2025.

Forborne loans and forbearance measures and unlikeliness to pay

30.06.2026 in € million	Total forborne book value	thereof defaulted forborne	% forborne of total portfolio	Forbearance coverage ratio	Forbearance defaulted coverage ratio
Retail & SME	463	126	1.2%	60%	66%
Corporates, Real Estate & Public Sector	437	24	3.1%	72%	37%
Total	**900**	**150**	**1.3%**	**66%**	**61%**

31.12.2025 in € million	Total forborne book value	thereof defaulted forborne	% forborne of total portfolio	Forbearance coverage ratio	Forbearance defaulted coverage ratio
Retail & SME	382	90	1.0%	63%	69%
Corporates, Real Estate & Public Sector	438	20	3.1%	65%	42%
Total	**820**	**110**	**1.2%**	**64%**	**64%**

Non-performing loans portfolio

The following table shows the economic non-performing loans (NPL) ratio, provisions, NPL cash coverage ratio and NPL coverage ratios of the credit portfolio. The low risk profile is reflected by the low NPL ratio, low delinquency of loan volumes and an increasing provisioning level and collateral coverage across the portfolios. More than 82% (2025: 83%) of the total exposure can be assigned to an investment grade rating, which corresponds to the external rating classes AAA to BBB.

	Book value		in %	
in € million	30.06.2026	31.12.2025	30.06.2026	31.12.2025
On-balance business (gross)	**70,715**	**70,590**	**100.0%**	**100.0%**
Provisions	589	500	0.8%	0.7%
thereof Stage 1	98	99	0.1%	0.1%
thereof Stage 2	117	102	0.2%	0.1%
thereof Stage 3	368	307	0.5%	0.4%
thereof POCI	7	(9)	0.0%	0.0%
On-balance business (net)	70,126	70,090	99.2%	99.3%
NPL ratio			0.9%	0.8%
NPL cash coverage ratio			52.7%	55.0%
NPL coverage ratio			64.2%	68.1%

The following table shows the NPL ratio, NPL cash coverage ratio and NPL coverage ratio for the segments Retail & SME and Corporates, Real Estate & Public Sector.

	Retail & SME		Corporates, Real Estate & Public Sector	
in € million	30.06.2026	31.12.2025	30.06.2026	31.12.2025
Total	**39,216**	**38,813**	**13,874**	**14,166**
NPL ratio	1.4%	1.2%	0.4%	0.2%
NPL cash coverage ratio	55.3%	55.6%	23.1%	43.9%
NPL coverage ratio	67.4%	68.9%	28.2%	54.1%

Received collateral for the NPL portfolio

The figures below refer to gross NPL (Stage 3) exposure.

30.06.2026 in € million	NPL exposure	Real estate collateral	Other collateral	Guarantees
Retail & SME	763	88	61	5
Corporates, Real Estate & Public Sector	67	6	2	—
Total portfolio	**830**	**93**	**63**	**6**

The values shown are capped market values.

31.12.2025 in € million	NPL exposure	Real estate collateral	Other collateral	Guarantees
Retail & SME	645	92	51	6
Corporates, Real Estate & Public Sector	36	6	3	—
Total portfolio	**680**	**98**	**55**	**6**

The values shown are capped market values.

Impairments

Forward-looking information for point-in-time adjustment

The specified parameters for expected credit loss are contingent upon forward-looking information. Consequently, these parameters undergo adjustments based on the prevailing macroeconomic conditions and their forecasts at each point in time. For instance, forecasts for real estate collateral hinge on predictions of the real estate price index, and the relationship between probability of default and macroeconomic factors, such as GDP or unemployment rate, is assessed and projected. To ensure an objective and market-driven database, the institute draws on the established macroeconomic scenarios of Moody's Analytics.

BAWAG employs a set of three scenarios in its macroeconomic forecast: 26% pessimistic, 45% baseline and 29% optimistic. The weights are derived using a statistical approach that determines probability weights from the distribution of severity of the given scenarios and should be understood as the share of possible future outcomes the particular scenario represents.

The scenarios are based on a provided baseline scenario that serves as a central macroeconomic reference ("baseline"). Based on this basis, further scenarios are developed and made available. These are determined taking into account the respective scenario narrative. The Macroeconomic Scenario Committee reviews all scenarios and gives final approval. Among all macroeconomic variables, BAWAG uses GDP growth as a main source of forward-looking information to consider in ECL estimates, with additional variables such as inflation, the unemployment rate or housing prices in a complementary role.

Eurozone and US macroeconomic forecast as considered for ECL calculation:

Eurozone GDP growth 30.06.2026 in %	2026	2027	2028	2029
Optimistic (29% weight)	2.0	2.7	1.5	1.7
Baseline (45% weight)	0.9	1.6	1.7	1.7
Pessimistic (26% weight)	(1.2)	(1.9)	2.9	2.5

Eurozone GDP growth 31.12.2025 in %	2025	2026	2027	2028
Optimistic (29% weight)	1.4	2.7	2.3	1.6
Baseline (45% weight)	1.4	1.1	1.7	1.7
Pessimistic (26% weight)	1.4	(2.3)	(0.4)	3.1

US GDP growth 30.06.2026 in %	2026	2027	2028	2029
Optimistic (29% weight)	2.8	2.8	2.3	2.7
Baseline (45% weight)	2.2	1.7	2.1	2.6
Pessimistic (26% weight)	0.1	(0.8)	2.1	3.5

US GDP growth 31.12.2025 in %	2025	2026	2027	2028
Optimistic (29% weight)	1.9	3.3	2.6	2.2
Baseline (45% weight)	1.9	2.1	1.9	2.1
Pessimistic (26% weight)	1.9	(1.2)	0.2	2.4

The definitions of impairment, ECL parameters (exposure at default, probability of default, loss given default), SICR (significant increase in credit risk) criteria and Stage 1 to 3 remained unchanged in the first half of 2026 compared to FY 2025.

Development of book values, impairments and stages

The following table provides an overview of the development of IFRS book values (net of impairments) across stages.

Development of book values by stages

30.06.2026 in € million	Starting balance	Increases due to origination and acquisition	Decreases due to de-recognition	Changes on existing assets	Closing balance
Book values for impairments in Stage 1 (without POCI)	**65,690**	**7,042**	**(5,711)**	**(4,570)**	**62,451**
Retail & SME	36,154	3,444	(1,596)	(1,548)	36,454
Corporates, Real Estate & Public Sector	13,541	1,306	(1,302)	(327)	13,218
Treasury	15,982	2,292	(2,813)	(2,694)	12,767
Corporate Center	13	—	—	(1)	12
Book values for impairments in Stage 2 (without POCI)	**2,066**	**123**	**(82)**	**89**	**2,197**
Retail & SME	1,558	120	(60)	90	1,708
Corporates, Real Estate & Public Sector	508	3	(22)	(1)	488
Treasury	—	—	—	—	—
Corporate Center	—	—	—	—	—
Book values for impairments in Stage 3 (without POCI)	**619**	**35**	**(35)**	**144**	**764**
Retail & SME	587	35	(35)	112	699
Corporates, Real Estate & Public Sector	33	—	—	32	65
Treasury	—	—	—	—	—
Corporate Center	—	—	—	—	—
Total POCI	**251**	**14**	**(11)**	**(37)**	**217**
Retail & SME	248	14	(11)	(37)	215
Corporates, Real Estate & Public Sector	3	—	—	(1)	2
Treasury	—	—	—	—	—
Corporate Center	—	—	—	—	—
Total	**68,626**	**7,215**	**(5,838)**	**(4,374)**	**65,629**

Only IFRS 9 ECL-relevant book values are shown.

Development of impairments per stage

30.06.2026 in € million	Starting balance	Increases due to origination and acquisition	Decreases due to de-recognition	Changes on existing assets	Closing balance
Impairments Stage 1 (without POCI)	**100**	**18**	**(4)**	**(15)**	**98**
Retail & SME	88	14	(2)	(13)	87
Corporates, Real Estate & Public Sector	11	4	(2)	(3)	11
Treasury	1	—	—	—	—
Corporate Center	—	—	—	—	—
Impairments Stage 2 (without POCI)	**102**	**8**	**(4)**	**11**	**117**
Retail & SME	98	7	(4)	13	114
Corporates, Real Estate & Public Sector	5	—	—	(2)	3
Treasury	—	—	—	—	—
Corporate Center	—	—	—	—	—
Impairments Stage 3 (without POCI)	**308**	**24**	**(17)**	**53**	**368**
Retail & SME	295	24	(17)	54	355
Corporates, Real Estate & Public Sector	13	—	—	—	13
Treasury	—	—	—	—	—
Corporate Center	—	—	—	—	—
Total POCI	**(9)**	**9**	**(4)**	**12**	**7**
Retail & SME	(11)	9	(4)	12	5
Corporates, Real Estate & Public Sector	2	—	—	(1)	2
Treasury	—	—	—	—	—
Corporate Center	—	—	—	—	—
Total	**500**	**58**	**(30)**	**61**	**589**

The following table provides an overview of the transfer of impairments across stages within the year.

Stage transfer of impairments

30.06.2026 in € million	From Stage 1 gross to Stage 2	From Stage 1 gross to Stage 3	From Stage 2 gross to Stage 1	From Stage 2 gross to Stage 3	From Stage 3 gross to Stage 1	From Stage 3 gross to Stage 2
Retail & SME	40	36	(13)	31	(1)	(6)
Corporates, Real Estate & Public Sector	—	—	—	—	—	—
Treasury	—	—	—	—	—	—
Corporate Center	—	—	—	—	—	—
Total	**40**	**36**	**(13)**	**31**	**(1)**	**(6)**

Stage transfer of impairments

31.12.2025 in € million	From Stage 1 gross to Stage 2	From Stage 1 gross to Stage 3	From Stage 2 gross to Stage 1	From Stage 2 gross to Stage 3	From Stage 3 gross to Stage 1	From Stage 3 gross to Stage 2
Retail & SME	34	46	(11)	22	(1)	(6)
Corporates, Real Estate & Public Sector	2	—	—	5	—	—
Treasury	—	—	—	—	—	—
Corporate Center	—	—	—	—	—	—
Total	**36**	**46**	**(11)**	**27**	**(1)**	**(6)**

Rating distribution of book values by impairment stage

The figures below refer to IFRS book values (net of Stage 1 to 3 provisions).

30.06.2026 in € million	Rating class 1	Rating class 2	Rating class 3	Rating class 4	Rating class 5	Rating class 6	Rating class 7	Rating class 8	Total portfolio
Book values for impairments in Stage 1 (without POCI)	**17,674**	**8,697**	**9,670**	**17,105**	**8,734**	**506**	**65**	**—**	**62,451**
Retail & SME	2,135	4,918	8,147	13,578	7,106	504	65	—	36,454
Corporates, Real Estate & Public Sector	4,357	2,888	1,319	3,054	1,599	2	—	—	13,218
Treasury	11,182	890	197	469	29	—	—	—	12,767
Corporate Center	—	—	7	4	—	—	—	—	12
Book values for impairments in Stage 2 (without POCI)	**—**	**10**	**44**	**224**	**923**	**536**	**459**	**—**	**2,197**
Retail & SME	—	10	44	124	581	491	458	—	1,708
Corporates, Real Estate & Public Sector	—	—	—	100	343	45	1	—	488
Treasury	—	—	—	—	—	—	—	—	—
Corporate Center	—	—	—	—	—	—	—	—	—
Book values for impairments in Stage 3 (without POCI)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**764**	**764**
Retail & SME	—	—	—	—	—	—	—	699	699
Corporates, Real Estate & Public Sector	—	—	—	—	—	—	—	65	65
Treasury	—	—	—	—	—	—	—	—	—
Corporate Center	—	—	—	—	—	—	—	—	—
Total POCI	**—**	**—**	**—**	**1**	**73**	**59**	**22**	**60**	**217**
Retail & SME	—	—	—	1	73	59	22	58	215
Corporates, Real Estate & Public Sector	—	—	—	—	—	—	—	2	2
Treasury	—	—	—	—	—	—	—	—	—
Corporate Center	—	—	—	—	—	—	—	—	—
Total	**17,674**	**8,707**	**9,715**	**17,330**	**9,731**	**1,102**	**547**	**824**	**65,629**

Only IFRS 9 ECL-relevant book values are shown.

31.12.2025 in € million	Rating class 1	Rating class 2	Rating class 3	Rating class 4	Rating class 5	Rating class 6	Rating class 7	Rating class 8	Total portfolio
Book values for impairments in Stage 1 (without POCI)	**19,424**	**7,757**	**9,770**	**20,355**	**7,867**	**459**	**58**	**—**	**65,690**
Retail & SME	1,002	3,907	8,504	15,689	6,536	458	58	—	36,154
Corporates, Real Estate & Public Sector	4,077	3,030	1,003	4,124	1,304	1	—	—	13,541
Treasury	14,345	819	255	537	26	—	—	—	15,982
Corporate Center	—	—	8	5	—	—	—	—	13
Book values for impairments in Stage 2 (without POCI)	**—**	**22**	**57**	**290**	**754**	**544**	**400**	**—**	**2,066**
Retail & SME	—	22	57	204	407	471	397	—	1,558
Corporates, Real Estate & Public Sector	—	—	—	85	347	73	3	—	508
Treasury	—	—	—	—	—	—	—	—	—
Corporate Center	—	—	—	—	—	—	—	—	—
Book values for impairments in Stage 3 (without POCI)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**619**	**619**
Retail & SME	—	—	—	—	—	—	—	587	587
Corporates, Real Estate & Public Sector	—	—	—	—	—	—	—	33	33
Treasury	—	—	—	—	—	—	—	—	—
Corporate Center	—	—	—	—	—	—	—	—	—
Total POCI	**—**	**—**	**—**	**1**	**76**	**86**	**32**	**56**	**251**
Retail & SME	—	—	—	1	76	85	32	54	248
Corporates, Real Estate & Public Sector	—	—	—	—	—	—	—	2	3
Treasury	—	—	—	—	—	—	—	—	—
Corporate Center	—	—	—	—	—	—	—	—	—
Total	**19,424**	**7,778**	**9,827**	**20,645**	**8,697**	**1,089**	**490**	**676**	**68,626**

Only IFRS 9 ECL-relevant book values are shown.

Novel risk and assessment of post-model adjustments

BAWAG's ECL calculations are based on historical data and observed correlations to predict the future development of expected credit losses. However, the full capture of certain risks in historical datasets may be limited, so they may be outside the scope of the models. This applies in particular to new risks such as geopolitical uncertainties, climate-related challenges, supply chain disruptions, pandemics and abrupt inflation and interest rate fluctuations. Therefore, the company uses a framework that proactively captures such risks.

BAWAG strives to continuously develop its ECL models to ensure that they continue to reflect the ever-changing economic and market conditions appropriately and accurately. These adjustments include a regular revision and recalibration of the PD, LGD and CCF models for all asset classes.

In addition, BAWAG has established a systematic process for identifying the aforementioned novel risks and assessing their potential impact on different portfolios. This process is used continuously to determine whether measures such as post-model adjustments or collective step change are necessary. In this context, no estimation uncertainties requiring additional measures were identified.

Sensitivity analysis

The following table illustrates the weighted impairment allowance as well as the results of the sensitivity analysis where ECLs are measured under each scenario with 100% weight. The sensitivity analysis takes the calculated ECL of € 196 million as starting point.

The impact of the sensitivity analysis varies from an ECL release of € 51 million when the optimistic scenario is weighted at 100% to an ECL increase of € 92 million when the pessimistic scenario is weighted at 100%.

30.06.2026 in € million	ECL Total	ECL scenario change 100% optimistic	100% baseline	100% pessimistic
Stage 1 & Stage 2 impairments	196	(51)	(20)	92

31.12.2025 in € million	ECL Total	ECL scenario change 100% optimistic	100% baseline	100% pessimistic
Stage 1 & Stage 2 impairments	202	(47)	(18)	83

24 | Market risk

The definitions of market risk (including interest rate and credit spread risk tools and processes) and interest risk in the banking book remained unchanged in the first half of 2026 compared to FY 2025.

The target interest rate risk structure defined by the S-ALCO is implemented by the Treasury & Markets division. BAWAG uses interest rate derivatives:

→ to implement the interest risk strategy within the requirements and limits defined by the S-ALCO

→ to manage the sensitivity of the valuation result and the revaluation reserve

→ to hedge the economic risk position, thereby taking the accounting treatment into consideration

BAWAG uses hedge accounting pursuant to IAS 39. The following fair value hedge accounting methods are currently used to mitigate market risks:

Micro fair value hedge

Hedging of financial assets or financial liabilities against changes in their fair value. The decision on instruments to be assigned to micro hedge accounting is made in the context of the overall interest rate risk position.

Portfolio fair value hedge (“EU carve-out”)

BAWAG has identified sight deposits in euros as a portfolio that is to be protected against interest rate risks. These deposits are divided into time buckets in accordance with the expected repayment and interest rate adjustment dates. BAWAG determines an amount of liabilities from the identified portfolio that corresponds to the amount to be hedged as the underlying for the portfolio fair value hedge using a bottom layer approach. At the end of June 2026, approximately 48% (2025: 46%) of the total volume of sight deposits were allocated to a portfolio fair value hedge.

In addition, contractually agreed interest rate caps and/or floors embedded in financial assets (e.g. loan receivables or securities) or liabilities (e.g. savings deposits) are designated to portfolio fair value hedge accounting in order to mitigate changes in the fair value of these instruments resulting from changes in interest rates. The decision on the amount to be designated to portfolio fair value hedge accounting is determined using a bottom layer approach and made in the context of the overall interest rate risk position and limit framework.

Interest rate risk is measured using sensitivities based on the present value of a basis point (PVBP) concept. The PVBP, which is derived from the duration of interest-bearing financial instruments, reflects the impact on net asset value resulting from an upward parallel shift of the yield curves by one basis point (0.01%). The following table depicts BAWAG’s interest rate risk sensitivities as of June 2026 and December 2025, on the basis of the PVBP concept:

Interest rate sensitivity – total economic risk position

30.06.2026 in Thousand €	<1Y	1Y–3Y	3Y–5Y	5Y–7Y	7Y–10Y	>10Y	Total
EUR	(268)	108	(111)	57	91	34	(89)
USD	17	2	(9)	15	—	(12)	13
CHF	(10)	3	(1)	—	2	(1)	(7)
GBP	(2)	(7)	—	—	—	—	(9)
Other currencies	(4)	—	3	—	—	(1)	(2)
Total	**(267)**	**106**	**(118)**	**72**	**93**	**20**	**(94)**

Interest rate sensitivity – total economic risk position

31.12.2025 in Thousand €	<1Y	1Y–3Y	3Y–5Y	5Y–7Y	7Y–10y	>10Y	Total
EUR	(389)	205	103	(144)	78	(323)	(470)
USD	10	(20)	(18)	9	—	(32)	(51)
CHF	(8)	6	2	(1)	(4)	(1)	(6)
GBP	(5)	(1)	—	—	—	—	(6)
Other currencies	(1)	(2)	6	2	—	(1)	4
Total	**(393)**	**188**	**93**	**(134)**	**74**	**(357)**	**(529)**

Scenario analysis for interest rate sensitivity

Valuation perspective

The table below illustrates the interest rate risk sensitivity of the total economic risk position from the valuation perspective assuming an instantaneous parallel interest rate shift of up to +/- 200 basis points.

Interest rate risk sensitivity (+/- 200 basis points shift)

30.06.2026 in € million	-200bp	-100bp	-50bp	-25bp	+25bp	+50bp	+100bp	+200bp
EUR	32	27	23	21	15	11	4	(14)
USD	3	2	2	3	4	5	6	9
CHF	13	3	2	1	1	1	1	—
GBP	2	1	—	—	—	—	(1)	(2)
Other currencies	1	—	—	—	—	—	—	—
Total	**51**	**33**	**27**	**25**	**20**	**17**	**10**	**(7)**

Interest rate risk sensitivity (+/- 200 basis points shift)

31.12.2025 in € million	-200bp	-100bp	-50bp	-25bp	+25bp	+50bp	+100bp	+200bp
EUR	97	48	24	12	(12)	(24)	(48)	(97)
USD	13	5	2	1	(1)	(1)	(2)	(4)
CHF	12	2	—	—	—	—	—	—
GBP	1	1	—	—	—	—	(1)	(1)
Other currencies	(1)	—	—	—	—	—	—	—
Total	**122**	**56**	**26**	**13**	**(13)**	**(25)**	**(51)**	**(102)**

Earnings perspective

Under the assumption of a constant balance sheet, commercial margins based on recent transactions, static deposit margins (before applicable 0% client rate floors) and forward rates to reprice cash flow as a baseline scenario, the net interest income would generate an impact of minus €2 million and minus €106 million, respectively, in 2026 applying an instantaneous parallel interest rate shift of +/-200 basis points (2025: minus €4 million/minus €127 million).

Credit spread risk in the banking book

Credit spread risk in the banking book refers to the risk of decreasing fair values of securities and derivatives due to changes in market credit spreads. The risk management models employed by BAWAG to address this risk have been continuously refined. The credit spread risk is measured on the basis of the sensitivities (basis point value). The basis point value reflects the impact on net asset value resulting from an upward parallel shift of the credit spreads by one basis point (0.01%). The following table shows the total credit spread sensitivity of BAWAG's credit spread relevant portfolio (€ 2.3bn net volume after deducting liabilities and credit spread hedges) along with the breakdown by accounting categories impacting the profit or loss statement and other comprehensive income:

Credit spread sensitivity

in Thousand €	30.06.2026	31.12.2025
Total portfolio	(794)	(945)
Financial positions at fair value through profit or loss	66	77
Financial positions at fair value through other comprehensive income	(296)	(346)
Financial positions at amortized cost	(564)	(676)

Market risk in the trading book

BAWAG has no active trading book. No trading activities are currently planned for the entire BAWAG Group.

25 | Liquidity risk

The definition of liquidity risk and liquidity risk management framework, tools and processes remained unchanged in the first half of 2026 compared to FY 2025.

BAWAG's overall strategy has an explicit commitment to a deposit-based funding strategy. Retail and corporate savings products have been the core part of the funding strategy over the years and will continue to be the dominant source of funding for the balance sheet. The continuous shift of BAWAG's assets towards collateralized products also increases the Bank's flexibility in secured funding markets. Consequently, covered bond funding is of growing importance in the overall funding mix.

BAWAG maintains a liquidity buffer to cover unexpected liquidity outflows in a stress scenario. The liquidity buffer is kept as a preventive measure against liquidity risk. The liquidity buffer consists of a portfolio of liquid assets which can be used to generate cash in a stress situation in order to prevent the illiquidity of the Bank. BAWAG's liquidity buffer only includes assets that can be liquidated with minimal execution risk within 30 days. The market liquidity of the liquidity buffer is tested regularly.

The table below shows the liquidity buffer composition based on the market values of unencumbered assets after a component-specific haircut.

Structure of the liquidity buffer

in € million	30.06.2026	31.12.2025
Balances at central banks	13,849	13,284
Securities eligible for Eurosystem operations	4,013	3,466
Other assets eligible for Eurosystem operations	460	1,021
Short-term liquidity buffer	**18,322**	**17,771**
Other marketable securities	813	1,021
Total	**19,135**	**18,792**

BAWAG maintains a conservative liquidity management strategy, which is reflected in a strong liquidity coverage ratio (LCR) of 217% as of 1HY 2026 (2025: 204%). BAWAG thus significantly exceeds the regulatory LCR requirement.

The first half of 2026 was characterized by a solid liquidity position with growing core funding sources and a balanced term funding structure, with retail customers providing the majority of funding. Retail deposits remain a core pillar of our funding strategy, having demonstrated strong resilience as a stable funding source through recent periods of macroeconomic and geopolitical uncertainty and substantially rising interest rates. In line with this strategy, the acquisition of Knab further strengthens the focus on retail deposits as a cornerstone of the funding model.

In addition to the stable deposit base, in the first six months of 2026 the Bank successfully placed €1.9 billion of covered bonds (including $700 million). Furthermore, BAWAG issued €500 million of green senior preferred debt and €300 million of senior unsecured debt, reflecting its solid market access and strong investor demand.

26 | Operational risk

The definitions of operational risk, its governance, risk identification, assessment and mitigation and risk quantification remained unchanged in the first half of 2026 compared to FY 2025.

27 | Sustainability-related risk

The interaction of sustainability-related risks with other material risk types is evaluated through the annual risk materiality assessment and the Group-wide Risk Self-Assessment (RSA). BAWAG maintains only limited exposure to sectors with elevated transition risk and manages its portfolio by overseeing the transition pathways of the highest GHG-emitting portfolios. This approach is supported by a framework that includes defined sector-specific transition management, as well as restriction and prohibition lists that limit or exclude lending to certain industries. In addition, within BAWAG's portfolio steering framework, high-ESG-risk sectors are limited accordingly due to low risk appetite. Given the currently low exposures to high ESG risks, the impact on the results is not significant. BAWAG established a governance framework for monitoring and managing the respective risks. To address these challenges, BAWAG has implemented key risk indicators and established due diligence processes to manage the associated risks. The biggest challenge remains the availability and accuracy of related data. Additionally, as part of our governance framework, ESG risk management is embedded in our key policies and processes, ensuring an appropriate consideration of ESG risks within outsourcing management, product introductions and evaluation of new credit extensions etc. Various initiatives such as learning programs, newsletters etc. support the implementation of the topic in the organization.

BAWAG expects to meet the changing regulatory requirements within designated time targets and following available methodology and standards applied throughout the industry. The management of sustainability-related risks is described in Non-financial report 2025.

STATEMENT OF ALL LEGAL REPRESENTATIVES

"We confirm to the best of our knowledge that the condensed consolidated Half-Year Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the Half-Year Group Management Report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated Half-Year Financial Statements and of the principal risks and uncertainties for the remaining six months of the financial year."

Vienna, 31 July 2026
The Management Board

Anas Abuzaakouk m.p.
Chief Executive Officer

Enver Sirucic m.p.
Member of the Management Board

Andrew Wise m.p.
Member of the Management Board

David O'Leary m.p.
Member of the Management Board

Sat Shah m.p.
Member of the Management Board

Guido Jestädt m.p.
Member of the Management Board

DEFINITIONS

Key performance indicator	Definition / Calculation	Explanation
After-tax earnings per share	Net profit / weighted average diluted number of shares outstanding	After-tax earnings per share is the portion of net profit per individual share (diluted).
Average interest-bearing assets	Month-end interest-bearing assets / number of months	Average of month-end interest-bearing assets within the quarter or the year is used for calculating net interest margin and risk cost ratio (see KPIs below).
Basic earnings per share	(Net profit - AT1 coupon) / weighted average number of shares outstanding	After-tax earnings per share is the portion of net profit (excluding AT1 coupon) per individual share.
Book value per share	Common equity (excluding AT1 capital, dividends and share buybacks) / number of shares outstanding	Book value per share represents the total amount of common equity divided by the number of shares outstanding at the end of the period. Public Buyback and accrued dividends considered
Common equity	Equity attributable to the owners of the parent excluding dividend accruals and share buybacks	Common equity is a viability indicator for banks and facilitates the comparison of equity figures. It is used as the denominator of the return on common equity calculation (see below).
Common Equity Tier 1 (CET1) capital	Based on CRR regulatory figures including net profit and dividends	CET1 capital is defined by the CRR and represents the highest quality of capital. It therefore only comprises capital instruments that are available to the bank for unrestricted and immediate use to cover risks or losses as soon as they occur. The higher the bank’s CET1 capital, the higher its resilience against such risks or losses.
Common Equity Tier 1 (CET1) Capital transitional	Based on CRR regulatory transitional rules	CET1 capital is defined by the CRR and represents the highest quality of capital. It therefore only comprises capital instruments that are available to the bank for unrestricted and immediate use to cover risks or losses as soon as they occur. The higher the bank’s CET1 capital, the higher its resilience against such risks or losses.
Common Equity Tier 1 (CET1) ratio	Common Equity Tier 1 (CET1) capital / risk-weighted assets	The CET1 ratio is one of the most important regulatory metrics and demonstrates the bank’s financial strength by providing a measure for how well a bank can withstand financial stress. The ratio is consistently monitored to ensure compliance with regulatory minimum requirements. Before any business opportunities are entered into, they are thoroughly assessed with regard to their impact on the CET1 ratio.
Core revenues	The total of net interest income and net fee and commission income	Core revenues consist of the line items net interest income and net fee and commission income and demonstrate the success of the bank in its core activities.
Cost-income ratio (CIR)	Operating expenses / operating income	The cost-income ratio shows the company’s operating expenses in relation to its operating income. The ratio gives a clear view of operational efficiency. BAWAG Group uses the cost-income ratio as an efficiency measure for steering the bank and for easily comparing its efficiency with other financial institutions.
Customer deposits (segment view)	Customer deposits and selected own issues	Deposits to customers including own issues sold through retail network and private placements.
Customer funding (segment view)	Customer deposits incl. own issues	Deposits to customers, covered bonds and senior bonds sold through retail network and private placements.
Customer deposits average / Customer	Daily average	Averages based on daily figures.
Customer loans	Customer loans measured at amortized cost	The book value of customer loans measured at amortized cost.
Dividend per share	Dividend payout / shares outstanding	The dividend per share expresses the distributed profit over the dividend eligible share. The base for the shares eligible for dividend is shown as the shares outstanding at period end plus the respective tranches of the incentive programs.
Diluted earnings per share	(Net profit - AT1 coupon) / weighted average diluted number of shares outstanding	After-tax earnings per share is the portion of net profit (excluding AT1 coupon) per individual share (diluted).
Equity	Equity attributable to the owners of the parent	Equity as presented in the consolidated financial statements.
Interest-bearing assets	Financial assets + Assets at amortized cost	Interest-bearing assets comprise the line items Financial assets and Assets at amortized cost incl. customer business from relevant B/S positions.

Key performance indicator	Definition / Calculation	Explanation
Leverage ratio	Tier 1 capital / total exposure (calculation according to CRR)	The leverage ratio is a regulatory metric and expresses the relationship between the bank's Tier 1 capital and its total exposure, where total exposure includes on-balance and certain off-balance exposures but not on a risk-weighted basis. The ratio provides a metric to judge how leveraged a bank is. The higher the leverage ratio, the lower a bank is leveraged and the higher the likelihood of a bank withstanding negative shocks to its balance sheet.
Liquidity coverage ratio (LCR)	Liquid assets / net liquid outflows (calculation according to CRR)	The liquidity coverage ratio is a regulatory metric that ensures that banks maintain adequate levels of liquidity, i.e. sufficient highly liquid assets, to meet short-term obligations under stressed conditions. In keeping with this, the bank shall sustain any possible imbalance between liquidity inflows and outflows under stressed conditions over a period of thirty days. The ratio is consistently monitored by the management to ensure compliance with regulatory minimum requirements and short-term liquidity needs.
Loan-to-value (LTV)	Mortgage loans / appraised value (market value) of the property	The LTV ratio is a financial term to express the ratio of a real estate secured loan in relation to the value in use or market value of the underlying property.
Net interest margin	Net interest income / average interest-bearing assets	The net interest margin is a performance measure and is expressed as a percentage of what a bank earns on loans and other assets in a time period less the interest it pays on deposits and other liabilities divided by average interest-bearing assets. It is used for external comparison with other banks as well as internal profitability measurement of products and segments.
Net profit	Profit after tax attributable to owners of the parent	This profitability measure represents the profit after tax that is attributable to the owners of the parent in absolute amounts for the respective period as presented in the consolidated financial statements.
Non-performing loans (NPL) ratio (economic)	Non-performing loans / Exposure	The NPL ratio is a ratio to demonstrate the proportion of loans that have been classified as economical non-performing in relation to the entire credit risk exposure (on-balance and off-balance sheet receivables). Non-performing exposure (economic IFRS) - defined as NPL acc. to Art. 178 CRR excluding Retail & SME segment exposures without material arrears in rating class 8.1 (>90 DPD), 8.2 (restructuring) and 8.4 (hard and soft UTP triggers). The ratio reflects the quality of the portfolio and of the Group's credit risk management.
Non-performing loans (NPL) coverage ratio	Loan loss Provisions Stage 3 incl. prudential filter, reserves and collateral / NPL exposure economic	The total of stage 3 loan loss provisions and reserves including economic prudential filter and economic accepted value of collateral capped on account level/NPL economic.
Non-performing loans (NPL) cash coverage ratio	Loan Loss Provisions Stage 3 incl. prudential filter and reserves / NPL exposure economic	The total of stage 3 loan loss provisions and reserves including economic prudential filter relative to the NPL exposure economic.
Net stable funding ratio (NSFR)	Available stable funding / Required stable funding	The Net Stable Funding Ratio (NSFR) requires banks to maintain a stable funding profile in relation to their on- and off-balance sheet exposures. NSFR has to be maintained at ≥100% to comply with CRR II provisions in Art. 428b(2).
Off-balance business	Off-balance business	Off-balance business refers to assets or liabilities that do not appear on the Group's balance sheet such as loan commitments and financial guarantees.
Operating income	The total of core revenues, gains and losses on financial instruments and other operating income and expenses	As presented in the respective line item in the income statement.
Operating profit	Operating income less operating expenses and regulatory charges	As presented in the respective line item in the income statement.
Other income	Sum of gains and losses on financial instruments and other operating income and expenses	Other income consists of the line items gains and losses on financial instruments and other operating income and expenses.
Pre-provision profit	Operating income less operating expenses	As presented in the respective line item in the income statement.
Pre-tax earnings per share	Profit before tax / weighted average diluted number of shares outstanding	Pre-tax earnings per share is the portion of profit before tax per individual share (diluted) of the stock.
Prudential Filter (PF)	Other deduction from own funds	Deduction from own funds specifically calculated for the fraction of an Non-Performing Exposure (CRR) that is not sufficiently covered by provisions or other adjustments.
Return on common equity (RoCE)	Net profit / average common equity excluding AT1 capital, dividend accruals and share buybacks	These metrics provide a profitability measure for both management and investors by expressing the net profit as presented in the income statement as a percentage of the respective underlying (either equity related or asset related). Return on common equity and return on tangible common equity demonstrate profitability of the bank on the capital invested by its shareholders and thus the success of their investment. The "Return on …" measures are useful for easily comparing the profitability of the bank with other financial institutions. Allocated equity to segments is based on an internal model taking into account risk-weighted assets and balance sheet size of the respective segment. Public buyback and accrued dividends considered.
Return on tangible common equity (RoTCE)	Net profit / average tangible common equity excluding AT1 capital and dividend accruals and share buybacks	

Key performance indicator	Definition / Calculation	Explanation
Risk-weighted assets	Based on IFRS CRR regulatory figures	The calculation of risk-weighted assets is defined in the CRR. The figure describes the total amount of exposure at risk for a bank and includes both on-balance and off-balance positions. When calculating the amount, the bank can consider risk-mitigating elements (e.g. collateral) and has to derive regulatory risk weights for each position depending on the (external) credit rating of the counterparty or customer. Risk-weighted assets are used as the denominator for calculating the CET1 ratio (see above). As of 2025 the CRR III phase-in view is used.
Risk costs / interest-bearing assets; (risk cost ratio)	Provisions and loan loss provisions, impairment losses, operational risk and securitization costs (total risk costs) / average interest-bearing assets	This ratio is a measure for the quality of credit risk management and the loan portfolio itself. It provides a relative view of the risk costs for the period based on the average interest-bearing assets and allows benchmarking with other banks. Low risk costs may result from a high collateralization and/or a close monitoring of the credit rating of the customers. As a result, this implies that there are only few actual credit losses and little need for provisioning.
RWA density	Risk-weighted assets / total assets	The RWA density is a metric to obtain an "average risk weight" for a bank's balance sheet, i.e. the bank's total risk-weighted assets (see above) compared to the total assets. The ratio indicates the average risk weightings of the assets based on their regulatory assessment, which can be impacted by asset quality, the collateralization level or the applied models for assessing the risk weights.
Tangible book value per share	Tangible common equity (excluding AT1 capital, dividends and share buybacks) / number of shares outstanding	Tangible book value per share represents the total amount of common equity less intangible assets divided by the number of shares outstanding at the end of the period. Public buyback and accrued dividends considered.
Tangible common equity	Common equity reduced by the carrying amount of intangible assets	Tangible common equity is another viability indicator for banks and facilitates the comparison of equity figures excluding intangible assets. It is used as the denominator of the return on tangible equity calculation (see below).
Total capital	Based on CRR regulatory figures including interim profit and dividends	Total capital and total capital ratio are regulatory metrics and compare to CET1 capital and the CET1 ratio in a way that the eligible capital for this purpose is extended by other instruments (e.g. Additional Tier 1 and Tier 2 instruments) not falling within the strict Common Equity Tier 1 definition. The total capital ratio is consistently monitored by the management to ensure compliance with regulatory minimum requirements. However, CET1 capital is of higher significance as it is also the base for prudential thresholds such as the SREP requirement. Therefore, BAWAG Group focuses more on CET1 capital and the CET1 ratio.
Total capital ratio	Total capital / risk-weighted assets	
Value-at-risk (VaR)	Measure of risk of investments	A method for quantifying risks that measures the potential maximum future losses that can occur within a specific period and with a certain probability.

GLOSSARY

Associated company	A company over which a material influence is exerted in terms of its business or financial policy and that is recognized in the consolidated accounts using the equity method.
AML	Anti-Money-Laundering
Backtesting	A method for verifying projected VaR values by comparing them with the actual developments.
Banking book	All risk-bearing on- and off-balance-sheet positions of a bank that are not assigned to the trading book.
Cash flow hedge	A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction and could affect profit or loss.
CDS	Credit default swap; a financial instrument that securitizes credit risks, for example those associated with loans or securities.
CLO	Collateralized loan obligation; securities that are collateralized by a pool of credit claims.
Cross-selling	The active selling of complementary products and services to existing customers.
CRR	Capital Requirements Regulation; Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 Text with EEA relevance; in the applicable version.
Derivatives	Financial instruments whose value depends on the value of an underlying asset (such as stocks or bonds). The most important derivatives are futures, options and swaps.
Economic collateral	Market value of all economic collateral after applying internal haircuts capped to exposure.
Expected credit loss	IFRS 9 requires a bank to determine the expected credit loss (ECL) based on a probability assessment of future cash flows and losses. The ECL is basically defined as the difference between the cash flows that are due to the bank in accordance with the contractual terms of a financial instrument and the cash flows that the bank expects to receive (considering probabilities of default and expected recoveries).
Fair value	Price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date.
Fair value hedge	Assets or liabilities, generally with fixed interest rates, are protected against changes in their fair value using derivatives.
Futures	Standardized, exchange-traded forward agreements in which an asset must be delivered or purchased at a specific time and at a price that is agreed in advance.
Hedge accounting	An accounting technique that aims to minimize the effects that the opposing developments in the value of a hedge transaction and its underlying transaction have on the income statement.
Hedging	Protecting against the risk of disadvantageous interest rate and price changes.
ICAAP	Internal Capital Adequacy Assessment Process; an internal procedure to ensure that a bank has sufficient own funds to cover all material types of risk.
ILAAP	Internal Liquidity Adequacy Assessment Process; an internal procedure to ensure that a bank has robust strategies, policies, processes and systems for the identification, measurement, management and monitoring of liquidity risk.
Impairments stage 1	Impairments (ECL) for assets without increase in credit risk since initial recognition.
Impairments stage 2	Impairments (ECL) with increase in risk since initial recognition but not credit-impaired.
Impairments stage 3	Impairments (provisions and reserves) for credit-impaired debt instruments.
Industry segmentation	Allocation to individual industries based on internal industry codes.
Investment properties	Properties held as financial investments, primarily to generate rental income.
Monte Carlo simulation	A numerical method for solving mathematical problems by modelling random values.
Option	The right to buy (call) or sell (put) an underlying reference asset at an agreed price within a specific period of time or at a fixed point in time.
OTC	Over the counter; trade with non-standardized financial instruments directly between the market participants instead of through an exchange.
SALCO	Strategic Asset Liability Committee; a bank committee with a full board representation that decides on the most relevant issues related to liquidity, capital and interests.
Stage 2 Assets Ratio	Stage 2 Assets (assets with significant increase of credit since the initial recognition) in % of customer assets (Retail & SME, Corporates, Real Estate excl. Public Sector).
Swap	A financial instrument that is generally used to exchange payment flows between two parties.
Trading book	All positions that a bank holds in financial instruments for the purpose of sale again in the short term when the best result can be achieved depending on the development of prices and interest rates. Positions that are not assigned to the trading book are managed in the banking book.

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