

CONSOLIDATED
ANNUAL REPORT
2024



HIGHLIGHTS 2024

ONGOING STRONG PROFITABILITY AND CAPITAL GENERATION

Net profit	€ 760 million	+11% vPY
Earnings per share	€ 9.60	+16% vPY
CIR	33.5%	+1.7pts

RETURNING CAPITAL TO SHAREHOLDERS AND LEAVING EXCESS CAPITAL AS DRY-POWDER FOR POTENTIAL M&A

€ 393 million	dividend distributed in 2024	€ 5 dividend per share
€ 432 million	dividend will be proposed to the AGM in 2025	€ 5.5 dividend per share
€ ~175 million	excess capital to management	target of 13% CET1 ratio

TARGETS

	2024 achieved	2025	2027
Net profit	€ 760 million	>€ 800 million	>€ 1 billion
Earnings per share	€ 9.60	>€ 10.0	>€ 13.0

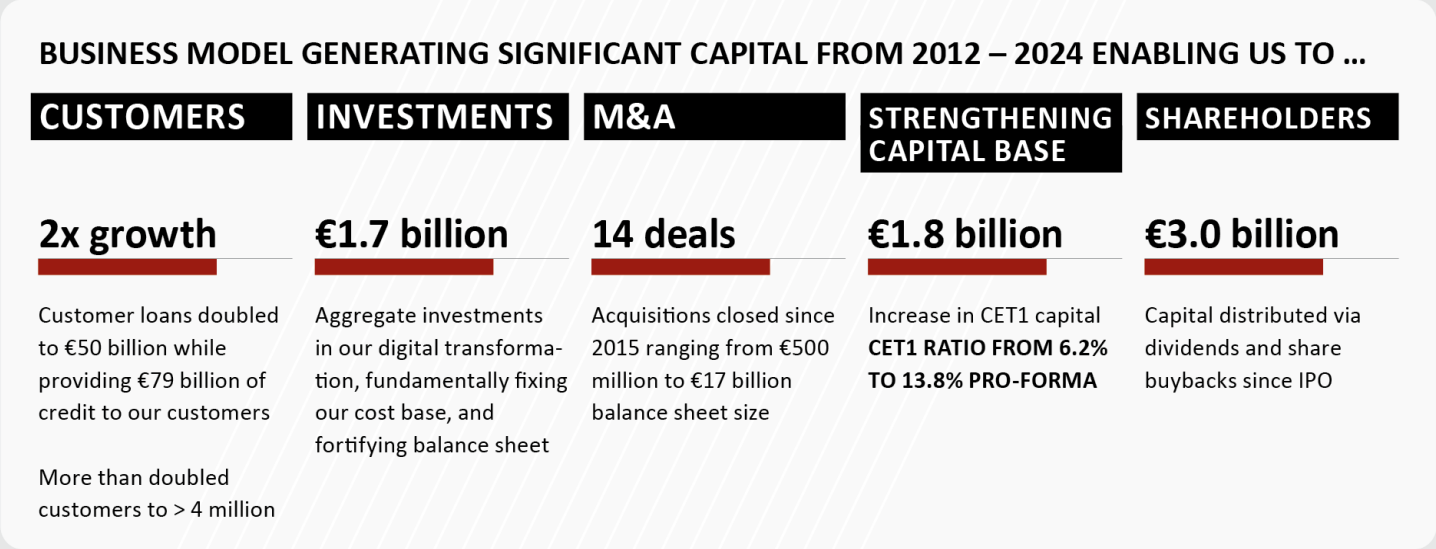
OUR CORE PRINCIPLES

HOW WE RUN THE BANK



BUILDING A RESILIENT FRANCHISE

BEING GOOD STEWARDS OF CAPITAL



THE EVOLUTION OF OUR FRANCHISE

PATIENT & DISCIPLINED ... ROTCE >20% THROUGH THE CYCLE

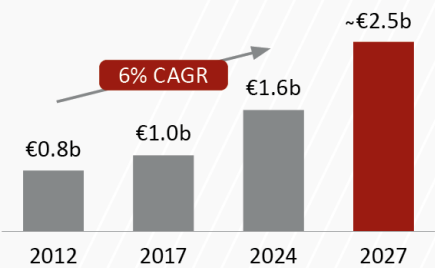
CONSISTENT STRATEGY

GROWTH

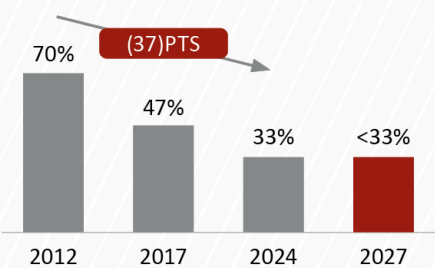
in core markets through loan growth & M&A ... Focused on serving our customers

KEY METRICS

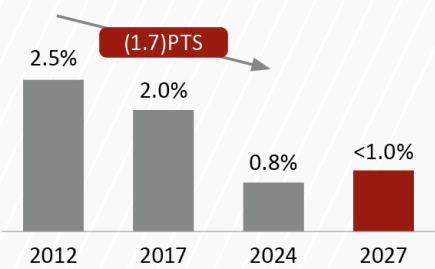
Core revenues



Cost-income ratio

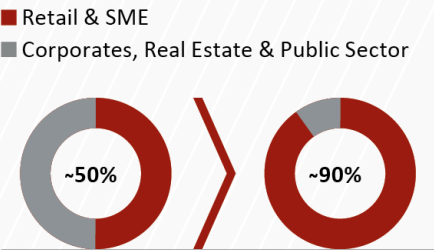


NPL-Ratio

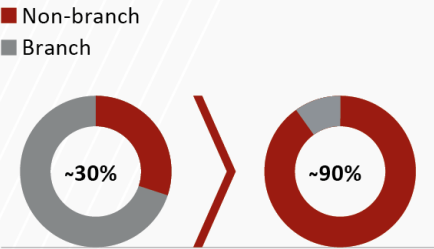


FRANCHISE

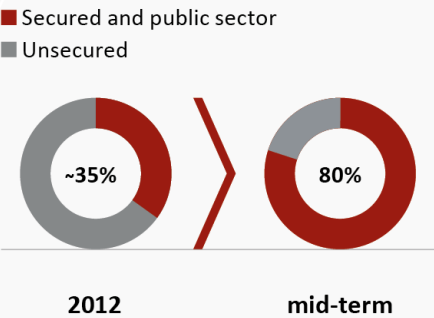
Business and geographic mix ... Retail & SME + DACH/NL focused



Origination channels ... developing to a digital bank with advisory-focused branch network



Focus on secured lending



EFFICIENCY

through operational excellence

SAFE & SECURE

Risk profile

KEY FIGURES

Profit or loss statement

in € million	2024	2023 restated	Change %	2022 restated ³	Change %
Net interest income	1,311.8	1,252.8	4.7	1,041.8	25.9
Net fee and commission income	309.9	284.6	8.9	288.6	7.4
Core revenues	1,621.7	1,537.4	5.5	1,330.4	21.9
Other income ¹	6.1	(12.0)	—	(6.4)	—
Operating income	1,627.8	1,525.4	6.7	1,324.0	22.9
Operating expenses	(545.1)	(485.4)	(12.3)	(474.8)	(14.8)
Pre-provision profit	1,082.7	1,040.0	4.1	849.2	27.5
Regulatory charges	(15.3)	(39.0)	60.8	(48.8)	68.6
Total risk costs	(81.8)	(93.2)	12.2	(122.0)	33.0
Profit before tax	989.9	910.3	8.7	681.0	45.4
Income taxes	(229.9)	(227.8)	(0.9)	(171.9)	(33.7)
Net profit	760.0	682.5	11.4	508.8	49.4

Performance ratios

figures annualized	2024	2023 restated	Change pts	2022 restated ³	Change pts
Return on common equity	22.0%	20.9%	1.1	9.8%	12.2
Return on tangible common equity	26.0%	25.0%	1.0	18.6%	7.4
Net interest margin	3.07%	2.98%	0.09	2.40%	0.67
Cost-income ratio	33.5%	31.8%	1.7	35.9%	(2.4)
Risk costs / interest-bearing assets	0.19%	0.22%	(0.03)	0.28%	(0.09)

Statement of financial position

in € million	2024	2023 restated	Change %	2022	Change %
Total assets	71,341	55,448	28.7	56,523	26.2
Interest-bearing assets	51,944	41,260	25.9	42,889	21.1
Customer loans	45,495	33,593	35.4	35,763	27.2
Customer funding	61,254	45,822	33.7	43,435	41.0
Common equity ²	3,593	3,307	8.7	3,215	11.7
Tangible common equity ²	3,061	2,775	10.3	2,693	13.7
Risk-weighted assets	20,627	19,317	6.8	20,664	(0.2)

Balance sheet ratios

	2024	2023	Change pts	2022	Change pts
Common Equity Tier 1 capital ratio (fully loaded)	15.2%	14.7%	0.5	13.5%	1.7
Total capital ratio (fully loaded)	21.2%	19.9%	1.3	18.5%	2.7
Leverage ratio (fully loaded)	5.2%	5.7%	(0.5)	5.6%	(0.4)
Liquidity coverage ratio (LCR)	249%	215%	34	225%	24
NPL ratio	0.8%	1.0%	(0.2)	0.9%	(0.1)

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

² Excluding AT1 capital and dividends.

³ Restated excludes the write-off of the City of Linz receivable of € 254 million (€ 190 million after tax) in 2022.

Note: For details on definitions and calculation methodology, please refer to the section entitled "Definitions" on pages 361-363.

SHARE RELATED FIGURES

Share & stock market data

	2024	2023 restated	Change %	2022 restated ³	Change %
Pre-tax earnings per share (in €) ¹	12.51	11.08	12.8	7.78	60.8
After-tax earnings per share (in €) ¹	9.60	8.31	15.5	5.81	65.3
Book value per share (in €)	45.76	42.12	8.6	39.14	16.9
Tangible book value per share (in €)	38.98	35.35	10.3	32.78	18.9
Dividend per share (in €) ²	5.50	5.00	10.0	3.70	48.7
Share price high (in €)	81.15	58.95	37.7	57.30	41.6
Share price low (in €)	45.64	40.46	12.8	37.86	20.5
Closing price (in €)	81.15	47.98	69.1	49.80	63.0
Price/book ratio	1.77	1.14	55.7	1.27	39.4
Price/tangible book ratio	2.08	1.36	53.4	1.52	37.0
Shares outstanding at the end of the period	78,524,046	78,507,604	0.0	82,147,160	(4.4)
Weighted average diluted number of outstanding shares	79,144,012	82,120,245	(3.6)	87,500,804	(9.6)
Market capitalization (in € billion)	6.4	3.8	69.2	4.1	55.8

¹ Before deduction of AT1 coupon; 2024 earnings per share after deduction of AT1 coupon pre-tax € 12.23, post-tax € 9.32.

² Based on eop shares incl. respective LTIP tranche.

³ Restated excludes the write-off of the City of Linz receivable of € 254 million (€ 190 million after tax) in 2022.

MANAGEMENT BOARD OF BAWAG GROUP AG



Anas Abuzaakouk
Chairman of the Management Board
Chief Executive Officer
13 years @ BAWAG Group



Enver Sirucic
Member of the Management Board
Chief Financial Officer
Deputy Chief Executive Officer
19 years @ BAWAG Group



Sat Shah
Member of the Management Board
Head of Retail & SME
Deputy Chief Executive Officer
11 years @ BAWAG Group



Andrew Wise
Member of the Management Board
Chief Investment Officer
Head of Non-Retail Lending
13 years @ BAWAG Group



David O'Leary
Member of the Management Board
Chief Risk Officer
11 years @ BAWAG Group



Guido Jestädt
Member of the Management Board
Chief Administrative Officer
13 years @ BAWAG Group

Disclaimer:

Certain statements contained in this report may be statements of future expectations and other forward-looking statements that are based on management’s current view and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Actual results may differ materially from the results predicted, and reported results should not be considered as an indication of future performance.

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The tables in this report may contain rounding differences.

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CEO LETTER



Dear Fellow Shareholders,

This past year has been another record year for the Group. We delivered net profit of €760 million, EPS of € 9.60, a return on tangible common equity (RoTCE) of 26%, and a cost-income ratio (CIR) of 33.5%.

We distributed € 393 million of capital in the form of dividends, or € 5.00 per share. We ended the year with a CET1 ratio of 15.2%, post dividend accrual of € 432 million, or € 5.50 per share that we will propose to the AGM. We delivered on all 2024 targets and closed two strategic acquisitions (Knab in November 2024 and Barclays Consumer Bank Europe in February 2025), all while executing on multiple operational initiatives.

Our success is a testimony to the merits of being patient, disciplined, and making strategic decisions with a long-term perspective. This long-term mindset has underpinned our strategic transformation. Since 2012, we increased EPS 23x from € 0.42 to € 9.60, doubled our customer loans from € 25 billion to ~€ 50 billion after closing both acquisitions, extended ~€ 79 billion of credit to our customers, invested € 1.7 billion into transforming the franchise, self-funded 14 acquisitions, expanded into 6 new markets, developed a great team with a deep bench, and rewarded our shareholders with €3 billion of capital distributions since our IPO in October 2017.

This past year we delivered an RoTCE of 26% and have averaged an RoTCE of 18% over the last 13 years, which included 8 years of negative rates of which we underearned as a franchise. Since our IPO in October 2017, BAWAG Group has delivered a Total Shareholder Return (TSR) of 151% through year-end 2024, versus the Euro Stoxx Banks index (SX7E) of 51%, resulting in an outperformance of +100pts, or 3x. Our focus is not on short term stock performance, but we believe the stock price over the long term is a good measure of a company's performance. We pride ourselves on delivering consistent results, year in and year out, across all cycles.

Today, BAWAG Group stands as one of the best performing European banks, an achievement that has been years in the making and is a tremendous source of pride for our team. I want to thank our customers for placing their trust in us, our shareholders for their continued support, and our team members for their commitment and execution.

The merits of being patient and disciplined

Despite our record performance in 2024, our best years lie ahead. Our strategy has been consistent since 2012, one focused on being patient, disciplined, cutting through the noise, embracing a continuous improvement mindset, and being committed to daily execution. This patient and disciplined approach focused on risk-adjusted returns, not blindly chasing volume growth, and thinking beyond the immediate quarter is not always obvious or understood. However, we are rewarded when unique opportunities present themselves, such as Knab and Barclays Consumer Bank Europe, and we have the team, operating capabilities, infrastructure, capital, and liquidity to act.

Being good stewards of capital

Disciplined capital allocation, and M&A in specific, is key to our strategy and how we run the bank. We aim to be good stewards of capital, making sure we are prudent in our capital distribution plans, maintain our fortress balance sheet, and always being ready to capitalize on unique opportunities. Underpinning this is our strong profitability, which allows us to accrete significant amounts of capital each year. We then use this capital to extend credit to our customers, invest in our franchise and teams, make acquisitions, and distribute to our shareholders.

As of the end of 2024, our proforma CET1 ratio - which considers the closing of Barclays Consumer Bank Europe, the return to the Standardized Approach for our Retail & SME business, and the impacts of Basel 4 – was 13.8%, equal to ~€175 million of excess capital above our CET1 capital distribution target of 13% for years 2024 and 2025, given the recently closed acquisitions.

The two strategic acquisitions consumed € 600 million of capital and are forecasted to add over € 350 million of pre-tax profit by 2027. Both deals were underwritten at a premium to our target RoTCE over 20% and are more than 3x more accretive than share buybacks versus our average share price of 2024.

European banking consolidation and the role of M&A

This past year, we saw a move towards greater banking consolidation. We believe consolidation is the catalyst for building stronger European banks that can address the challenges stemming from broken cost structures, over-leveraged balance sheets, and sub-par technology. The banking industry is also highly regulated, with a great deal of oversight, and requires a significant amount of capital and liquidity coupled with an understanding of credit, risk management, compliance, operations, and technology to build a profitable and well capitalized commercial bank.

Stronger banks make for a stronger European union and are facilitators of investment and growth. The European banking landscape is still highly fragmented, with Austria and Germany in particular representing two of the most fragmented markets. We keep an active list of potential targets that we believe would fit well with our business and we will diligently pursue such opportunities when they become available. We stand ready to play our part, in both small and large transactions, but will always remain disciplined in our approach to M&A. However, our financial criteria for acquisitions stays the same, deploying our capital and operational capabilities in deals that meet our Group return requirements of a RoTCE over 20%.

Our acquisitions of Knab and Barclays Consumer Bank Europe this past year play a small part in the trend towards consolidation and more importantly strengthening of the European banking sector. We were fortunate over the past year in having the team and infrastructure in place to buy two high quality franchises. Our experience with M&A transactions and integrations, the remarkable commitment of our teams, and the continuity of leadership allowed us to pursue these opportunities. Although we cannot dictate the timing of deals, we can ensure we are ready once they present themselves.

Our strategic transformation and the changing contours of our business

Our strategy has been consistent over the years: Growing in our core markets focused on serving the needs of our customers, driving efficiency through operational excellence, and always keeping a safe and secure risk profile. The continuous improvement mindset we have embraced, and the strategic M&A executed, have been the catalysts underpinning the transformation of our franchise from a traditional banking model to a digital bank with a high-touch and high-quality advisory-focused branch network. We believe the future is one where customers expect friction to be removed from daily banking, where financial products and services are provided at the time and place of their choosing, and where banking access is 24/7 across a multi-channel commercial banking platform. We will do this while staying committed to *“providing simple, transparent, and affordable financial products and services our customers need.”*

Since 2012, our primary focus has been growing our Retail & SME franchise. After the early years of our transformation requiring a great deal of heavy lifting to rebuild our foundation, we completed our first acquisition in 2015 with the purchase of an Austrian leasing business and have closed 13 acquisitions since that point. We believe that the DACH/NL region (made up of Austria, Germany, the Netherlands, and Switzerland) is attractive given the macroeconomic backdrop, fiscal discipline, opportunities for digital transformation, niche specialty finance space, and potential for greater banking consolidation and efficiencies.

We complement this broad DACH/NL regional focus with a targeted Retail & SME approach in Western Europe, primarily focused on Ireland, and the United States, where we have started from a smaller base and will grow through community banking, platforms, and leveraging Group wide operating capabilities and infrastructure. Our Non-Retail & SME business is a combination of niche capabilities across real estate, corporate, and public sector lending that provides earnings and geographic diversification, excellent risk-adjusted returns, and at times unique synergies with our Retail & SME franchise.

After closing of both acquisitions, we have over 4,000 team members in offices across Vienna, Salzburg, Hamburg, Frankfurt, Stuttgart, Amsterdam, Zurich, London, Dublin, and Los Angeles in addition to our 78 advisory focused branches across Austria, Germany, and the United States. Our growth has been impressive; however, we have always been disciplined focusing on profitability, prudent capital allocation, and investing for the long-term.

2 strategic acquisitions in 2024: Knab and Barclays Consumer Bank Europe

Both Knab and Barclays Consumer Bank Europe will help accelerate our transformation as we expand our geographic footprint, digital capabilities, and bring on skilled teams. We will increase both our Retail & SME business and DACH/NL footprint from ~70% today to ~90% over the coming years. The acquisitions will allow us to grow in several of our core products in the Netherlands and Germany, focused on current accounts, credit cards, savings products, and mortgages across a diverse and large customer base. We plan to introduce complementary products such as factoring, leasing, brokerage, overdrafts, and working capital facilities for small businesses. Given the strategic importance of both acquisitions, I wanted to provide some background on the businesses and the underlying rationale of the deals.

Knab is a digital bank founded in 2012 that has developed a strong brand with a loyal customer base and is a leading player in the underserved self-employed space. The bank serves ~400,000 Retail & SME customers, who have current accounts, with the majority using the Knab current account as their primary banking relationship. The business is self-funded with € 12.7 billion of Dutch mortgages, of which 56% are government guaranteed NHG mortgages, and € 12.7 billion of

deposits. This is a strategic fit in terms of product offering, providing a platform for current accounts, which we will augment with our broader Retail & SME product offering across the Group. Knab will expand our footprint in the Dutch Retail and SME banking space, a market we have had a presence in since 2019 having originated over € 4 billion of government-guaranteed NHG mortgages. At the right time, we hope to address the self-employed space more broadly across our core markets. We believe the combination of the Knab team's experience and expertise, coupled with the operating infrastructure of the Group, will be a dynamic combination.

The acquisition of **Barclays Consumer Bank Europe** will expand our footprint in the German Retail banking space and position us for future growth in another one of our core markets. The business serves over 1.5 million customers and has been running successfully in Germany for over 30 years as one of the leading credit card providers in the country. The business has € 3.4 billion of customer assets made up primarily of card receivables and € 4.4 billion of customer deposits. We believe this is another great strategic fit, providing us with a German consumer lending franchise focused on credit cards, personal loans, and savings products across a large and diverse customer base. We will work with the current team to continue growing the business in Germany and Austria, while also exploring potential opportunities in adjacent markets. We believe the combination of the team members with credit card expertise, coupled with the operating infrastructure of BAWAG Group, will be another dynamic combination.

A continuous improvement mindset

To be successful year in and year out means never falling victim to short-termism or complacency. A dynamic organization is one that constantly adapts to customer needs, regulatory changes, and can capture new market opportunities. We must prepare for the future, continuously evolving and investing in our franchise. Even though our company is in great shape, we need to remain vigilant in guarding against complacency and adapt from a position of strength. Focusing on the things we can control and embracing a continuous improvement mindset leads to long-term compounding benefits. I wanted to share a few highlights of key operational developments over the years requiring continuous investment and focus but yielding significant returns over the long term.

Investing in Technology & Operations (TechOps), our data infrastructure, and digital capabilities: Our TechOps focus is based on the principles of simplification, pragmatism, accountability, and efficiency in how we work. We believe that the plumbing of the Bank – which captures a bank's technology stack, applications, workflows, and governance – is as important as any area but can at times take a back seat to more front-end focused projects and initiatives. We have spent years investing in simplifying our technology stack, building up internal technical capabilities, and creating simplified end-to-end digital customer journeys. Since 2012,

we have invested over € 700 million across the Group in TechOps while avoiding white elephant projects and “silver bullet” solutions.

One of the key developments that took place over the years was migrating our technology infrastructure components fully into the cloud. This has allowed us to test and deploy innovative technology tools. By rigorously applying our continuous improvement mindset, we re-designed customer-facing processes, reduced friction, and improved the overall customer experience. We have also invested heavily in our data assets. Today, more than ever, our data infrastructure is a strategic advantage in how we work. This has enabled countless integrations - be it bank acquisitions, portfolios, or platforms - and allowed for real-time risk-adjusted pricing, financial reporting, and consistent risk management across the Group. We prioritize investing in our team members and building internal capabilities versus relying on external consultants and outsourcing arrangements. As a result, we have a strong TechOps foundation that enables us to scale our business as well as create significant value when integrating our acquisitions.

With the acceleration of Artificial Intelligence (AI) and Machine Learning, we benefit from a centralized data infrastructure that will allow us to better serve our customers, build frictionless processes, and benefit from enhanced efficiencies. It is important to differentiate between the AI hype and real applications for our business. We are excited about the tangible use cases in the areas of customer service, programming, operations, marketing content generation, and central functions optimization. We are diligent in deploying AI tools considering compliance and regulatory requirements, while building out our internal capabilities. Robust data processes and good data quality are paramount for any AI use case and for the Group in general. As a result, we built out the Cloud data and analytics platforms and continue investing in data operations and infrastructure.

We continued to enhance our end-to-end digital capabilities as we enhanced the service offering for our customers, modernized our Paylife credit card customer platform, developed a new omnichannel platform, enhanced trading functionality for easybrokerage, continued to in-source and modernize customer and employee facing portals, improved our mobile app and self-service features, and entered into new strategic partnerships and platform origination opportunities.

Transforming into a digital bank with the branch as the center for quality customer engagement: We also continued to make progress in our journey of transforming into a digital first bank with the branch as the center for quality customer engagement. We modernized 8 branches in 2024, with another 10 in the pipeline for 2025. By the end of 2025, we will have modernized our entire 70 advisory branch network in Austria and parts of Germany, marrying our digital capabilities

with a high-quality and high-touch advisory focused branch network for our customers. In 2025, we will also be rolling out 300 new self-service devices that will be more intuitive, user friendly, and support customers with daily transactional banking services. In total, we will have invested ~€200 million in relocating, upgrading, and modernizing our Austrian branch network - post separation from the Austrian Post - reflecting the nature of our long-term strategic investments. Our digital first approach allows us to reduce friction and frustration that comes at times with transactional banking and invest more time engaging with and advising customers. We see the benefits of this transformation in more customer advisory sessions, more time spent understanding customers' needs, and overall higher quality customer engagement.

Taking a conservative and proactive approach to risk management: This is reflected in our conservative risk appetite and how we adapt to underlying market developments - be it rising interest rates, irrational pricing, or deciding to stay patient and forgo volume growth as underwriting standards deteriorate. Maintaining underwriting standards, focusing on risk-adjusted returns, and being disciplined when markets get ahead of themselves requires a great deal of patience and taking a long-term view. A proactive approach to risk management is also reflected in how we adapt to changing regulatory requirements, such as Basel 4, and viewing Compliance as a means of safeguarding company assets and a business enabler versus an unnecessary bureaucratic burden. This is not always appreciated when companies are measured quarter-to-quarter, but rewarded over the long term as sins of the past translate into higher losses, lower profitability, and greater capital needs.

To appreciate the benefits of a continuous improvement mindset and the impact of compounding improvements, I encourage you to step back and view the long arc of our transformation over the past decade. The [Bawag Group introductory presentation](#) provides a summary of this incredible journey.

The BAWAG culture

The success of our transformation was only possible because we developed the right culture. This is reflected in how our team members work together and the respect we have for each other. It is how we set priorities and the values we espouse. It is captured in our meritocratic principles – valuing work ethic, character, and performance. We believe in a flat organization encouraging open dialogue, streamlined decision-making, and a continuous improvement mindset. We pride ourselves on challenging the status quo, promoting the best-and-brightest, and not shying away from change; knowing that this is the only constant. As a management team, we have made our fair share of mistakes and surely will make many more, however, we will continue to learn and grow from these experiences and sharpen our capabilities along the way.

Our foundation is as strong as ever supported by our culture and unique history. One that captures the best parts of our legacy as a trade union bank focused on serving local communities infused with a culture of innovation, entrepreneurship, accountability, and inclusion.

Going forward, we need to ensure we guard against complacency and a false sense of entitlement. Our success is not guaranteed. Technology has disrupted many industries, and we are not immune. The businesses that have proven to be resilient are those which proactively adapt with a sense of urgency led by committed and passionate teams that care deeply about their company and serving their customers and local communities.

Investor Day 2025 & Medium-term Targets

Despite another record year, our best years lie ahead. The resilience of our franchise lies in our ability to deliver results across all cycles as we are built for all seasons. Going forward we will be able to deliver continued positive operating leverage with significant revenue growth while keeping our cost discipline. Our approach is consistent: focus on the things you control, be a disciplined lender, keep a conservative risk appetite, and only pursue long-term profitable growth.

We delivered on all our medium-term financial and non-financial targets we laid out in 2021. The team takes a great deal of pride in delivering on our commitments, but we also recognize there is much more ahead.

For our second Investor Day since our IPO we are outlining a new set of medium-term financial targets. By 2027 we are targeting:

- Net Profit > € 1 billion
- EPS > € 13.0
- Return on Tangible Common Equity (RoTCE) > 20%
- Cost-income ratio (CIR) < 33%

In aggregate, we plan to generate over €2.7 billion of net profit from 2025 through 2027, of which over €1.5 billion we plan to distribute in the form of dividends based on our dividend payout ratio of 55%, and over €1 billion of excess capital (above our CET1 target of 12.5%), which we hope to deploy towards incremental organic growth above our stated net profit target, further M&A, or capital distributions. As we have done in the past, we will assess our capital position at the end of each year and communicate distributions according to our capital distribution framework.

These targets are ambitious, but executable if we focus on what we can control. The whole management team is fully committed to delivering our targets and excited about the journey ahead.

Long-term commitment of the Leadership Team

Earlier this year, the Supervisory Board extended the contracts of all six Management Board members through the end of December 2029. The team has worked together for the past decade and is excited about the road ahead. The Management Board, Executive Council, and Senior Leadership Team, which collectively own 4.5% of the company, embrace an owner-operator mindset, and are deeply committed to the long-term success of the company. We will continue to build a great Leadership Team through mentoring, promotions, recruitment, and acquisitions as we expand our footprint, integrate new businesses, and continue growing the franchise.

Investing in our people and local communities

Our people are the cornerstone of BAWAG Group's success. Attracting, developing, and retaining top-tier talent and committed team members is a key strength of the Group. Our responsibility is to create a working environment where people are given the space to grow and develop, rewarded for their contributions, and motivated by what the company stands for. Over the years, we have introduced several employee initiatives and benefits, reflecting a modern and dynamic company able to compete for the best talent in the market.

These initiatives reflect our commitment to all team members, including progressive benefits such as employee stock grants, the BAWAG "3+1" stock matching program, and a profit-sharing where each employee takes part in the overall success of the Group. These programs emphasize broadening employee ownership and fostering shared success. We also believe in celebrating our success, best captured in our annual Summer & Winter Bash events, bringing together all employees and their families across the Group to build a sense of community, celebrate together, and show appreciation for family members who provide many of us with the support and foundation to be successful.

Today, our team members represent around 50 different nationalities working across our seven core markets. Our diversity is a core strength of the Group. We are committed to building a diverse and inclusive team that reflects the customers and communities we serve. However, our promotions are always based on merit, character, and work ethic, standing for the principles we espouse and the culture we have built. We are confident that we have a strong and diverse bench of leaders that will allow us to support our gender diversity quota of at least 33% female representation across the Senior Leadership Team and will keep the same at the Supervisory Board as well.

Our commitment to social engagement within our local communities is also an integral part of our identity and extends beyond traditional banking services. We embrace our social responsibility by actively engaging in initiatives that foster financial education, support underprivileged communities, and empower individuals to climb the social

ladder. Corporate volunteering and employee donations matched by the Bank are the foundation of these efforts. This past year, the teams went above and beyond, showing their commitment to their communities by significantly expanding our social engagement efforts. Our volunteer programs achieved unprecedented participation, with over 450 team members contributing ~ 4,000 hours (equal to 500 workdays), a testament to the values of our team members and what we stand for as a company.

Thank you

This year was truly special and unlike any other. A heartfelt thank you to our team members who went above and beyond, meeting the challenge of two concurrent acquisitions, executing multiple strategic initiatives, and continuing to run the business without ever skipping a beat. Your work ethic, passion, and commitment to excellence is what makes BAWAG Group so special!



Anas Abuzaakouk, CEO of BAWAG Group AG

STRATEGY

Our strategy has been consistent since 2012: Growing in our core markets focused on serving the needs of our customers, driving efficiency through operational excellence, and always keeping a safe and secure risk profile. The continuous improvement mindset we have embraced, and the strategic M&A executed, have been the catalysts underpinning the transformation of our franchise from a traditional banking model to a digital bank with a high-touch and high-quality advisory-focused branch network.

GROWTH IN CORE MARKETS FOCUSED ON SERVING OUR CUSTOMERS

Growing in our core markets

BAWAG Group's strategy focuses on growth in developed and mature markets. We pursue organic growth and M&A that is strategic, value-add and earnings-accretive. Our growth strategy is defined by the following:

- Our core markets are Austria, Germany, Switzerland, the Netherlands (DACH/NL region), Western Europe and the United States
- Focus on organic growth and M&A
- Invest in platforms and partnerships to drive growth across the Group
- Pursue earnings-accretive M&A meeting our Group RoTCE target of > 20%
- Continue to build up middle-back-office sales support and product/channel standardization to drive profitable growth

We focus on regions and countries with strong fiscal positions, represented by a sovereign rating of at least single "A", reliable legal systems and a stable geopolitical environment. The past few years, which have been dominated by the pandemic, elevated inflation and geopolitical conflicts, have proven the fiscal strength and capabilities of the countries we work in. Governments have put in place extensive stimulus packages and measures to support their citizens and economies.

The DACH/NL region comprises 80% of our customer business and is the foundation of the Group. The region benefits from a common culture and language family, with a stable legal system and credit environment. The region is characterized by low levels of consumer indebtedness, home ownership and digital penetration, all of which present opportunities for future growth. The macro fundamentals of the DACH/NL region are the following:

- Growing population with 120 million people
- Annual GDP of € 6.8 trillion and GDP per capita of more than € 56,000
- Average unemployment rate of less than 5%

Business Focus

Our Retail & SME focus is providing our customers with quality products and services they have come to expect and preserving the differentiated value propositions of our separate brands, while ensuring consistent approach to risk-adjusted pricing. The future growth drivers will be financial advisory, enhanced data analytics, investing in partnerships and platforms, enhancing digital engagement, applying technology across all our processes and continuing to pursue earnings-accretive M&A.

The Corporates, Real Estate & Public Sector business is focused on developed and mature markets providing direct lending opportunities and payments. The corporate space has been challenged for a number of years, as we believe credit risk has not been appropriately priced; however, we remain ready to actively engage once we believe risk is properly priced. We continue to expand our public sector business in Austria, where we are the payments provider to the Austrian government. In real estate lending, our focus will always be on risk-adjusted returns, disciplined underwriting, driving profitable growth and being patient without ever chasing blind volume growth.

Since 2015, BAWAG has completed 14 acquisitions across Austria, Germany, the Netherlands, Switzerland, Ireland, and the United States. The acquisitions have allowed us to expand our footprint to new markets while adding new channels, new products, and a growing customer base. In 2024, we signed both Knab and Barclays Consumer Bank Europe, two strategic acquisitions that will help accelerate our transformation as we expand our geographic footprint, digital capabilities, and bring on skilled teams. We will increase both our Retail & SME business and DACH/NL footprint from ~70% today to ~90% over the coming years.

The acquisitions will allow us to grow in several of our core products in the Netherlands and Germany, focused on current accounts, credit cards, savings products, and mortgages across a diverse and large customer base. We plan to introduce complementary products such as factoring, leasing, brokerage, overdrafts, and working capital facilities for small businesses.

Focusing on the needs of our customers

Customers are looking for a more rewarding and engaging experience with targeted products and services while having 24/7 access to manage their financial lives. We aim to fulfill these needs and to better leverage new and existing technologies to enhance the overall customer experience. We are building a multi-channel and multi-brand Retail & SME franchise from branches-to-partners-to-brokers-to-platforms using digital products and technology across our entire customer value chain. Our products are designed to be simple, transparent and affordable.

The following cornerstones are key to building and supporting successful customer relationships:

- providing customers with a range of products and services when and where they want,
- providing easy-to-use and easy-to-understand financial products at a fair price,
- leveraging new and existing technologies to simplify processes and reducing complexity,
- focusing on high-touch and high-quality advisory across a modernized branch network, as well as
- establishing new retail partnerships and leveraging lending platforms to extend credit and acquire new customers

With the shift towards more digital engagement, we have adjusted our business towards advisory services in our branch network, while shifting more straightforward administrative tasks to our digital/online channels. Fundamental to that development is the continuous enhancement of our digital product offering. Harmonizing online and branch processes allowed us to digitize 90% of Retail and SME product offering. Customers are increasingly expecting that traditional branch services be available on e-banking and mobile platforms. Building on our established regulatory frameworks, we are able to offer competitive and convenient services without sacrificing quality, compliance or security.

Digitization also serves to streamline BAWAG Group's relationships with distribution partners, creating faster response time to end customers. With our investments in digital channels, partnerships and platforms, we have diversified our originations away from branches. As a result, over 70% of originations are generated outside of the traditional branch channel.

Outlook for 2025

Going into 2025, we will continue executing on our growth strategy in the DACH/NL region, Western Europe and the United States. Our M&A activities focus primarily on our core Retail & SME franchise in European markets; however, we monitor the market for opportunities across the banking sector. These opportunities range from profitable platforms with a solid business model and strong origination channels to financial institutions that require either an extensive operational turnaround or an orderly wind-down.

DRIVING EFFICIENCY THROUGH OPERATIONAL EXCELLENCE

The banking industry across Europe continues to undergo a significant transformation and still faces multiple headwinds driven by geopolitical uncertainty, broken cost structures, over-leveraged balance sheets, pricing pressure, high regulatory costs and sub-par technology.

Additionally, more companies from outside the traditional financial services industry (FinTechs and e-commerce platforms) have entered the market, negatively affecting margins as they focus on loss-making growth to gain market share and attacking the traditional revenue streams and financial institutions. Listening and responding to customers' needs, while being diligent about efficiency measures, profitability, and driving operational excellence, is part of our team's DNA. We believe these are the few things a management team truly controls and will continue to differentiate BAWAG Group from both established institutions and new players entering the market.

We are convinced that despite the tailwind from rising interest rates, banks must continue to transform their business models and cost structure to be much simpler and more efficient. We embarked on this transformation over a decade ago and are well positioned for the years ahead. First, we focused on building a strong technological foundation. We recognize that at their core, banks are technology companies, and moving data is a key business process for banks. Hence, we initially focused on our data infrastructure and on building internal technological capabilities. On the data infrastructure side, we combined financial, risk, and regulatory reporting in a central Group data warehouse, enabling the organization to work off the same baseline, accelerate reporting, and decommission highly manual, bespoke reports. At the same time, we in-sourced software engineering, built a central, standardized cloud infrastructure, and invested in technical in-house capabilities across the entire technology stack.

With a strong technological foundation, we applied the same rigor to the customer service and operations teams. We set up the TechOps unit, combining technological and operational capabilities to keep stable and resilient operations, provide an enhanced customer experience, support tech leadership, and continuously improve

Over time, we reviewed key processes focusing on simplification. Subsequently, we reviewed how to offer simplified processes to customers, especially through digital and self-service channels. Again, we invested in internal capabilities of process engineering, analytics, and workflow tooling. We set up a central customer service platform to systematize and structure all customer requests, further reducing cost-to-serve, while improving customer service levels.

We deploy these platforms to capture organic opportunities and to integrate acquired franchises, such as Knab and Barclays Consumer Bank Europe. While the systems landscape and service processes differ significantly at the time of acquisition, we aim to standardize the application landscape, infrastructure and security and processes wherever possible. We support a self-help mindset and aim to retain and develop technical talent across all levels while avoiding white elephant projects, overreliance on consultants, and silver bullet solutions. We favor flat, product-driven, fit-for-purpose teams that have a clear mandate to deliver business impact and keep reorganizing ourselves to effectively respond to current priorities.

Since 2012, we have invested over €700 million in technology. These investments will continue and today represent a greater percentage of our overall spend across the Group, moving from 15% in 2013 to 28% of our total Group spend today. Building on our platforms, especially our cloud capabilities, we are excited about the opportunities to deploy AI technologies. We have chosen an approach that served us well in the past: building internal capabilities, focusing on measurable results, and supporting a continuous improvement mindset.

Our focus continues to be on driving efficiency through process re-engineering, simplification, standardization and ultimately automation. The benefits of creating a scalable and efficient banking platform are more evident today than ever.

- Focus on the things we control through "self-help" management
- Simplify, standardize and automate product and service offerings across all channels
- Create simple end-to-end processing across the Group
- Continuously optimize our process, footprint and technology infrastructure

- Continuous simplification of Group structure
- Embrace various forms of technological change and invest judiciously in technology
- Foster a meritocratic culture that promotes employees based on merit and character

Lastly, a core centerpiece to our company is the BAWAG culture based on the following values:

- **Leadership & embracing change:** We value leaders who are dynamic, lead with uncompromising integrity, have a strong work ethic, and do not shy away from taking tough decisions.
- **Simple and flat organization:** We do our best to maintain a simple Group structure and flat organization. We encourage all team members to focus on the work at hand, cut out the noise and always challenge the status quo for the betterment of the team. We believe hierarchy, bureaucracy and a siloed organization lead to disjointed analysis, wide scale inefficiencies, poor decision-making and ultimately a bloated cost structure.
- **Accountability, meritocracy & inclusion:** We believe our diversity, inclusivity and meritocratic culture is a real source of strength. The team members come from 50 different nationalities, which we believe is a core strength of the Group. However, this will always be a byproduct of merit, integrity, and work ethic. Our greatest asset is our human capital, so we are focused on developing and mentoring our team members across the ranks.
- **Management, both fiduciaries & shareholders:** The Management Team are both fiduciaries as well as shareholders of the Bank. The incentives are directly tied to financial and non-financial targets, which we believe create long-term sustainable value. The Senior Leadership Team owns 4.5% of the Bank. We believe stock ownership is the best way to create alignment with shareholders and long-term strategic value creation.

Instilling this culture within the organization has been pivotal in driving our "self-help" DNA, building a scalable commercial banking platform that will compete long into the future. Our culture has been the foundation of our success when it comes to motivating and retaining our team members as well as attracting top talent over the years.

KEEPING A SAFE AND SECURE RISK PROFILE

A bank is fundamentally in the business of managing risk. For us, having a safe and secure risk profile is about maintaining a fortress balance sheet through a strong capital position, stable customer funding and a low risk profile through proactive risk management. These are fundamental cornerstones to the execution of our business strategy. Management is committed to running BAWAG Group in a safe and secure way.

Our low risk profile is defined by the following principles:

→ **Maintaining a strong capital position, stable customer funding, conservative underwriting, and a low risk appetite**

Our business model and strategy already limit certain risk areas. A key role of our activities is transforming deposits and other types of funding into customer loans. Customer deposits are a key pillar of our funding strategy, supplemented by covered bonds (secured by mortgage and public sector collateral) and unsecured funding. In terms of capital, BAWAG Group's target CET1 ratio is 12.5%, providing a conservative management buffer above our minimum regulatory capital requirements.

→ **Focus on mature, developed and sustainable markets**

Our focus is on Austria, Germany, Switzerland, the Netherlands (DACH/NL region), Western Europe and the United States. These countries/regions share the same characteristics: strong macroeconomic fundamentals, stable legal systems, robust capital markets and governments that have the fiscal capability to support their economies in times of distress. Banking in more volatile and less developed markets optically provides higher returns and higher growth, but we do not believe that the risk-adjusted returns over the medium-to-long term are as attractive as more developed and mature markets. We believe the market will price these risks into the cost of equity of each bank in addition to overall asset quality, earnings volatility, funding profile and sustainability of business model.

→ **Applying disciplined underwriting in markets with a focus on secured lending and risk-adjusted returns**

Our lending is focused on disciplined underwriting and on risk-adjusted returns across developed and mature markets. We routinely review our underwriting guidelines and adjust accordingly. Fundamental to our business strategy is the core concept of the quality of loan volume versus the quantity. We assess all lending by risk-adjusted returns to ensure our return thresholds are met and our future earnings resilient. Approximately 86% of our customer assets are secured and public sector lending.

→ **Maintaining a fortress balance sheet**

We focus on solid asset quality with a low NPL ratio of 0.8%, strong capital generation with gross capital generation of +370 basis points in 2024 and conservative capitalization levels targeting a CET1 ratio of 12.5% as we maintain a fortress balance sheet. We continue to fortify our balance sheet to withstand all economic cycles.

→ **Proactively manage and mitigate non-financial risk**

Being safe and secure is not limited to balance sheet numbers or regulatory KPIs, it is also about managing non-financial risk (be it AML or ESG risks). We continuously enhance our governance structure as well as risk management frameworks to address these risks, with climate risk having gained more importance across all stakeholders over the years. We will continue to integrate environmental factors further, as we enhance our data collection and underwriting to account for these emerging climate risks. We also have no relevant exposure to emerging markets or CEE countries and no operations in countries with elevated AML risk. We are also committed to keeping our exposure to high-emitting GHG sectors low across our corporate portfolio.

Overall, this conservative approach positioned us well over the past years when faced with the risks brought on by a global pandemic, geopolitical conflict, and the ongoing crisis in the US office commercial real estate sector. Our focus on developed markets provided us with indirect benefits via the high level of labor market support as well as social safety net benefits our customers received in the form of various stimulus or support programs.

We will continue to keep our conservative risk appetite, ensuring that we mitigate against both macro and micro risks. Our goal is to always maintain a fortress balance sheet and conservative underwriting, a cornerstone of how we run the Bank.

BAWAG GROUP ON THE STOCK MARKET

DEVELOPMENTS ON THE STOCK MARKETS

Equity markets in Europe and the United States were affected by geopolitical conflicts, the start of a rate cut cycle, elections and changes in government, and an uncertain macroeconomic outlook. Central banks cut interest rates, with the US Federal Reserve cutting interest rates three times by a total of 100bps and the ECB cutting four times by a total of 100bps in 2024. Share prices continued to be supported by solid earnings and the anticipation of rate cuts on the back of decreasing inflationary pressure. Performance and expectations towards markets varied with the tech sector and the United States market in general performing particularly strongly. Also, the global banking sector performed well throughout 2024 as solid interest income with low default rates continued to be a catalyst and drove the performance of bank shares. The Euro Stoxx 600 increased by 6%, the sub-index Euro Stoxx Banks increased by 23% and the S&P 500 increased by 23% in 2024.

The financial performance of the corporate sector reflects the overall economic activity in the United States and in Europe. Earnings per share of the S&P 500 increased. In Europe, earnings per share of the Euro Stoxx 600 decreased while earnings of the sub-index Euro Stoxx Banks increased, highlighting the outperformance of the financial sector.

Valuation metrics in the United States as well as in Europe increased compared to 2023.

SHARE PERFORMANCE

BAWAG Group AG shares are listed on the Vienna Stock Exchange. The development of the share price throughout the year was very positive.

BAWAG Group AG's shares closed the year 2024 with a share price of € 81.15, compared to € 47.98 as of year-end 2023. During the same period, the share price high was at € 81.15 and the low at € 45.64. The total return of BAWAG Group AG's shares, accounting for price performance and dividends, was 84.1%, while the total return of the Euro Stoxx Banks was 32.0% during the year 2024. Since our IPO, the total return of BAWAG Group AG's shares was +151%, whereas the total return of the Euro Stoxx Banks was +51%.

	2024	2023
Closing price 31 December	€ 81.15	€ 47.98
Share price high (closing price)	€ 81.15	€ 58.95
Share price low (closing price)	€ 45.64	€ 40.46
Dividend paid out (in 2025 for financial year 2024)	€ 432 million	€ 393 million
Total Return BAWAG Group	84.1%	4.7%
Total Return Euro Stoxx Banks	32.0%	31.5%

DEBT ISSUANCES

During 2024, BAWAG was an active capital market issuer across the spectrum of capital and funding instruments. BAWAG continued its covered bond program with a successful benchmark placement of € 750 million. In addition, a senior preferred benchmark issuance of € 500 million was executed successfully in the fourth quarter of 2024. This placement was a green bond under our green bond framework, which is a key part of our funding strategy. On the capital side, BAWAG issued a € 500 million Additional Tier 1 benchmark bond in the third quarter, replacing the outstanding € 300 million Additional Tier 1 instrument with a call date in May 2025.

INVESTOR COMMUNICATION

Principles

Maintaining an open dialogue, being transparent and providing consistent information are our objectives when communicating with investors and other stakeholders. We aim to align our interests with those of our shareholders by focusing on long-term franchise value creation, which is best supported through stock ownership in our view. The management team serves as both fiduciaries and shareholders of BAWAG Group, with incentives directly tied to financial and ESG targets. As of year-end 2024, the Senior Leadership Team owned 4.5% of the Bank (31 December 2023: 4.4%).

Investor relations in 2024

In 2024, the communication was primarily focused on M&A as well as the change in macroeconomic factors. The priorities were as follows:

→ **Ongoing dialogue** with existing and prospective equity investors, analysts, bondholders and rating agencies. On the day of quarterly earnings releases, we meet with investors for one-on-one as well as group meetings to discuss quarterly and annual developments. In addition, BAWAG Group’s management meets current and potential investors during roadshows, conferences and one-on-one meetings. In 2024, members of the Management Board, together with the Investor Relations team, met with investors from the United States, the United Kingdom, Canada, Germany, France, Austria, Denmark, Norway, Finland, the Netherlands, Belgium, Ireland, Italy, Spain, Sweden, Poland, the Middle East and Australia. In addition, we attended 11 conferences dedicated to financial institutions or small-mid cap companies in 2024. This was a mix of both specialists in the financial sector as well as generalists. Besides roadshows and conferences, we held one-on-one (virtual) meetings or calls with potential new investors as well as existing investors and ESG teams. The main discussion points were related to M&A and related details, overall business development, the interest rate environment, and the commercial real estate segment.

As a result of the increased debt issuance activities of BAWAG Group over the last years, we have also held continuous dialogue with credit analysts and investors.

→ Corporate Governance Roadshow

In order to enhance our dialogue with the sustainability and stewardship teams of our investors, we launched an in-person corporate governance roadshow during the second half of 2024. We met with 24 shareholders representing approximately one third of our shares in New York, London, Paris, Frankfurt and Vienna as well as virtually. The topics for these partially new stakeholders were focused on the strategy overview, sustainability-related focus areas, governance and remuneration topics. The purpose of the exchange was to gauge feedback, broaden their knowledge about BAWAG and gauge input on where we can improve our disclosure. We plan to continue this dialogue going forward.

→ Annual General Meeting (AGM)

The dividend of € 393 million (or € 5.00 per share) was distributed on 15 April 2024, following the Annual General Meeting on 8 April 2024. The next Annual General Meeting will take place on 4 April 2025. We will be proposing to the AGM a dividend payment of € 5.50 per share for 2024, equal to € 432 million, to be paid on 11 April 2025, subject to shareholder approval.

Shareholder structure

Our shareholder base is well diversified with a broad geographic reach. The institutional investors are primarily from Europe and North America, with one institution holding more than 6% and two institutions holding more than 4%. The Senior Leadership Team owns 4.5% as of 31 December 2024. In addition, BAWAG continued to roll out employee participation programs in 2024 on a Group-wide basis. We believe stock ownership is the best way to create alignment with shareholders and long-term strategic value creation.

As of 31 December 2024, the shareholdings based on major shareholder notifications were as follows:

Shareholders	Holding
T. Rowe Price	6.1%
Wellington	4.9%
Blackrock	4.1%
BAWAG Senior Leadership Team (Management Board: 3.9%)	4.5%

The BAWAG Group share is also covered by 15 equity analysts with a summary of recommendations and target price below:

	2024	2023
Number of research houses covering the stock	15	11
“Buy” / “Overweight” recommendation	14	9
“Hold” recommendation	1	2
Average target price (31 December)	€ 84.9	€ 72.4

Information on BAWAG Group, share data and the latest analyst recommendations are available on the website <https://www.bawagroup.com/ir>.

Ratings

BAWAG P.S.K., the main operating subsidiary of BAWAG Group AG, is rated by Moody’s Investors Service. On 29 May 2024, Moody’s affirmed BAWAG P.S.K.’s long-term, deposit, issuer and senior unsecured ratings, but changed the outlook to stable from positive before. This follows the announcement of two strategic acquisitions and the integration work ahead of us.

	2024
Long-term senior unsecured / issuer rating	A1 (stable outlook)
Long-term Bank deposits rating	A1 (stable outlook)
Short-term issuer / bank deposits rating	P-1

GROUP MANAGEMENT REPORT

ECONOMIC AND REGULATORY DEVELOPMENTS

ECONOMIC DEVELOPMENTS

...written by **Prof. Dr. Ewald Nowotny**, former Governor of Oesterreichische Nationalbank (OeNB), former CEO of BAWAG and current Advisor to the BAWAG Group Supervisory Board

Macro trends

The year 2024 was characterized by a number of extraordinary developments. On the one hand, there was a sharp decline in inflation rates compared to the extraordinarily high rates in 2023. On the other hand, there were strong influences from geopolitical factors and, finally, there were significant elections in the USA, the EU and also in Austria, which will have an economic policy impact in 2025.

The growth rate for the global economy as a whole remained at the comparatively low level of 3.1% in 2024, with China recording a decline in growth to 4.6%. A growth rate of 1.8% is expected for the industrialized nations in 2024 and 2025 (USA 2.7% and 2.5%, respectively). In contrast, the euro area recorded significantly weaker growth of 0.8% in 2024, which is expected to increase to (only) 1.2% in 2025. The main reason for this weak development is the worsening economic crisis in Germany in 2024, where gross domestic product fell in 2024, as it did in 2023. This is primarily not a cyclical problem, but a structural one, caused by the country's strong dependence on exports, problems in the energy sector and challenges posed by the transformation away from reliance on fossil fuels, particularly in the automotive sector.

Inflation in the euro area decreased from 5.4% in 2023 to 2.4% in 2024, with the ECB's 2% target expected to be reached in the second half of 2025. While the ECB had raised interest rates ten times in 2023, there was a significant turnaround in interest rates in June 2024 due to falling inflation and weak economic growth. The ECB's deposit rate, which is central to monetary policy, had been 4% in mid-2023 and was 2.75% following the decision of end-January 2025. Further interest rate cuts are expected for 2025, although there is considerable uncertainty regarding the impact of the new US government's economic policy and thus the international development of interest rates and exchange rates.

Market developments in Austria

The decline in gross domestic product of 0.6% in 2024 marks Austria's second year of recession. A moderate uptick of 1% is expected for 2025: There is admittedly a great deal of uncertainty here, especially with regard to developments in Germany and also in view of the corresponding increase in the number of insolvencies. The inflation rate fell significantly from 7.8% in 2023 to 2.9% in 2024, mainly due to significantly lower energy prices. In line with the continued strong inflation trend in the services sector, however, core inflation was still around 4%. Lower wage growth in 2025 should lead to a fall in the inflation rate to 2.1%.

Due to strong wage increases and falling inflation, real disposable income rose by 3.2% in 2024. In contrast, consumer spending almost stagnated, meaning that the savings rate of private households increased significantly to 11% of disposable income. Construction investment is a particular problem area, where a further decline of 4.5% was recorded in 2024 following a fall of 9.3% in 2023. This trend is particularly pronounced in the residential segment, which led to a correspondingly sharp decline in demand for mortgages. The volume of newly granted residential mortgage loans fell to € 1 billion in August 2024 compared to € 2.7 billion in July 2022. Since then, there has been a slight increase in demand as a result of the interest rate trend. The risk of the housing market overheating, which supervisory authorities mentioned at times, clearly no longer exists.

Following the negative development in 2023, gross fixed capital formation in the Austrian economy declined again in 2024 (minus 3%). Accordingly, demand for corporate loans is also declining. Lending is increasingly being affected by increasing risk awareness.

The labor market in 2024 showed an increase in both employment and unemployment. A shortage of qualified workers was reported in many areas, while the rise in unemployment was due to supply effects from foreign workers. The number of hours worked fell by 0.9% in 2024. This corresponds to the decline in GDP, but also reflects the long-term trend of a decline in per capita working hours. In 2025, the increasing number of insolvencies will lead to an increase in the unemployment rate (to 6.4% according to the Austrian calculation method). Particularly affected are sectors of the export-oriented industry and thus especially industrially strong federal states, such as Upper Austria.

Outlook

Overall, positive, albeit weak, growth is expected for the economies of industrialized countries in 2025. For the euro area, this should mean economic growth of 1.4% in 2025, and for the USA, 2.5%. However, this development may be negatively influenced by a large number of factors. There is particular uncertainty regarding the specific economic policy measures of the new US administration, but also regarding the economic impact of geopolitical developments in Ukraine, the Middle East and Southeast Asia, as well as the future dynamics of international climate policy in general.

The European Commission's autumn 2024 forecasts incorporated a growth rate of 0.7% for Germany in 2025, although according to some other forecasts this could fall to 0%. The corresponding growth expectations for Austria are 0.6% and 1.5% for the Netherlands. Regaining competitiveness in export-oriented economic sectors represents a particular challenge for Austria. Higher inflation rates compared to other euro area countries led to higher wage developments. Nominal wages rose by 7.8% in 2024 and are expected to rise by 3.4% in 2025. Since 2023, the increase in unit labor costs has been higher than in Germany, which creates a significant burden on the export-oriented industry.

The expected fall in inflation will also lead to further interest rate cuts by the ECB. A deposit interest rate of between 2.0% and 2.5% can be expected for the end of 2025, which would roughly correspond to the neutral interest rate of this cycle. However, problematic developments in public finances of individual EU countries could lead to a steeper rise in the yield curve, which could affect long-term financing. Overall, however, it can be expected that the central banks of the most important currency areas will have succeeded in achieving a “soft landing” for the respective economies after a phase of high inflation rates. In other words, a significant decline in inflation rates without a broad recession. The macroeconomic conditions for implementing the necessary structural improvements would then be in place. For Europe in particular, this should mean using the opportunities offered by the European Single Market to achieve higher productivity and thus improve competitiveness.

Macro data in our core markets in 2024

in %	Austria	Germany	Netherlands	Euro area	United States
GDP growth	(0.9)	(0.2)	0.9	0.8	2.7
Inflation rate	3.0	2.5	3.2	2.4	2.8
Unemployment rate	5.3	3.3	3.7	6.1	4.1
Outlook for 2025					
GDP growth	0.6	0.4	1.5	1.4	2.5
Inflation	2.3	2.1	2.4	2.1	2.1

Data sources: OECD Economic Forecast 12/2024, WIFO Economic Forecast 4/2024, Economist Intelligence Unit 1/2025.

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 2025–2027 reflect ECB Banking Supervision's medium-term strategy and consist of strengthening the ability to withstand immediate macro-financial threats and severe geopolitical shocks, addressing material shortcomings in an effective and timely manner and strengthening digitalization strategies and tackling emerging challenges stemming from the use of new technology.

On 27 October 2021, the European Commission adopted a review of the CRR and CRD. This 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. Although the Basel Committee timetable foresaw the reforms should be implemented on 1 January 2023 (already deferred by one year due to the COVID-19 pandemic), January 1, 2025 was chosen as the implementation date in the EU, with the transitional rules applying for a further period of five years. The final Basel IV texts were published in the European Official Journal on 19 June 2024. 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)

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.

FINANCIAL REVIEW

ANALYSIS OF PROFIT OR LOSS STATEMENT AND STATEMENT OF FINANCIAL POSITION

in € million	2024	2023 restated	Change	Change %
Net interest income	1,311.8	1,252.8	59.0	4.7
Net fee and commission income	309.9	284.6	25.3	8.9
Core revenues	1,621.7	1,537.4	84.3	5.5
Other income ¹	6.1	(12.0)	18.1	—
Operating income	1,627.8	1,525.4	102.4	6.7
Operating expenses²	(545.1)	(485.4)	59.7	(12.3)
Pre-provision profit	1,082.7	1,040.0	42.7	4.1
Regulatory charges	(15.3)	(39.0)	(23.7)	60.8
Operating profit	1,067.4	1,001.0	66.4	6.6
Total risk costs	(81.8)	(93.2)	(11.4)	12.2
Share of the profit or loss of associates accounted for using the equity method	4.3	2.5	1.8	72.0
Profit before tax	989.9	910.3	79.6	8.7
Income taxes	(229.9)	(227.8)	2.1	(0.9)
Profit after tax	760.0	682.5	77.5	11.4
Non-controlling interests	—	—	—	—
Net profit	760.0	682.5	77.5	11.4

¹ The position "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 € 9.5 million for 2024 (2023: € 34.1 million). The item Operating expenses includes regulatory charges in the amount of € 5.8 million for 2024 as well (2023: € 4.9 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.

Following the acquisition of Knab on 1 November 2024, the profit & loss includes two months' contribution.

Net profit increased by 11.4% or € 77.5 million, to € 760.0 million in 2024. The underlying operating performance of the business was strong during 2024, generating pre-provision profit of € 1,082.7 million, up 4.1% year-over-year. Total risk costs decreased by 12.2% to € 81.8 million.

Net interest income increased by 4.7%, up € 59.0 million, to € 1,311.8 million in 2024, supported by our acquisitions.

Net fee and commission income increased by 8.9% to € 309.9 million compared to 2023, driven by payments and advisory business.

Other income, consisting of Gains and losses on financial instruments and other operating income and expenses, was at € 6.1 million compared to € (12.0) million in 2023.

Operating expenses increased by 12.3% to € (545.1) million in 2024.

Regulatory charges were € 15.3 million in 2024, compared to € 39.0 million in 2023.

Total risk costs were € 81.8 million in 2024, a decrease of € 11.4 million, or 12.2%, compared to the previous year. The management overlay was utilized during the year to increase ECL reserves due to model updates and increase NPL coverage based on conservative Commercial Real Estate values, while the remainder was released. As of year-end, BAWAG had total ECL provisions of € 118 million for the performing book and € 284 million for the non-performing book representing 47% cash coverage (for details see Note 56 Impairment in the risk report).

Total assets

in € million	2024	2023 restated	Change	Change %
Cash reserves	17,604	12,786	4,818	37.7
Financial assets				
Held for trading	316	103	213	>100
Fair value through profit or loss	624	593	31	5.2
Fair value through OCI	1,913	2,827	(914)	(32.3)
At amortized cost	49,407	37,493	11,914	31.8
Customers	45,496	33,333	12,163	36.5
Debt instruments	3,081	3,660	(579)	(15.8)
Credit institutions	830	500	330	66.1
Valuation adjustment on interest rate risk hedged portfolios	(218)	(310)	92	(29.7)
Hedging derivatives	331	247	84	34.0
Tangible non-current assets	304	334	(30)	(9.0)
Intangible non-current assets	532	533	(1)	(0.2)
Tax assets	140	46	94	>100
Other assets	383	258	125	48.4
Non-current assets held for sale	5	538	(533)	(99.1)
Total assets	71,341	55,448	15,893	28.7

The **cash reserves** increased by 37.7% to € 17.6 billion in 2024, equaling 25% of the balance sheet.

Financial assets **at fair value through OCI** decreased by € 0.9 billion or 32.3%.

The line item **at amortized cost** increased by € 11.9 billion, or 31.8%, compared to year-end 2023 and stood at € 49.4 billion as of 31 December 2024, due to the acquisition of Knab.

Non-current assets held for sale decreased due the sale of start:bausparkasse AG, Germany.

Total liabilities and equity

in € million	2024	2023	Change	Change %
Total liabilities	66,608	51,278	15,330	29.9
Financial liabilities				
Fair value through profit or loss	100	136	(36)	(26.5)
Held for trading	454	463	(9)	(1.9)
At amortized cost	64,608	48,673	15,935	32.7
Customers	46,170	33,270	12,900	38.8
Issued securities	17,174	13,594	3,580	26.3
Credit institutions	1,264	1,809	(545)	(30.1)
Financial liabilities associated with transferred assets	—	402	(402)	(100.0)
Valuation adjustment on interest rate risk hedged portfolios	(220)	(415)	195	(47.0)
Hedging derivatives	291	214	77	36.0
Provisions	285	231	54	23.4
Tax liabilities for current taxes	145	190	(45)	(23.7)
Tax liabilities for deferred taxes	119	119	—	—
Other obligations	826	783	43	5.5
Obligations in disposal groups held for sale	—	482	(482)	(100.0)
Total equity	4,733	4,170	563	13.5
Common equity	4,025	3,699	326	8.8
AT1 capital	708	471	237	50.3
Non-controlling interests	—	—	—	—
Total liabilities and equity	71,341	55,448	15,893	28.7

Financial liabilities at amortized cost increased by € 15.9 billion, or 32.7%, to € 64.6 billion as of 31 December 2024 compared to year-end 2023. Customer deposits increased by € 12.9 billion, or 38.8%, to € 46.2 billion in 2024, driven by the acquisition of Knab. Issued securities increased by € 3.6 billion, or 26.3%.

Obligations in disposal groups held for sale included the liabilities of start:bausparkasse AG Germany, in 2023.

Total equity including Additional Tier 1 capital stood at € 4.7 billion as of 31 December 2024. On 15 April 2024, a € 393 million dividend was paid out for the financial year 2023.

CAPITAL AND LIQUIDITY POSITION

BAWAG Group's CET1 target ratio is at 12.50% on a fully loaded basis, which we increased by 25 basis points in 2024. The target CET1 ratio takes the regulatory capital requirements into account and is calibrated to leave a conservative buffer above the minimum capital requirements set by the regulator.

	2025	2024
Pillar 1 minimum	4.5%	4.5%
Pillar 2 requirement (CET1 requirement; total requirement 2.5% in 2024)	1.410%	1.410%
Capital conservation buffer	2.5%	2.5%
Systemic risk buffer	0.5%	0.5%
O-SII buffer	0.9%	0.9%
Countercyclical buffer (based on year-end exposure)	0.56%	0.56%
Overall capital requirement (OCR)	10.37%	10.37%
Pillar 2 guidance (P2G)	0.5%	0.5%
Overall capital requirement including P2G	10.87%	10.87%
CET1 target ratio	12.50%	12.50%
Management buffer to OCR (in basis points)	213	213
Management buffer to OCR including P2G (in basis points)	163	163

As of 31 December 2024, our fully loaded CET1 ratio was at 15.2%, exceeding our CET1 target ratio of 12.50% and all regulatory requirements. This considers the deduction of the 2024 dividend of € 432 million, which will be proposed to the Annual General Meeting on 4 April 2025.

	2024	2023
CET1 capital (in € million)	3,134	2,841
Risk-weighted assets (in € million)	20,627	19,317
CET1 ratio (post dividend)	15.2%	14.7%
Tier1 ratio (post dividend)	18.1%	16.8%
Total capital ratio (post dividend)	21.2%	19.9%

Based on the fully loaded capital ratios as of 31 December 2024, the maximum distributable amount above the regulatory requirements for 2024 (Pillar 1 minimum ratios, Pillar 2 CET1 requirement and combined buffer requirements) is € 994 million (after deducting the proposed € 432 million dividend for 2024). Available distributable items as defined in Art. 4.1 (128) CRR on the level of BAWAG Group AG amount to approximately € 3.5 billion as of 31 December 2024.

Capital distribution policy

Maintaining a strong capital base with a conservative buffer above regulatory requirements is a strategic priority for BAWAG Group. At the same time, we want to offer a sustainable and balanced return to our shareholders. Since the IPO in 2017, we have distributed/earmarked € 3 billion of capital through € 2.1 billion in dividends and € 900 million in share buybacks. This includes € 432 million for the 2024 dividend, which will be proposed to the Annual General Meeting on 4 April 2025. Our capital distribution framework is as follows:

Dividend – 55% payout

We target a dividend payout of 55% of net profit, 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 a competent regulatory authority.

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. In light of the recent acquisitions, we have adjusted our capital distribution threshold to 13% CET1 ratio for the years 2024 and 2025.

Payout for financial year 2024

Dividend which will be proposed to Annual General Meeting	€ 432 million
Dividend per share	€ 5.5

Developments in other types of funding

A key role of our activities is transforming deposits and other types of funding into loans. Customer deposits remain a key pillar of our funding strategy. As of year-end 2024, approximately 65% of our assets were funded via customer deposits. Customer deposit funding is complemented by diversified capital market funding.

BAWAG Group has been an active issuer in capital markets across the funding stack. In the covered bond space a € 750 million benchmark instrument was placed in the first half of 2024. In addition, a senior preferred benchmark issuance of € 500 million was executed successfully in 2024. This placement was a green bond under our green bond framework, which is an important element of our funding strategy. On the capital side, BAWAG issued a € 500 million Additional Tier 1 bond during 2024, which will replace the existing € 300 million Additional Tier 1 instrument with a call date in May 2025.

During 2024, BAWAG Group fully repaid its remaining funding under the ECB’s TLTRO III program.

Minimum requirement for own funds and eligible liabilities (MREL)

In the first quarter 2025, BAWAG Group received its new MREL decision from the Single Resolution Board (SRB). It is based on a single point of entry resolution strategy with BAWAG P.S.K. AG as the resolution entity. The MREL requirement (including combined buffer requirement) has been set at 27.1% of RWA on the consolidated level of BAWAG P.S.K. AG. The current MREL decision does not contain a subordination requirement. In addition to the MREL requirement in % of RWA, according to the new SRB decision the MREL requirement in % of LRE (leverage ratio exposure) has been set at 5.9% on the consolidated level of BAWAG P.S.K. AG.

As of 31 December 2024, BAWAG reported MREL-eligible instruments amounting to 31.8% of RWA and 9.0% of LRE (31 December 2023: MREL-eligible instruments amounting to 30.3% of RWA and 10.2% of LRE [including interim profit and the deduction of the proposed dividend]). Thereby exceeding the final requirements in % of RWA and in % of LRE.

Liquidity management

BAWAG Group maintains a conservative liquidity management strategy, which is reflected in our strong liquidity coverage ratio (LCR) of 249% and cash position of € 17.6 billion or 24.7% at the end of 2024. BAWAG Group thereby significantly exceeds the regulatory LCR requirement of 100%.

BUSINESS SEGMENTS

RETAIL & SME

Strategy

BAWAG is one of the leading Retail & SME financial service providers in the DACH/NL region, with presence in Western Europe and the United States, with Austria as our foundation. Over the past few years, we have pursued a strategy of organic and inorganic growth to expand our product offerings and market presence. This has been achieved through both acquisitions and the development of new channels.

We operate with a multi-brand and multi-channel approach, tailored to the geography, product offering and market segment. Our key brands include BAWAG and easybank in Austria, Qlick in Germany and acquired businesses such as easyleasing, Hello bank! (rebranded to easybank) and start:bausparkasse in Austria. We also operate under the Health Coevo AG and BFL Leasing brands in Germany, and Zahnärztekasse in Switzerland. In the United States, we focus on secured and unsecured lending through Idaho First Bank. Most recently, we expanded our footprint in the DACH/NL Retail and SME banking market with the acquisition of Knab (Netherlands), closed on 1 November 2024, and the acquisition of Barclays Consumer Bank Europe (Germany), which closed on 1 February 2025.

Our overarching strategy is to maintain a multi-branded business model that delivers simple and efficient products and services, utilizes diverse distribution channels, applies standardized processes and focuses on digital innovation, data analytics and niche partnerships to provide the best financial solutions to our customers.

At the heart of our Retail & SME strategy is a commitment to making our customers' lives easier and more manageable by providing:

- A comprehensive range of products and services accessible when and where our customers need them
- Easy-to-use, easy-to-understand financial products at fair prices

- Streamlined processes through the use of new and existing technologies to reduce complexity
- High-quality advisory services through a modernized branch network
- New retail partnerships and lending platforms to expand our customer base

BAWAG Group is dedicated to delivering the best and most convenient banking experience through its digital and physical channels. Our digital initiatives aim to increase convenience and satisfaction, offering customers clear, transparent, and easy-to-understand banking products and services, available 24/7.

Focus on simplification and digitization

We focus on the efficient and simple delivery of our core lending and savings products through our own networks, strategic partners and various digital channels. Our Retail & SME operations are structured into three main segments:

- **Transactional & Advisory Banking**
- **Retail Lending**
- **SME & Specialty Finance**

These segments are aligned based on product offerings rather than geography or channel, enabling us to focus on providing quality products and services efficiently while preserving the unique value propositions of our brands. In Austria and Germany, we operate 80 branches primarily serving **Transactional and Advisory Banking** customers, as well as small-business banking clients. This branch network, combined with our high-quality, high-touch advisory services, enables us to build strong relationships with our customers and deliver tailored offerings through simple and transparent products.

We continue to invest in new tools and processes to ensure consistent customer experiences and establish a scalable, efficient foundation—leveraging the strengths of our various channels to boost overall sales and service. Key initiatives include significant capital investments in our branch network, impactful media campaigns and new partnerships to engage targeted markets and communities. Our self-developed marketing automation tool has enabled us to maintain highly personalized, automated customer engagement, now managing over 200 million interactions annually.

These advancements have accelerated growth in core products and positioned us to quickly adapt to new opportunities, strategies and efficiencies.

Our **Retail Lending** offerings include secured products such as mortgages and building society housing products, as well as unsecured consumer loans. These products are distributed through various channels, including traditional branches, digital channels, and partnerships across the DACH/NL region, Western Europe, and the United States. Our processes are highly automated, ensuring an efficient and straightforward customer experience.

In **SME & Specialty Finance**, we provide factoring, auto and equipment leasing and small-business banking services. Our multi-branded strategy operates across Austria, Germany, and Switzerland with 150+ specialized sales advisors, and our products are distributed through branches, digital channels, and partners. These services target private entrepreneurs, family-run businesses, and small-cap public companies, offering tailored financial solutions for their growth and success.

Our Retail & SME franchise is the foundation of the Bank, accounting for a 75% core revenue contribution, which will increase following the two acquisitions.

2024 Business Review

In 2024, the Retail & SME segment delivered a profit before tax of € 701 million, a return on tangible common equity of 32% and a cost-income ratio of 33.4%. Despite a challenging market environment with high interest rates and elevated inflation, we maintained a stable asset quality with an NPL ratio of 1.2%.

Our teams continued to execute our simplification strategy by optimizing our footprint, adapting to shifting customer behaviors and making our operations more efficient. We focused on maintaining disciplined pricing and risk-adjusted returns while continuing to deliver on our commitment to providing simple, transparent and reliable financial products.

Outlook

Looking ahead, we remain focused on executing our long-term strategy, serving our >4 million customers (inclusive of the acquired Barclays Consumer Bank Europe customers) with the best products and services in the most efficient and simple manner. We will strengthen our position through expanded collaborations and M&A activities, both within and outside the DACH/NL region. As we continue to expand in core markets, we will emphasize local sales talent while leveraging the scale of the Group for TechOps and central functions.

Our simplified operating model and focus on efficiency give us a competitive cost advantage, enabling us to compete in low-risk but highly competitive markets. Despite the challenges in the broader market environment, we remain committed to delivering reliable financial solutions for our customers and shareholders.

Our acquisitions of Knab and Barclays Consumer Bank Europe mark a significant step in our strategic expansion. These acquisitions strengthen our position in key European markets, enhancing our product offerings and customer base. Barclays Consumer Bank Europe will expand BAWAG Group's offering in the German Retail and SME banking space with a strong consumer lending platform focused on credit cards, personal loans and savings products across a large and diverse customer base. Knab will expand our digital Retail and SME customer base and presence with a strong offering in the self-employed segment within the Netherlands.

Financial results

Income metrics

in € million	2024	2023 restated	Change %
Net interest income	933.9	887.8	5.2
Net fee and commission income	279.4	250.8	11.4
Core revenues	1,213.3	1,138.6	6.6
Other income ¹	2.9	3.9	(25.6)
Operating income	1,216.2	1,142.5	6.5
Operating expenses	(406.2)	(344.9)	(17.8)
Pre-provision profit	810.0	797.6	1.6
Regulatory charges	(7.8)	(9.7)	19.6
Total risk costs	(101.6)	(86.1)	(18.0)
Profit before tax	700.6	701.8	(0.2)
Income taxes	(175.2)	(175.4)	0.1
Net profit	525.4	526.4	(0.2)

Key ratios

	2024	2023 restated	Change pts
Return on tangible common equity	32.0%	38.1%	(6.1)
Net interest margin	3.92%	4.02%	(0.10)
Cost-income ratio	33.4%	30.2%	3.2
Risk costs / interest-bearing assets	0.43%	0.39%	0.04
NPL ratio	1.2%	1.7%	(0.5)

Business volumes

in € million	2024	2023	Change %
Interest bearing assets	34,106	22,021	54.9
Interest bearing assets (average)	23,848	22,064	8.1
Risk-weighted assets	12,424	9,354	32.8
Own issues	12,096	10,003	20.9
Customer deposits	40,222	27,301	47.3
Customer deposits (average)	28,629	26,458	8.2
Customer funding	52,448	37,456	40.0
Customer funding (average)	39,885	37,009	7.8

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

CORPORATES, REAL ESTATE AND PUBLIC SECTOR

The **Corporates, Real Estate & Public Sector** segment focuses on domestic and international lending, deposits and payment services. Across the segment, we focus on risk-adjusted returns and conservative underwriting.

Our regional focus in the **Corporates and Real Estate business** is on the Austrian and German market as well as developed and mature markets in Western Europe and the United States. We primarily target senior secured lending to strong sponsors on cash flow generating companies and assets.

In the **Public Sector** business, our focus is on sovereigns, federal states, municipalities and public sector entities in Austria, Germany and Western Europe. Our goal is to maintain the strong market position in Austria and retain our cash management and payments business. We do this by focusing on high quality of service with our existing top clients, by acquiring new clients for our payments business and by focusing on specific tenders and cross-selling to existing borrowers.

2024 Business Review

During 2024, the Corporates, Real Estate & Public Sector segment delivered a profit before tax of € 250 million, a return on tangible common equity of 30.1% and a cost-income ratio of 24.5%. Core revenues decreased by 4% in 2024, while maintaining our focus on risk-adjusted returns. Average interest bearing assets were € 13.5 billion, which is (3%) versus the previous year. The results benefited from the partial release of management overlay resulting in positive risks costs of € 20.1 million. With increased clarity on interest rates, stabilized valuations and continued asset and sponsor performance, the excess reserves after valuation adjustments were released.

Higher rates and a more cautious underwriting in 2024 led to reduced loan demand. In addition, our risk appetite was also reduced on selected transactions, as we generally increased margin and reduced advance rates.

Outlook

After staying patient in 2024 and not chasing volume growth, we see a solid lending pipeline with diversified opportunities in 2025. However, competition for defensive, high-quality assets remain high. Our focus will be maintaining our disciplined and conservative underwriting and focusing on risk-adjusted returns without ever chasing blind volume growth. We expect this year to continue to see greater volatility as central banks across our core markets may further cut interest rates.

Financial results

Income metrics

in € million	2024	2023	Change %
Net interest income	275.8	286.4	(3.7)
Net fee and commission income	32.5	35.3	(7.9)
Core revenues	308.3	321.7	(4.2)
Other income ¹	1.4	(3.7)	—
Operating income	309.6	318.0	(2.6)
Operating expenses	(75.7)	(78.1)	3.1
Pre-provision profit	233.9	239.9	(2.5)
Regulatory charges	(3.7)	(10.0)	63.0
Total risk costs	20.1	(5.2)	—
Profit before tax	250.3	224.7	11.4
Income taxes	(62.5)	(56.2)	(11.2)
Net profit	187.8	168.5	11.5

Key ratios

	2024	2023	Change pts
Return on tangible common equity	30.1%	22.9%	7.2
Net interest margin	2.05%	2.05%	—
Cost-income ratio	24.5%	24.6%	(0.1)
Risk costs / interest-bearing assets	(0.15%)	0.04%	(0.19)
NPL ratio	0.7%	0.8%	(0.1)

Business volumes

in € million	2024	2023	Change %
Interest bearing assets	13,339	13,328	0.1
Interest bearing assets (average)	13,464	13,946	(3.5)
Risk-weighted assets	4,935	6,352	(22.3)
Own issues	1,331	557	>100
Customer deposits	6,557	6,875	(4.6)
Customer deposits (average)	6,397	5,661	13.0
Customer funding	8,669	8,325	4.1
Customer funding (average)	8,369	7,240	15.6

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

CORPORATE CENTER AND TREASURY

The **Corporate Center** contains central functions for BAWAG Group. Hence, the P&L comprises the funds transfer pricing (FTP) result as an outcome of the Asset & Liability Management function, one-off and project-related operating expenses and other one-off items. The balance sheet mainly includes non-interest-bearing assets, liabilities and equity.

Treasury continued to pursue the strategy of balancing the investment portfolio between long-term investment in high-quality securities while still maintaining our hold to collect and sell portfolio to preserve the flexibility of redeployment into customer loans or other balance sheet management activities. The overall composition of the portfolio reflects our strategy of maintaining high credit quality, short/medium duration and strong liquidity in the securities portfolio in order to balance the goals of generating incremental net interest income while also minimizing fair value volatility. We have generally been underinvested in our securities portfolio given significant credit spread tightening, a low-volatility environment, and therefore lower risk-adjusted spreads in 2024.

2024 Business Review

As of December 2024, the investment portfolio amounted to € 3.4 billion and the liquidity reserve was € 17.6 billion. The investment portfolio's average maturity was 4 years, comprised nearly 100% of investment grade rated securities, of which 75% were rated in the single A category or higher. As of December 2024, the portfolio had no direct exposure to China, Russia, Ukraine or the Middle East and limited exposure to Central Eastern European countries.

Outlook

Treasury will continue to focus on keeping streamlined processes in support of BAWAG Group's core operating activities and customer needs. In the coming year, central banks' path to easing and the economic and fiscal performance of the core European countries will be the most important issues and drivers of the financial markets. We are committed to maintaining high credit quality and highly liquid investments with solid diversification.

Financial results

Income metrics

in € million	2024	2023 restated	Change %
Net interest income	102.1	78.6	29.9
Net fee and commission income	(2.1)	(1.5)	40.0
Core revenues	100.1	77.1	29.8
Other income ¹	1.8	(12.2)	—
Operating income	102.0	64.9	57.2
Operating expenses	(63.2)	(62.3)	(1.4)
Pre-provision profit	38.8	2.6	>100
Regulatory charges	(3.8)	(19.3)	80.3
Total risk costs	(0.3)	(1.9)	84.2
Profit before tax	39.0	(16.1)	—
Income taxes	8.8	3.7	>100
Net profit	47.8	(12.4)	—

¹ The position "Other income" includes gains and losses on financial instruments and other operating income and expense.

Business volumes

in € million	2024	2023	Change %
Assets	23,896	20,099	18.9
Risk-weighted assets	3,269	3,611	(9.5)
Equity	4,302	3,777	13.9
Own issues and other liabilities	5,921	5,297	11.8

¹ The position "Other income" includes gains and losses on financial instruments and other operating income and expense.

OUTLOOK AND TARGETS

2024 was marked by decreasing interest rates, normalized inflation, broadening geopolitical conflicts, distress in the US office commercial real estate sector.

Despite our strong record of performance over the past decade with an average RoTCE of ~18%, our best years are still ahead. We have an opportunity to deliver more normalized returns in the years to come under a more normalized interest rate environment. However, we should never confuse the tailwind from a normalization of interest rates with the daily execution of our strategy. Our emphasis on managing costs and maintaining a conservative and disciplined risk appetite is more important than ever. The opportunity lies in maintaining our cost discipline and focusing on risk-adjusted returns while capturing the benefits of a normalized interest rate environment. The resilience of our franchise lies in our ability to deliver results across all cycles as we are built for all seasons. Our approach is consistent: focus on the things that we can control, be a disciplined commercial lender, maintain a conservative risk appetite, and only pursue sustainable and profitable growth.

We will continue to maintain our low-risk strategy focused on the DACH/NL region, Western Europe and the United States, providing our customers with simple, transparent, and affordable financial products and services they need and that promote their financial health.

Our **outlook** and **targets** are as follows:

Outlook			
Financial targets	2027	2025	2024
Net profit	>€ 1 billion	>€ 800 million	€ 760 million
Earnings per share	>€ 13.0	>€ 10.0	€9.60
Return targets	2025 & beyond		2024
Return on tangible common equity	>20%		26.0%

For 2025 we expect an increase of interest income and core revenues largely driven by our recent acquisitions leading to an expected net profit of more than € 800 million.

In terms of capital distribution, we will target a dividend payout ratio of 55%. Our primary focus will be to allocate capital towards business growth, M&A, minority, and platform investments.

The Management Board deducted dividends of € 432 million from CET1 capital at the end of 2024, which will be proposed as a dividend payment of € 5.50 per share to the Annual General Meeting on 4 April 2025.

RISK MANAGEMENT

With respect to the explanations on financial and legal risks at BAWAG 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 light of sustainability, please refer to our website, <https://www.bawaggroup.com/BAWAGGROUP/IR/DE/ESG>.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

INTRODUCTION

The internal control system (ICS) relates to all processes designed by management and executed within BAWAG to facilitate the monitoring and control of

- the effectiveness and efficiency of its operating activities (including protecting assets against losses resulting from damages or misconduct),
- the reliability of the financial reports, and
- BAWAG's compliance with applicable material legal regulations.

The risk management system covers all processes that serve to identify, analyze and measure risks and that serve to determine and implement appropriate measures that will ensure that BAWAG can still reach its objectives when risks are incurred.

According to the internationally recognized COSO framework for the design of risk management systems and the EBA Guideline on Internal Governance (EBA/GL/2021/05), the internal control system is one part of an organization-wide risk management system. Other aspects include the management and monitoring of risks that can affect the correctness and reliability of accounting records.

BAWAG's management is responsible for the fundamental design, implementation and ongoing adaptation and refinement of the internal control and risk management policies, methods and system as well as for the alignment of these systems and processes with the existing requirements in a way that takes account of its strategy, the scope of its business and other relevant economic and organizational aspects.

CHARACTERISTICS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Control environment

BAWAG's Code of Conduct describes the corporate values and is applicable to all employees. BAWAG's corporate culture is based on respect and teamwork, customer focus and image as well as integrity and compliance.

A conscious approach towards compliance topics as well as a sustainable risk culture are established to guide all employees to handle risks within their responsibility. The core of BAWAG's risk culture are internal provisions and above all open communication among the employees to ensure that they all have a broad understanding of risks that BAWAG faces.

In addition, the policy on the internal control system provides clear guidance, applies to all employees within BAWAG and defines the ICS as the sum of all systematically created processual, technical, structural or organizational principles, procedures and (control) measures in the Bank. This includes the organizational guidelines for the entire operational risk management and the defined control mechanisms and control tasks of the process owner.

The Accounting division is responsible for BAWAG's accounting records. Some of the newly acquired subsidiaries operate their own accounting departments, which work in close cooperation with the Accounting division that is primarily responsible for preparing the annual and interim financial statements as well as the annual financial statements of all domestic subsidiaries, maintaining the financial and consolidated accounts and regulatory reporting of domestic bank subsidiaries.

The Accounting division is responsible for setting directives on all matters of accounting and exercises the authority to ensure the application of uniform standards across BAWAG. To support the operational implementation, corporate guidelines were drawn up. This policy applies to all consolidated subsidiaries. For all other holdings, the adherence to these principles and standards is enforced and implemented as far as possible.

Risk assessment and control measures

BAWAG's internal control and risk management systems contain instructions and processes for the workflows

- to ensure the correct and appropriate documentation of business activities, including the use of assets;
- to record all information required for the preparation of the period-end financial statements; and
- to prevent unauthorized purchases or sales that could have a material effect on the financial statements

The Accounting division is integrated into BAWAG's entire organizational, structural and operational workflows. Customer and transaction data are generally collected in the market and operating units, and supplementary information is entered by the risk units. The elements of this information that are needed for the accounting records are usually transferred automatically into the electronic accounting systems. In this, the Accounting division fulfills a control and monitoring function to ensure that the automatically transmitted data is handled properly in accordance with the applicable accounting rules, and also completes the various booking entry and other steps needed to prepare the financial statements.

The accounting of BAWAG (including significant subsidiaries) is contained in SAP New GL. The preparation of the consolidated financial statements under IFRS is done in SAP-ECCS, which receives the values of the individual financial statements of consolidated companies through interfaces. The accounting and all upstream systems are protected by access permission and automatic and obligatory manual control steps provided for in the process.

Information and communication

A comprehensive report about the balance sheet, the profit or loss statement and other financial and risk data is submitted to the Supervisory Board at least every quarter. Highly detailed reports about this information are also submitted to the Management Board on a regular (monthly or more frequent) basis. Given the increased importance of ESG, the Management Board receives updates on risks arising from these factors on a regular basis.

Monitoring

In order to limit or eliminate operational risks and control deficiencies, risk identification is performed annually through risk control self-assessments (RCSA). Risk minimization measures are tracked proactively by the department responsible for operational risk management with regard to the implementation. Loss incidents are documented separately and reported on a regular basis. Loss incidents are used to identify necessary improvements in the systems and in the monitoring and control measures as well.

BAWAG's Internal Audit division conducts regular accounting system audits. The findings of these audits are also used to make ongoing improvements to the internal control and risk management systems as they pertain to the accounting process.

CAPITAL, SHARE; VOTING AND CONTROL RIGHTS

As of 31 December 2024, BAWAG Group AG's share capital amounted to € 78,600,000 and was divided into 78,600,000 non-par value bearer shares, which carry equal participation interest in the share capital of BAWAG Group AG.

BAWAG Group AG's Articles of Association contain no restrictions concerning voting rights or the transfer of shares. Based on BAWAG Group AG's information pursuant to the major holdings notifications, no shareholder held, individually or jointly, more than 10% of BAWAG Group AG's share capital. No shareholder has the right to delegate one of the members of the Supervisory Board according to Section 88 Austrian Stock Corporation Act (Aktiengesetz, AktG). There is no control of voting rights arising from interests held by employees in the share capital.

Pursuant to Section 7 of the Articles of Association, members of BAWAG Group AG's Management Board and Supervisory Board must fulfill certain personal requirements in order to be eligible.

- Members of the Management Board and Supervisory Board must have adequate professional and personal qualifications and meet the legal requirements. As for the election of board members, attention shall be paid to ensuring the professionally balanced composition of boards and the members' independence.
- Without prejudice to more extensive legal provisions, the following persons shall be excluded from membership in the Management Board and in the Supervisory Board of BAWAG Group AG:
 - › employees of BAWAG Group AG, with the exception of staff representatives who are appointed to the Supervisory Board in accordance with the provisions of the Works Constitution Act (Arbeitsverfassungsgesetz, ArbVG);
 - › members of the management boards and employees of Austrian credit institutions not belonging to the BAWAG P.S.K. group; furthermore, persons holding an interest of over 5% of the voting capital of Austrian credit institutions not belonging to the BAWAG P.S.K. group, unless said credit institutions or persons themselves hold an interest of at least 2% of BAWAG Group AG's voting capital;
 - › persons who are directly and immediately related or related by marriage to a member of the Management

Board, the Supervisory Board or an employee of BAWAG Group AG or who are the spouse of a member of the Management Board or Supervisory Board (whereas this ground for exclusion is only applicable to the members of the Management Board and to the elected members of the Supervisory Board);

- › persons who are prevented from carrying on a trade by Section 13 Para 1 to 6 of the Trade Act of 1994 (Gewerbeordnung, GewO).

Pursuant to Section 10.7 No 1 of the Articles of Association of BAWAG Group AG, the general meetings shall, unless the law mandatorily stipulates a different majority, pass their resolutions by simple majority of the votes cast, and, in cases where a majority of the capital is required, by simple majority of the share capital represented at the time the resolution is passed.

With regard to the authorization of the Management Board to issue or acquire shares, the following applies:

- Pursuant to Section 5 No 7 of the Articles of Association of BAWAG Group AG, the Management Board shall be authorized, with the consent of the Supervisory Board, to increase the share capital within five years from the date of the registration of the amendment to the Articles of Association in the commercial register, also in several tranches against contributions in cash and/or contributions in kind by up to € 31,440,000 by issuing up to 31,440,000 new bearer shares with no par value and to define the issue price conditions in agreement with the Supervisory Board (Authorized Capital 2024).
- The statutory subscription right of the shareholders to the new shares issued from the Authorized Capital 2024 shall be excluded (direct exclusion of the statutory subscription right) if and to the extent that this authorization is utilized by issuing shares against cash payments in a total amount of up to 10% of the share capital in the context of the placement of new shares of BAWAG Group AG to (i) exclude from the shareholders' subscription right fractional amounts which may arise in the case of an unfavorable exchange ratio and/or (ii) to satisfy the exercise of over-allotment options (greenshoe options) granted to the issuing banks.

Furthermore, the Management Board, with the consent of the Supervisory Board, shall be authorized to exclude the statutory subscription right in the following cases:

- › to the extent necessary to service debt instruments (including participation rights) with conversion or option rights or a conversion obligation issued by BAWAG Group AG or its subsidiaries (Section 189a No 7 UGB) or yet to be issued;

- › to issue shares to employees, senior executives and members of the Management Board of BAWAG Group AG or its subsidiaries (Section 189a No 7 UGB) for remuneration purposes;
 - › in order to increase the share capital against contributions in kind, provided that the capital increase is carried out for the purpose of (also indirectly) acquiring companies, parts of companies or participation in companies or other assets related to an acquisition project;
 - › to carry out a so-called “scrip dividend” in the course of which the shareholders of BAWAG Group AG are offered to contribute their dividend claim (in whole or in part) as a contribution in kind against the granting of new shares from the Authorized Capital 2024;
 - › in case of capital increases against cash contributions, provided the exercise of this authorization is objectively justified on the exercise date in accordance with the respective applicable legal requirements. The shares issued with the exclusion of subscription rights on the basis of this authorization may not exceed a total of 10% of the share capital of BAWAG Group AG at the time of the effective date or, if such value is lower, at the time of the exercise of this authorization.
- Pursuant to Section 5 No 8 of the Articles of Association of BAWAG Group AG, the share capital of BAWAG Group AG shall be conditionally increased by up to € 7,860,000 by issuing up to 7,860,000 no-par value bearer shares for the purpose of issuing them to creditors of convertible bonds which the Management Board, with the consent of the Supervisory Board, may issue in the future on the basis of the authorization granted at the shareholders’ meeting on 8 April 2024. The conditional capital increase may only be carried out to the extent that creditors of convertible bonds to be issued by BAWAG Group AG or their subsidiaries make use of their conversion and/or subscription rights to shares of BAWAG Group AG. The amount to be issued and conversion ratio shall be determined in accordance with the interests of BAWAG Group AG, the existing shareholders and the subscribers of the convertible bonds within the framework of a customary market pricing procedure using recognized customary market methods and the stock exchange price of BAWAG Group AG’s shares. The issue price of the new shares may not be less than the proportionate amount of the share capital. The shares to be issued as part of the conditional capital increase are entitled to dividends to the same extent as the existing shares of BAWAG Group AG.
- On 8 April 2024, the shareholders’ meeting resolved to authorize the Management Board for a period of 30 months from the date of the resolution in accordance with Section 65 Para 1 No 8 and Para 1a and 1b AktG to acquire

own shares. Pursuant to the authorization, the consideration to be paid per share when acquiring shares must not be lower than € 1.0 and must not be more than 50% above the volume-weighted average price of the last 20 trading days preceding the respective purchase; in the event of a public offer, the reference date for the end of this period shall be the day on which the intention to launch a public offer has been announced. The Management Board is authorized to determine the repurchase conditions.

The Management Board may exercise the authorization within the statutory limits on the maximum number of own shares either once or on several occasions, provided that the percentage amount of the share capital of BAWAG Group AG relating to shares acquired by BAWAG Group AG on account of the authorization or otherwise does not exceed 10% of the share capital at any time. Repeated exercise of the authorization is permissible. The authorization may be exercised for one or several purposes by BAWAG Group AG, by a subsidiary or by third parties acting on behalf of BAWAG Group AG.

The acquisition may take place at the discretion of the Management Board via the stock exchange or a public offer or, with the consent of the Supervisory Board, in another legally permissible, appropriate manner, in particular, also under exclusion of the shareholders’ pro-rata rights to repurchase (reverse exclusion of subscription rights) and also by using equity capital derivatives. Trading in treasury shares is excluded as a purpose for purchase.

- On 8 April 2024, the Annual General Meeting also resolved to authorize the Management Board for a period of five years from the date of the resolution in accordance with Section 65 Para 1b AktG, to adopt a resolution, subject to the consent of the Supervisory Board, on the transfer of treasury shares using a different legally permitted method of sale than through the stock exchange or a public offer and on an exclusion of pre-emption rights (subscription rights) of shareholders and determine the terms and conditions of the transfer of shares.

Pursuant to the authorization, the Management Board may, with the consent of the Supervisory Board, transfer the acquired shares without an additional resolution by the General Meeting via the stock exchange or a public offer and determine the terms of transfer. Furthermore, the Management Board is authorized to cancel the own shares acquired in whole or in part without an additional resolution by the General Meeting with the consent of the Supervisory Board. The cancellation causes a capital reduction by the portion of the share capital that is attributable to the canceled shares.

All of these authorizations can be used once or on several occasions. The authorizations also include the use of treasury shares held by BAWAG Group AG, as well as shares in BAWAG Group AG acquired by subsidiaries or third parties for the account of BAWAG Group AG or a subsidiary pursuant to Section 66 AktG. The authorizations shall also apply to both treasury shares already held by BAWAG Group AG at the date of the resolution as well as to future treasury shares which are yet to be acquired.

No material agreements exist (or must be disclosed pursuant to Sec 243a Para 1 No 8 UGB) to which BAWAG Group AG is a party and which take effect, change or end upon a change of control in BAWAG Group AG as a result of a takeover bid.

There are no indemnification agreements between BAWAG Group AG and its Management Board and Supervisory Board members or employees that would take effect in the event of a public takeover bid.

RESEARCH AND DEVELOPMENT

BAWAG does not engage in any research and development activities pursuant to Section 243 UGB.

BRANCHES

Since November 2014 BAWAG has a branch in London, United Kingdom which supports our International Business.

In 2020, a branch of BAWAG P.S.K. was opened in Stuttgart, Germany, which started its operations in 2021 once the merger with Südwestbank AG was entered in the company register.

We opened a representative office in the United States in 2022.

In 2023, a branch was opened in Dublin, Ireland, which serves BAWAG's credit business.

In addition, another branch was opened in Eschborn, Germany, by easyleasing GmbH under the business name "BFL - easyleasing GmbH Niederlassung Deutschland" in 2023. This branch started operations after BFL Leasing GmbH was merged into easyleasing GmbH on 1 November 2023.

In 2024, a branch of BAWAG P.S.K. was opened in Hamburg, Germany, which started its operations with the acquisition of Barclays' German retail business ("Barclays Consumer Bank Europe") at the beginning of February 2025.

CSR REPORTING

As of the financial year 2017, the Austrian Sustainability and Diversity Improvement Act extended and specified the reporting obligations for non-financial information (environmental, social and employee issues, respect for human rights and anti-corruption) in the Group Management Report by implementing EU Directive 2014/95/EU. Since the reporting for financial year 2021, the reporting requirement was enhanced by the EU Taxonomy 2020/852 and the Disclosures Delegate Act 2021/2178. The purpose of mandatory reporting is to increase the transparency and comparability of non-financial information.

In 2024, BAWAG again uses the statutory option provided for in Section 267a Para 6 UGB to produce a separate consolidated non-financial report. This report can be downloaded from the BAWAG Group website under

<https://www.bawaggroup.com/csr>.

27 February 2025



Anas Abuzaakouk
Chief Executive Officer



Enver Sirucic
Member of the Management Board



Sat Shah
Member of the Management Board



David O'Leary
Member of the Management Board



Andrew Wise
Member of the Management Board



Guido Jestädt
Member of the Management Board

CONSOLIDATED FINANCIAL REPORT

CONSOLIDATED FINANCIAL REPORT PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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CONSOLIDATED ACCOUNTS

PROFIT OR LOSS STATEMENT

in € million	[Notes]	2024	2023 restated
Interest income		3,097.3	2,565.4
thereof calculated using the effective interest method		2,439.5	2,140.2
Interest expense		(1,789.3)	(1,315.0)
thereof calculated using the effective interest method		(769.9)	(527.5)
Dividend income		3.8	2.4
Net interest income	[3]	1,311.8	1,252.8
Fee and commission income		419.8	393.0
Fee and commission expense		(109.9)	(108.4)
Net fee and commission income	[4]	309.9	284.6
Gains and losses on financial assets and liabilities	[5]	(23.9)	(16.6)
thereof gains from the derecognition of financial assets measured at amortized cost		—	0.2
thereof losses from the derecognition of financial assets measured at amortized cost		(7.2)	(2.1)
Other operating income	[6]	149.7	69.2
Other operating expenses	[6]	(129.2)	(98.7)
Operating expenses		(550.9)	(490.3)
thereof administrative expenses	[7]	(484.2)	(425.8)
thereof depreciation and amortization on tangible and intangible non-current assets	[8]	(66.7)	(64.5)
Risk costs	[9]	(81.8)	(93.2)
thereof according to IFRS 9		(62.9)	(81.1)
Share of the profit or loss of associates accounted for using the equity method	[10]	4.3	2.5
Profit before tax		989.9	910.3
Income taxes	[11]	(229.9)	(227.8)
Profit after tax		760.0	682.5
Thereof attributable to non-controlling interests		—	—
Thereof attributable to owners of the parent		760.0	682.5

STATEMENT OF OTHER COMPREHENSIVE INCOME

in € million	[Notes]	2024	2023 restated
Profit after tax		760.0	682.5
Other comprehensive income	[31]		
Items that will not be reclassified to profit or loss			
Actuarial gains (losses) on defined benefit plans		—	(13.3)
Fair value changes of shares and other equity investments at fair value through other comprehensive income		1.4	(32.3)
Change in credit spread of financial liabilities		(1.7)	(1.1)
Deferred income tax on items that will not be reclassified		(0.1)	8.8
Total items that will not be reclassified to profit or loss		(0.4)	(37.9)
Items that may be reclassified subsequently to profit or loss			
Foreign exchange differences		9.9	(1.8)
Hedge of net investment in foreign operations		(8.8)	0.7
Cash flow hedge reserve		(57.0)	(5.2)
thereof transferred to profit (-) or loss (+) ¹		10.8	9.8
Fair value changes of debt instruments at fair value through other comprehensive income		11.8	34.3
thereof transferred to profit (-) or loss (+)		47.4	12.1
Share of other comprehensive income of associates accounted for using the equity method		—	6.9
Deferred income tax on items that will not be reclassified		17.3	(7.6)
Total items that may be reclassified subsequently to profit or loss		(26.8)	27.3
Other comprehensive income		(27.2)	(10.6)
Total comprehensive income, net of tax		732.8	672.0
Thereof attributable to non-controlling interests		—	—
Thereof attributable to owners of the parent		732.8	672.0

¹ To net interest income

STATEMENT OF FINANCIAL POSITION

Total assets			
in € million	[Notes]	31.12.2024	31.12.2023 restated
Cash reserves	[12]	17,604	12,786
Financial assets at fair value through profit or loss	[13]	624	593
Financial assets at fair value through other comprehensive income	[14]	1,913	2,827
Financial assets held for trading	[15]	316	103
Financial assets measured at amortized cost	[16]	49,407	37,493
Customers		45,496	33,333
Credit institutions		830	500
Securities		3,081	3,660
Valuation adjustment on interest rate risk hedged portfolios		(218)	(310)
Hedging derivatives	[30]	331	247
Property, plant and equipment	[18]	254	259
Investment properties	[18]	50	75
Goodwill	[19]	119	118
Brand names and customer relationships	[19]	233	238
Software and other intangible assets	[19]	180	177
Tax assets for current taxes		19	28
Tax assets for deferred taxes	[20]	121	18
Associates recognized at equity	[52]	101	13
Other assets	[21]	282	245
Non-current assets and disposal groups held for sale	[22]	5	538
Total assets		71,341	55,448
Total liabilities and equity			
in € million	[Notes]	31.12.2024	31.12.2023 restated
Total liabilities		66,608	51,278
Financial liabilities designated at fair value through profit or loss	[23]	100	136
Financial liabilities held for trading	[24]	454	463
Financial liabilities at amortized cost	[25]	64,608	48,673
Customers		46,170	33,270
Issued bonds, subordinated and supplementary capital		17,174	13,594
Credit institutions		1,264	1,809
Financial liabilities associated with transferred assets	[40]	—	402
Valuation adjustment on interest rate risk hedged portfolios		(220)	(415)
Hedging derivatives	[30]	291	214
Provisions	[28]	285	231
Tax liabilities for current taxes		145	190
Tax liabilities for deferred taxes	[20]	119	119
Other obligations	[29]	826	783
Liabilities in disposal groups held for sale		—	482
Total equity	[31]	4,733	4,170
Equity attributable to the owners of the parent (ex AT1 capital)		4,025	3,699
AT1 capital		708	471
Non-controlling interests		—	—
Total liabilities and equity		71,341	55,448

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 01.01.2023	82	1,157	471	2,420	(19)	(68)	(19)
Transactions with owners	(3)	10	—	(476)	—	—	—
Share-based payment	—	10	—	—	—	—	—
Dividends	—	—	—	(305)	—	—	—
Buyback of shares	(3)	—	—	(171)	—	—	—
Transactions with non-controlling interests	—	—	—	—	—	—	—
AT1 coupon	—	—	—	(24)	—	—	—
Total comprehensive income	—	—	—	683	(5) ¹	(10)	33 ²
Balance as of 31.12.2023	79	1,167	471	2,603	(24)	(78)	14
Balance as of 01.01.2024	79	1,167	471	2,603	(24)	(78)	14
Transfer from other comprehensive income	—	—	—	(6)	—	—	5
Transactions with owners	—	6	—	(393)	—	—	—
Share-based payment	—	6	—	—	—	—	—
Dividends	—	—	—	(393)	—	—	—
Buyback of shares	—	—	—	—	—	—	—
Transactions with non-controlling interests	—	—	—	—	—	—	—
AT1 capital	—	—	237	(2)	—	—	—
AT1 issue	—	—	500	—	—	—	—
AT1 redemption	—	—	(262)	—	—	—	—
AT1 coupon	—	—	—	(22)	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	4
Total comprehensive income	—	—	—	760	(44) ¹	—	16 ²
Balance as of 31.12.2024	79	1,173	708	2,940	(68)	(78)	39

¹ Thereof transferred to profit or loss: plus € 8 million (2023: plus € 8 million).

² Thereof transferred to profit or loss: plus € 36 million (2023: plus € 9 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 01.01.2023	18	(50)	(2)	1	3,991	—	3,991
Transactions with owners	—	—	—	—	(469)	—	(469)
Share-based payment	—	—	—	—	10	—	10
Dividends	—	—	—	—	(305)	—	(305)
Buyback of shares	—	—	—	—	(174)	—	(174)
Transactions with non-controlling interests	—	—	—	—	—	—	—
AT1 coupon	—	—	—	—	(24)	—	(24)
Total comprehensive income	(26)	(2)	1	(2)	672	—	672
Balance as of 31.12.2023	(8)	(52)	(1)	(1)	4,170	—	4,170
Balance as of 01.01.2024	(8)	(52)	(1)	(1)	4,170	—	4,170
Transfer from other comprehensive income	1	—	—	—	—	—	—
Transactions with owners	—	—	—	—	(387)	—	(387)
Share-based payment	—	—	—	—	6	—	6
Dividends	—	—	—	—	(393)	—	(393)
Buyback of shares	—	—	—	—	—	—	—
Transactions with non-controlling interests	—	—	—	—	—	—	—
AT1 capital	—	—	—	—	235	—	235
AT1 issue	—	—	—	—	500	—	500
AT1 redemption	—	—	—	—	(262)	—	(262)
AT1 coupon	—	—	—	—	(22)	—	(22)
Change in scope of consolidation	—	—	—	—	4	—	4
Total comprehensive income	1	(1)	(9)	10	733	—	733
Balance as of 31.12.2024	(6)	(53)	(10)	9	4,733	—	4,733

CASH FLOW STATEMENT

in € million	[Notes]	2024	2023 restated
I. Profit (after tax, before non-controlling interests)	Profit or loss statement	760	683
Non-cash items included in the profit (loss) and reconciliation to net cash from operating activities			
Depreciation, amortization, impairment losses, write-ups	[8], [9]	137	157
Changes in provisions	[29]	169	175
Changes in other non-cash items		(314)	250
Proceeds from the sale of financial investments, tangible non-current assets, intangible non-current assets and subsidiaries	[5], [6]	9	17
Share of profit of equity-accounted investees, net of tax	Profit or loss statement	(4)	(2)
Other adjustments (mainly interest income and interest expenses)		(1,205)	(1,188)
Subtotal		(448)	92
Change in assets and liabilities arising from operating activities after corrections for non-cash items			
Financial assets at amortized cost		131	2,484
Other financial assets (not including investing activities)		495	285
Other assets		44	62
Financial liabilities at amortized cost		(640)	(5,515)
Other financial liabilities (not including financing activities)		547	2,858
Other obligations		55	(55)
Interest receipts		3,029	2,424
Dividend receipts	Profit or loss statement	4	2
Dividends from equity-accounted investees		5	3
Interest paid		(1,696)	(1,270)
Income taxes paid		(282)	(68)
II. Net cash from operating activities		1,244	1,302
Cash receipts from sales and redemptions of			
Debt instruments at amortized cost		1,022	336
Debt instruments, subsidiaries and other equity instruments at fair value through other comprehensive income		1,816	472
Tangible and intangible non-current assets, investment properties		27	10
Cash paid for			
Subsidiaries and other equity instruments at fair value through other comprehensive income		—	(2)
Debt instruments at amortized cost		(399)	(779)
Debt instruments at fair value through other comprehensive income		(459)	(475)
Tangible and intangible non-current assets	[18], [19]	(51)	(32)
Cash receipts from sales of subsidiaries		1	—

in € million	[Notes]	2024	2023 restated
Cash receipts from sales of associates		29	—
Acquisition of subsidiaries, net of cash acquired	[38]	1,898	(1)
III. Net cash used in investing activities		3,884	(471)
Changes in treasury shares	Statement of changes in equity	—	(175)
Dividends paid	Statement of changes in equity	(393)	(305)
Issuance of subordinated liabilities (including those designated at fair value through profit or loss)		—	399
Changes in ownership interests in subsidiaries not resulting in a loss of control		—	—
Issuance of AT1 capital	Statement of changes in equity	500	—
Cash paid for the buyback of AT1 capital	Statement of changes in equity	(262)	—
AT1 coupon	Statement of changes in equity	(22)	(24)
Cash paid for amounts included in lease liabilities		(29)	(31)
Redemption of subordinated liabilities (including those designated at fair value through profit or loss)		(104)	(424)
IV. Net cash from financing activities		(310)	(560)
Cash and cash equivalents at end of previous period		12,786	12,515
Net cash from operating activities		1,244	1,302
Net cash used in investing activities		3,884	(471)
Net cash from financing activities		(310)	(560)
Cash and cash equivalents at end of period		17,604	12,786

NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 | Accounting policies

BAWAG Group AG is the parent company of BAWAG Group. BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft (BAWAG P.S.K. AG), a subsidiary of BAWAG Group AG, is an Austrian bank operating predominantly in Austria with additional activities in selected international markets. The registered office of BAWAG Group AG is located at Wiedner Gürtel 11, 1100 Vienna.

The consolidated financial statements were prepared applying section 59a BWG in connection with section 245a UGB, according to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, and in accordance with the provisions of the standards (IFRS/IAS) published by the International Accounting Standards Board (IASB) and the interpretations by the IFRS Interpretations Committee (IFRIC/SIC) as applicable on the reporting date as adopted by the EU and therefore mandatory with respect to the consolidated financial statements as of 31 December 2024.

These consolidated financial statements for BAWAG according to IFRS are based on the individual annual financial statements for all fully consolidated Group companies according to IFRS as of 31 December 2024. Associates are accounted for using the equity method. The principle of materiality is applied.

The preparation of consolidated financial statements according to IFRS requires that assumptions and estimates be made about factors that have a material influence on the Group's business operations. These assumptions are regularly reviewed and adjusted whenever needed. Such adjustments are taken into account in the current period and also for future periods when the adjustment has long-term effects.

The accounting principles used in preparing these consolidated annual financial statements are the same as those applied in the consolidated annual financial statements as of 31 December 2023, except for the changes and restatements described in the sections Restatement in accordance with IAS 8.41 and Changes in accounting policies in accordance with IAS 8.14.

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 figures in foreign currencies are translated at the middle exchange rate on the reporting date.

Scope of consolidation and consolidation principles

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

As of 31 December 2024, the consolidated financial statements included 43 (2023: 40) fully consolidated companies and 2 (2023: 2) companies that are accounted for using the equity method in Austria and abroad.

In the interest of materiality, the criteria for inclusion are both the amount of an entity's assets and its relative contribution to the Group's consolidated profit. All non-consolidated subsidiaries have only a minor influence on the Group's assets, financial position and the results of its operations. Note 49 List of consolidated subsidiaries contains a list of all fully consolidated subsidiaries and associates accounted for using the equity method.

The carrying amount of the associates that are not accounted for using the equity method totaled € 0 million (2023: € 0 million) on 31 December 2024. Controlled companies with a carrying amount of € 9 million (2023: € 16 million) were not consolidated because they did not have a material effect on the Group's assets, financial position or the results of its operations.

Further details on the scope of consolidation and major changes in the Group's holdings can be found in Notes 49 and 50.

The acquisition method according to IFRS 3 is used for business combinations. Under this method, the acquisition costs for the entity in question must be compared with the value of the net assets at the time of acquisition. The value of the net assets is the fair value of all identifiable assets, liabilities and contingent liabilities assumed at the time of acquisition.

All intragroup receivables and payables, expenses, and income and intragroup profits are eliminated unless they are insignificant.

Capitalized goodwill in the amount of € 119 million (2023: € 118 million) is recognized under Goodwill on the Statement of Financial Position. In accordance with IFRS 3 in conjunction with IAS 36 and IAS 38, the recognized goodwill of all cash-generating units (CGUs) is subject to annual impairment testing in accordance with IAS 36.

Goodwill impairment testing is performed by applying the value in use for the respective entities.

Currently, the goodwill is allocated to the easybank franchise (€ 59 million; 2023: € 59 million), Zahnärztekasse AG (€ 24 million; 2023: € 24 million), Idaho First Bank (€ 20 million; 2023: € 19 million), Health Coevo AG (€ 15 million; 2023: € 15 million) and brokerage business (€ 1 million; 2023: € 1 million) as these are the smallest CGUs to which goodwill can be assigned. Further details on the entities accounted for using the equity method can be found in Note 36 and Note 52.

The customer business of all entities with a goodwill is part of the Retail & SME segment.

Also, all equity investments were tested for indicators of a sustained or material impairment. Impairment tests were carried out if necessary due to the indicators. Further details can be found in the respective chapter of Note 1.

All non-consolidated equity instruments are measured according to IFRS 9 and classified as fair value through OCI or fair value through profit or loss. Further details can be found in Note 50.

Exercise of judgment and uncertainty of estimates

The consolidated 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 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 1 Accounting policies and in Note 34 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 the 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 floodings). 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, we refer to the Risk Report.

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. Details on the impairment test and the analysis of uncertainties surrounding the estimation of goodwill are set out in Note 1 Accounting policies and Note 19 Goodwill, Brand names and customer relationships and Software and other intangible assets.

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 1 Accounting policies and in Note 20 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 (see Note 1 Accounting policies).

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

- recoverability of intangible assets (Note 19)
- 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 (Note 53)

→ 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). For details regarding effects of the current geopolitical situation as of 31 December 2024, please refer to Note 34 Fair value.

Restatement in accordance with IAS 8.41

Correction of presentation of net interest income from derivatives

In the past, BAWAG netted the cash flows from the payer and receiver leg of an interest rate derivative within a steering group when presenting the net interest income from derivatives. The net interest balance across a group of derivatives was subsequently recognized under interest income or interest expense. Due to the improved technical possibilities, BAWAG has changed this presentation and now recognizes the deal balance proposed in the literature for each derivative in the trading book as interest income or interest expense. The elimination of the netting of cash flows from groups of derivatives results in an increase in interest income and interest expense for derivatives in the trading book of € 274.2 million while net interest income remains the same.

When processing this change of presentation, it turned out that Interest income and expenses from derivatives that are used to hedge interest rate risks and are part of a hedging relationship in accordance with IAS 39 were presented incorrectly and thus were corrected to be reported in the line in which the interest income and expenses of the hedged underlying transactions are shown. In cases in which the underlying transaction generates interest income (interest expense), the interest contribution of the hedging derivatives is reported under interest income (interest expense), even if it is a negative amount (positive amount). The recognition of interest income and expense for each hedging derivative in the same line item as the hedged item results in a reduction in total interest income and expenses for derivatives that are part of a hedging relationship in accordance with IAS 39 in the amount of € 381.0 million, while net interest income remains the same.

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

Correction of presentation of fees for loan servicing activities charged by loan service providers

In the past, BAWAG recognized fee and commission expenses charged by loan service providers in interest income from financial assets at amortized cost and in interest income from financial assets at fair value through profit or loss. This presentation was corrected in the 2024 financial year, as the ongoing fees and commissions for service providers are not part of the effective interest rate.

The accounting for fees and commissions that are not an integral part of financial instruments is dealt with in IFRS 15. BAWAG reports typical banking income that is recognized in

accordance with IFRS 15 under fee and commission income. Commission expenses comprise those expenses that are paid to third parties and are similar in content to commission income. As income from loan servicing for third parties is reported under fee and commission income, BAWAG reports fees and commissions for loan servicing under fee and commission expenses retroactively from 2023. This disclosure corresponds to the explanations of EBA, which BAWAG takes into account in the regulatory FinRep report.

The prior-year figures in the income statement have been corrected and are presented in the table below. The correction leads to an increase of interest income of € 22.6 million and an increase of commission expenses in the same amount.

This results in the following effects:

in € million	Published	Adjustment 2023	Restated
Interest income	2,649.6	(84.2)	2,565.4
Financial assets at fair value through profit or loss	17.9	0.2	18.1
Financial assets at fair value through other comprehensive income	87.5	—	87.5
Financial assets held for trading	141.6	274.2	415.8
Financial assets at amortized cost	2,029.8	22.4	2,052.2
Derivatives – Hedge accounting, interest rate risk	372.3	(381.0)	(8.7)
Interest income from financial liabilities	0.5	—	0.5
Other assets	—	—	—
Interest expense	(1,421.8)	106.8	(1,315.0)
Deposits at central banks	—	—	—
Financial liabilities designated at fair value through profit or loss	(7.0)	—	(7.0)
Financial liabilities held for trading	(121.2)	(274.2)	(395.4)
Financial liabilities measured at amortized cost	(525.8)	—	(525.8)
Derivatives – Hedge accounting, interest rate risk	(754.1)	381.0	(373.1)
Provisions for social capital	(9.5)	—	(9.5)
Interest expense from IFRS 16 lease liabilities	(2.5)	—	(2.5)
Interest expense from financial assets	(1.7)	—	(1.7)
Dividend income	2.4	—	2.4
Financial assets mandatorily at fair value through profit or loss	0.1	—	0.1
Financial assets at fair value through other comprehensive income	2.3	—	2.3
Net interest income	1,230.2	22.6	1,252.8

Changes in accounting policies in accordance with IAS 8.14**Change in the presentation of receivables from central banks repayable on demand and sight deposits with banks repayable on demand**

In the 2024 financial year, receivables from central banks due on demand in excess of the minimum reserve were reclassified from the item "Financial assets measured at amortized cost – Credit institutions" to the item "Cash reserves – Balances at central banks". Similarly, demand deposits with banks due on demand were reclassified from the item "Financial assets measured at amortized cost – Credit institutions" to the item "Cash reserves – Demand deposits".

Daily due is defined as unrestricted availability without prior notice or availability with a maximum notice period of one business day or 24 hours. This definition of sight deposits corresponds to the EBA definitions, which BAWAG takes into account in the regulatory FinRep report.

The change in presentation improves the comparability of BAWAG's consolidated financial statements with other banks and the regulatory reports.

The change in accounting policy is made retrospectively in accordance with IAS 8.

The prior-year figures in the statement of financial position have been adjusted and are presented in the table below.

Finalization of acquisition of Peak Bancorp Group in accordance with IFRS 3

The purchase price allocation was finalized in the fourth quarter 2024.

The effects of all above-mentioned adjustments on the statement of financial position and the total comprehensive income are shown in the following tables:

Assets				
in € million	31.12.2023 published	Change in the presentation of receivables from central banks repayable on demand and sight deposits with banks repayable on demand	Finalization of purchase price allocation Peak Bancorp Group	31.12.2023 restated
Cash reserves	694	12,092	—	12,786
Financial assets measured at amortized cost	49,585	(12,092)	—	37,493
Credit institutions	12,592	(12,092)	—	500
Goodwill	122	—	(4)	118
Brand names and customer relationships	233	—	5	238
Tax assets for deferred taxes	19	—	(1)	18
Total assets	55,448	—	—	55,448

Statement of comprehensive income					
in € million	2023 published	Correction of presentation of net interest income from derivatives	Correction of presentation of fees for loan servicing activities charged by loan service providers	Finalization of purchase price allocation Peak Bancorp Group	2023 restated
Interest income	2,649.6	(106.8)	22.6	—	2,565.4
thereof calculated using the effective interest method	2,117.7	—	22.4	—	2,140.2
Interest expense	(1,421.8)	106.8	—	—	(1,315.0)
Net interest income	1,230.2	—	22.6	—	1,252.8
Fee and commission expense	(85.8)	—	(22.6)	—	(108.4)
Net fee and commission income	307.2	—	(22.6)	—	284.6
Operating expenses	(490.2)	—	—	—	(490.3)
thereof depreciation and amortization on tangible and intangible non-current assets	(64.4)	—	—	—	(64.5)
Profit before tax	910.4	—	—	—	910.3
Income taxes	(227.8)	—	—	—	(227.8)
Profit after tax	682.6	—	—	—	682.5
Other comprehensive income	(10.6)	—	—	—	(10.6)
Total comprehensive income, net of tax	672.0	—	—	—	672.0

IFRS 9 Financial Instruments

Financial instruments are recognized and derecognized on the trade date.

Classification of financial assets and financial liabilities*Financial assets – Debt instruments*

IFRS 9 establishes three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortized cost only if the object of the entity's business model is to hold the financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding (simple loan feature). A financial asset is measured at fair value through other comprehensive income if the asset is held in a business model in which assets are managed both in order to collect contractual cash flows and are held for a future sale and if the contractual cash flows are solely payments of principal and interest on the principal outstanding (simple loan feature). Financial assets that do not meet these criteria are measured at fair value through profit or loss.

Premiums and discounts are recognized pro rata temporis via the effective interest rate. Expenses and revenues were set off against or added to interest income from the same financial instrument.

Processing fees are deferred over the term of the loan and recognized in the net interest income after deducting the directly attributable costs.

Please see the Risk Report for information about the formation of provisions.

Business model assessment for financial assets

The Group identified the following business models:

- **Hold to collect**
Financial assets held in this business model are in general intended to be held until maturity and managed to realize cash flows by collecting principal and interest over the lifetime of the instruments. Not all of the financial assets need to be held until maturity. Under certain circumstances, sales are consistent with this business model independent of their volume and frequency, for example if the asset is sold close to the maturity of the financial asset and the proceeds approximate the collection of the remaining contractual cash flows or the asset is sold due to an increase in the asset's credit risk due to changes in tax or regulatory laws, within business combinations or reorganizations or in stress case scenarios. In addition, sales are considered as insignificant independent of their reason when sales volumes and earnings do not exceed 5% of the average book value of the respective portfolio in a year.
- **Hold to collect and sell**
Financial assets that are held in this business model are managed both in order to collect contractual cash flows and for selling. This business model covers a portfolio of predominantly liquid investment grade bonds that can be sold, put up for an ECB tender or used in a repurchase agreement transaction if needed.
- **Other financial assets**
Financial assets in this business model are held to sell. BAWAG designated a small portfolio of loans to the public sector in this business model. These loans are incurred principally for the purpose of selling them in the near term (loans are held for a short timeframe and are then sold).
- **Held for trading**
This category covers financial assets and liabilities held for trading purposes. These financial instruments are recognized at their fair value. All derivatives in the banking book that are not part of a hedging transaction are assigned to this category. Financial liabilities include liabilities from derivative transactions, short positions and repurchase agreements.

Certain financial assets that do not meet the definition of trading assets are designated at fair value through profit or loss using the fair value option. BAWAG exercised the fair value option in the following cases:

- To avoid an accounting mismatch
 - › For fixed-income securities and loans whose fair value on the date of acquisition has been hedged with interest rate derivatives;
- Investment products whose fair value changes have been hedged with derivatives.

Assessment whether contractual cash flows are solely payments of principal and interest for financial assets

To identify whether a financial asset fulfills the SPPI criteria, BAWAG analyzes its portfolio in three steps:

1. Identifying all financial assets clearly fulfilling the SPPI criteria;
2. Qualitative benchmark test;
3. Quantitative benchmark test.

A qualitative or quantitative benchmark test must be performed for financial instruments with possibly harmful conditions. A qualitative benchmark test suffices if the possibly harmful feature is clearly immaterial when comparing cash flows, e.g. certain prior fixings. In this case, a quantitative benchmark test is not necessary and the financial instrument fulfills the SPPI criteria. In all other cases, a quantitative benchmark test is required comparing the cash flow of the financial asset with the harmful feature with a cash flow of a theoretical financial instrument having the same conditions but without the harmful feature. If the cash flows deviate significantly, the financial asset does not fulfill the SPPI criteria and must be measured at FVTPL.

When comparing cash flows in the benchmark test, BAWAG defined a deviation of 5% when comparing cumulative cash flows and 1% of annual cash flows as immaterial. A portfolio of loans and bonds currently fails the SPPI test, mainly due to their interest rate indicator being non-compliant.

The Bank has granted loans that include features that change contractual cash flows based on the borrower meeting certain contractually specified ESG targets, for example a reduced interest rate if the borrower meets specific targets for reducing carbon emissions. If the ESG feature could only have a de minimis effect (+/- 5%) on the contractual cash flows of the instrument, BAWAG considers the SPPI criterion to be met.

Financial liabilities

In accordance with IFRS 9, financial liabilities

- not held for trading or
- designated as Financial liabilities at fair value through profit or loss

are measured at amortized cost.

Fair value changes of financial liabilities in the fair value option are generally presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of change in the fair value is presented in profit or loss.

Certain financial liabilities that do not meet the definition of trading liabilities are designated at fair value through profit or loss using the fair value option. BAWAG exercised the fair value option in the following cases:

- To avoid an accounting mismatch
 - For fixed-income own issues whose fair value on the date of acquisition has been hedged with interest rate derivatives
- Presence of embedded derivatives
 - Own issues with embedded derivatives

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Contractual modifications

If the contractual cash flows are changed in the course of renegotiating loans, an assessment of the significance of the change is required. In the event of a non-significant change in the contractual cash flows, the gross carrying amount of the instrument is adjusted to the present value of the new contractual cash flows, discounted at the original effective interest rate. The difference between the old gross carrying amount and the new gross carrying amount is recognized in the income statement as a modification gain or loss in Gains and losses on financial assets and liabilities.

If the cash flows differ significantly (BAWAG has chosen a significance threshold for the change in present value of 10%), the contractual rights to the cash flows from the original instruments are considered forfeited. In this case, the original instrument is derecognized, and a new financial instrument is recognized at fair value plus any eligible transaction costs.

In addition, the original asset is derecognized in case of a qualitative modification of the contract. This is the case if there is a change in the contract party or the contract currency (unless this was already agreed in the original contract) and the introduction or removal of a contractual clause that is not SPPI-compliant.

In case of modifications that do not lead to derecognition, BAWAG assesses a significant increase in credit risk through one of the stage transfer criteria and determines if the assets' loss allowance is measured at lifetime or 12-month expected loss. A significant increase in credit risk is assessed by comparing:

- the remaining lifetime PD at the reporting date based on the modified terms; and
- the remaining lifetime PD estimated at the initial recognition with the original contractual terms.

When modification of a loan that is not credit-impaired results in a derecognition, a new loan is recognized and allocated to Stage 1.

Equity instruments

IFRS 9 requires all equity instruments to be measured at fair value through profit or loss, but allows users to designate equity instruments that are not intended to be "held for trading" at fair value through OCI. This decision is made on an instrument-by-instrument basis. If the OCI option is used, all fair value changes including sales from gains will be shown in OCI. Gains and losses are not recycled to profit or loss (P&L). Only dividends are recognized in P&L. This designation can only be made at inception and cannot be changed afterwards.

The majority of BAWAG's equity investments are intended to be long-term investments and BAWAG is not focused on realizing short-term sales profits from these investments. Therefore, equity investments are generally classified as FVOCI, as the Group regards this presentation as giving a clearer picture of the Group's profitability. This mainly concerns non-consolidated interests in subsidiaries as well as investments in AT1 instruments (Additional Tier 1). In case BAWAG plans to sell equity investments in the medium or near term, the use of the FVOCI option is decided on a case-by-case basis.

Impairment

Please see the Risk Report for information about impairments.

Cash reserves

Cash reserves include cash on hand, balances at central banks and sight deposits with credit institutions. Cash reserves are carried at amortized cost in the Statement of Financial Position.

Hedge accounting

BAWAG chose to continue applying hedge accounting under IAS 39.

BAWAG uses fair value hedge accounting to account for hedges of interest rate risk inherent in fixed-rate financial instruments. Hedging instruments are usually interest rate swaps. The hedged items are securities in the category At fair value through other comprehensive income as well as the Group's own issues, customer deposits and loans to customers that are recognized at amortized cost. BAWAG applies cash flow hedge accounting according to IAS 39 for highly probable future cash flows from certain foreign currency portfolios. Hedging instruments are usually cross-currency swaps and FX outrights.

In line with general regulations, derivatives are classified as financial assets held for trading or financial liabilities held for trading and are recognized at fair value. The valuation result is shown in the line item Gains and losses on financial assets and liabilities as gains (losses) on financial assets and liabilities held for trading. If derivatives are used to hedge risks of non-trading transactions, BAWAG applies hedge accounting if the conditions according to IAS 39 are met.

At inception of the hedge relationship, the relationship between the hedging instrument and the hedged item, the risk management objectives and the method used for assessing hedge effectiveness are documented. Furthermore, BAWAG documents at the inception of the hedge and at least on each reporting date whether the hedge is highly effective in offsetting changes in fair values of the hedged item and the hedging instrument attributable to the hedged risk.

Interest rate risk to which the Group applies hedge accounting arises from fixed-rate issues, customer deposits, loans and fixed-rate bonds whose fair value fluctuates when benchmark interest rates change. The Group hedges interest rate risk only to the extent of benchmark interest rates because the changes in fair value of fixed-rate assets or liabilities are significantly influenced by changes in the benchmark interest rate. Hedge accounting is applied where economic hedge relationships meet the hedge accounting criteria.

The Group takes a conservative approach to market risk in general and specifically also to interest rate risk. The interest rate risk position is strategically managed at the IFRS Group level and measured, limited and managed based on the economic view and according to the IFRS accounting treatment (FVTPL, FVOCI). The Group's interest rate risk management approach has a focus on mitigating market risks, thereby using natural hedging capabilities of its balance sheet as well as derivatives for managing the risk position.

The foreign currency risk for which the Group applies cash flow hedge accounting results from future cash flows from foreign currency portfolios whose fair value fluctuates with changes in the FX exchange rate. Both FX outright and cross-currency swaps are used in the Group to hedge foreign currency risk, as their change in market value is essentially influenced by the change in the FX exchange rate.

FX risks are deemed to be low, as the Group follows a strategy to hedge any FX risks arising from notional and base rate interest cash flows. The risk position is monitored on a daily basis and managed within narrow limits. Furthermore, the Group applies cash flow hedge accounting to mitigate FX risk from future expected spread income.

By using derivative financial instruments to hedge exposures to changes in interest and FX rates, the Group also exposes itself to credit risk of the derivative counterparty, which is not offset by the hedged item. The Group minimizes counterparty credit risk in derivative instruments by entering into transactions with high-quality counterparties, requiring the counterparties to post collateral and clearing through CCPs.

BAWAG uses fair value hedge accounting for effective hedging relationships that reduce market risk.

The Group's interest rate risk management strategy has not changed due to the current geopolitical situation.

Implications on the accounting of hedging derivatives in connection with Brexit

As of 31 December 2024, BAWAG uses hedging derivatives with a notional amount of € 12 billion (2023: € 12 billion) and a market value of € 15 million (2023: € 102 million) in a hedging relationship that were cleared via London Clearing House. The London Clearing House will keep its status as a third country central clearing counterparty (TC-CCP) under EMIR until 30 June 2025. Thus, there were no implications on the Group financials of BAWAG in 2024 and 2023. BAWAG will monitor the development of this topic and will take appropriate measures if necessary.

Micro fair value hedge

In a micro fair value hedge, a financial asset or financial liability or a group of similar financial assets or financial liabilities is hedged against changes in its fair value. Changes in the value of the hedged item and the hedging instrument are recognized in the Profit or Loss Statement in the line item Gains and losses on financial assets and liabilities in the same period. The hedging instrument is recognized at fair value through profit or loss and the hedged item is adjusted for any changes in fair value relating to the hedged risk.

As soon as the hedging instrument is sold, exercised or comes due, or when the eligibility requirements for hedge accounting are no longer met, the hedging relationship is no longer recognized on the Statement of Financial Position.

Any accumulated changes in the value of the former hedged item during the existence of the hedge relationship are recognized through profit or loss distributed over the remainder of the term.

For other types of fair value adjustments and whenever a fair value hedged asset or liability is sold or otherwise derecognized, any basis adjustments are included in the calculation of the gain or loss on derecognition.

As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, BAWAG performs a qualitative prospective assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the underlying interest rates. The main cause of hedge ineffectiveness is due to the fact that different discounting curves are used to determine the fair value of hedges and hedged items (OIS vs. IBOR discounting).

Portfolio fair value hedge

BAWAG applies fair value hedge accounting for a portfolio hedge of interest rate risk. In its accounts, the Bank has identified sight deposits in euros as well as customer loans with interest caps and floors and fixed rate loans as portfolios that are to be protected against interest rate risks. These portfolios are divided into time buckets in accordance with the expected repayment and interest rate adjustment dates. BAWAG determines an amount of liabilities and/or loans from the identified portfolios to be hedged as the underlyings for the portfolio fair value hedges. Additions and reductions are initially allocated to the non-designated portion of the identified portfolios using the bottom layer approach. For this, BAWAG applies the EU carve-out for IAS 39, which allows sight deposits and similar instruments to be designated as part of a hedging relationship on the basis of the expected withdrawal and due dates. The EU carve-out for IAS 39 also allows the application of the bottom layer approach.

On the balance sheet, the changes in the value of the underlying transactions that can be attributed to the hedged risk are reported under the separate line item Valuation adjustment on interest rate risk hedged portfolios. Changes in the value of the underlying and the hedging transaction are reported on the income statement in the same period under Gains and losses on financial assets and liabilities.

In addition to the reason mentioned in the Micro fair value hedge section (OIS/IBOR basis spread), inefficiencies in portfolio fair value hedge accounting will arise if the volume of hedging transactions exceeds the actual volumes of the hedged positions.

Cash flow hedge

BAWAG applies cash flow hedge accounting according to IAS 39 for highly probable future cash flows from certain foreign currency portfolios.

BAWAG has identified future spread income from GBP, CHF and USD assets as underlyings that are to be protected against changes in variability in cash flows from foreign currency rates.

IAS 39 allows parts of highly probable future cash flows to be designated as a hedged item subject to cash flow hedge accounting. In each case, BAWAG designates the first cash flows for a defined period of time as a hedged item.

In other comprehensive income, the changes in the value of the hedging instruments that can be attributed to the hedged risk are reported under Cash flow hedge reserve. Therefore, in 2024 fair value losses in the amount of minus € 57 million (2023: losses in the amount of minus € 5.2 million) would have been presented in the line item Gains and losses on financial instruments in the income statement if BAWAG had not applied cash flow hedge accounting.

In addition to the reason mentioned in the Micro fair value hedge paragraph (OIS/IBOR basis spread), inefficiencies in cash flow hedge accounting will arise if the expected cash flows exceed the actual cash flows of the hedged positions.

Net investment hedge

BAWAG applies net investment hedge accounting according to IAS 39 for net investments in subsidiaries whose functional currency is not the euro.

Investments in subsidiaries with different functional currencies result in foreign exchange risks for BAWAG which are largely eliminated with foreign exchange swaps.

Net investment hedge accounting according to IAS 39 is applied to mitigate impacts on profit or loss resulting from instruments used to hedge the foreign exchange risk. The hedged risk is defined as the foreign currency exposure arising from the functional currency of the foreign operation (currently CHF and USD) and the functional currency of the parent, which is the euro.

The hedging instrument is measured at fair value, with the effective portion of its changes recognized in other comprehensive income in a separate component of equity. Any ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss in the event that the fair value change of the hedging instrument exceeds the fair value change of the hedged item.

In other comprehensive income, the changes in the value of the hedging instruments are reported under Hedge of net investment in foreign operations. In 2024, fair value losses in the amount of minus € 8.8 million (2023: gains of € 0.7 million) would have been presented in the line item Gains and losses on financial instruments in the income statement if BAWAG had not applied net investment hedge accounting.

Inefficiencies in net investment hedge accounting will arise from the hedging instrument (the forward contract), which contains a foreign currency basis spread that is not present in the hedged item (the net investment). Furthermore, hedge ineffectiveness can arise when the carrying value of the net investment falls below the originally designated amount or when the hedged item and the hedging instrument are subject to different counterparty risks (e.g. OIS discounting of hedging instrument).

IBOR reform

BAWAG is closely monitoring current developments regarding interest benchmark reforms and the use of risk-free rates (IBOR reform). The Bank completed the transition to reformed IBOR rates in GBP and CHF in 2022 and completed the transition to reformed IBOR rates in USD in the second half of 2023 as well as the transition of CAD CDOR in the first half of 2024. The EURIBOR methodology was reformed in 2019 and EURIBOR is not expected to be abolished in the near future. Similarly, there are no plans to abolish the corresponding reference interest rates for other currencies in BAWAG's loan portfolio.

The European Commission has issued a regulation directly applicable in Austria, which provides that the CHF LIBOR used as a rate in all existing contracts (e.g. current account and loan agreements) was to be replaced by the SARON Compound Rate as of 1 January 2022. In order to compensate for structural differences between LIBOR and the SARON Compound Rate and thus not to change the original interest rate level to the disadvantage of one party, the regulation provides for fixed spread adjustment which – depending on the duration of the interest period – slightly decreases or increases the SARON Compound Rate. BAWAG has informed its customers about this statutory successor rate and has applied it in the contracts since 1 January 2022.

The reform of IBOR rates also had an impact on the Bank's defined interest rate risk steering and management framework. In line with its risk management objectives, the Bank currently is steered and hedged against 3M Euribor, including respective hedge accounting relationships. For business in GBP, CHF, CAD and USD, steering and hedging is based on overnight rates. BAWAG uses fair value hedge accounting (micro fair value and portfolio fair value hedges), cash flow hedge accounting and net investment hedges to mitigate market risks. Hedging instruments and hedged items are predominantly denominated in euro, US dollar, British pound and to a lesser extent in Swiss francs.

As of 31 December 2024, approximately € 51 billion (2023: € 44 billion) of hedging instruments were assigned to a hedge accounting relationship (approximately € 24 billion [2023: € 21 billion] in hedged assets and approximately € 27 billion [2023: € 23 billion] in hedged liabilities). The transition to reformed rates is completed.

Derivatives and hedge accounting

The Group holds derivatives for risk management purposes. Some derivatives held for risk management purposes are designated in hedging relationships. The interest rate and cross-currency swaps have floating legs that are indexed to various IBORs. The Group's derivative instruments are governed by ISDA's 2006 definitions.

ISDA has reviewed its definitions in light of the IBOR reform and issued an IBOR fallbacks supplement on 23 October 2020. This sets out how the amendments to new alternative benchmark rates (e.g. SOFR, SONIA) in the 2006 ISDA definitions will be accomplished. The effect of the supplement is to create fallback provisions in derivatives that describe what floating rates will apply on the permanent discontinuation of certain key IBORs or on ISDA declaring a non-representative determination of an IBOR. The Group has adhered to the protocol to implement the fallbacks to derivative contracts that were entered into before the effective date of the supplement. For derivative counterparties also adhering to the protocol, new fallbacks were then automatically implemented in existing derivative contracts when the supplement became effective – i.e. on 25 January 2021. From that date, all new derivatives that reference the ISDA definitions will also include the fallbacks. Consequently, the Group is monitoring whether its counterparties will also adhere to the protocol and, if there are counterparties that will not, then the Group plans to negotiate with them bilaterally about inclusion of new fallback clauses. Counterparties for derivative contracts in the currencies of GBP, CHF, USD and CAD are adhering to the protocol, therefore no negotiations were necessary with these counterparties. For derivatives in the currencies of GBP and CHF, the transition was completed in 2022, for derivatives in USD, the transition was completed in 2023. For derivatives in CAD, the transition was completed in 2024.

The following tables show the total amounts of unreformed derivative instruments and amounts that include appropriate fallback language at 1 January 2024 and at 31 December 2024 and at 1 January 2023 and at 31 December 2023, respectively.

For cross-currency swaps, the Group used the notional amount of the receive leg of the swap.

	CHF LIBOR		GBP LIBOR		USD LIBOR		EONIA		CAD CDOR	
	Total amount of unreformed contracts	Amount with appropriate fallback clause	Total amount of unreformed contracts	Amount with appropriate fallback clause	Total amount of unreformed contracts	Amount with appropriate fallback clause	Total amount of unreformed contracts	Amount with appropriate fallback clause	Total amount of unreformed contracts	Amount with appropriate fallback clause
in € million										
31.12.2024	—	—	—	—	—	—	—	—	—	—
Derivatives held for risk management										
Interest rate swaps	—	—	—	—	—	—	—	—	—	—
Cross-currency swaps	—	—	—	—	—	—	—	—	—	—
01.01.2024	—	—	—	—	—	—	—	—	130	130
Derivatives held for risk management										
Interest rate swaps	—	—	—	—	—	—	—	—	130	130
Cross-currency swaps	—	—	—	—	—	—	—	—	—	—

	CHF LIBOR		GBP LIBOR		USD LIBOR		EONIA		CAD CDOR	
	Total amount of unreformed contracts	Amount with appropriate fallback clause	Total amount of unreformed contracts	Amount with appropriate fallback clause	Total amount of unreformed contracts	Amount with appropriate fallback clause	Total amount of unreformed contracts	Amount with appropriate fallback clause	Total amount of unreformed contracts	Amount with appropriate fallback clause
in € million										
31.12.2023	—	—	—	—	—	—	—	—	130	130
Derivatives held for risk management										
Interest rate swaps	—	—	—	—	—	—	—	—	130	130
Cross-currency swaps	—	—	—	—	—	—	—	—	—	—
01.01.2023	—	—	—	—	5,294	5,294	—	—	121	121
Derivatives held for risk management										
Interest rate swaps	—	—	—	—	287	287	—	—	121	121
Cross-currency swaps	—	—	—	—	5,007	5,007	—	—	—	—

Financial guarantees

Financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

In the ordinary course of business, BAWAG provides financial guarantees. Financial guarantees are initially measured at fair value. Subsequent to initial recognition, the financial guarantee contract is reviewed in order to determine whether a provision according to IAS 37 is required.

If BAWAG is the guarantee holder, a financial guarantee that is an integral part of the contract is not recognized in the balance sheet, but is taken into account as collateral when determining impairment of the guaranteed asset. BAWAG considers guarantees to be integral if they are entered into at or near the inception of the guaranteed financial asset. For details, see Note 28.

Methods for determining the fair value of financial instruments

The assessment of an “active market” of a given security is derived from a set of defined criteria. Additionally, minimum requirements (e.g. issuance size, exchange listing etc.) apply. BAWAG uses market data (e.g. quoted volumes, frequency of quotes) to determine the liquidity and market depth of securities.

Derivatives

To measure exchange-traded instruments such as futures and options on futures, exchange prices are used. Details are presented in Note 34. Some basic information is presented here:

The basic valuation model used for plain vanilla OTC options is the Black-Scholes option price model, which varies according to the underlying instruments and hedged items. Currency options are measured using the Garman-Kohlhagen model, and interest rate options using the Black, Hull-White or Bachelier (in the case of negative interest rates for caps, floors and swaptions) model.

The total value of an interest rate swap is derived from the present values of its fixed and variable rate legs. For cross-currency swaps (CCS), the cash value in the respective transaction currency is also calculated per leg, which is then converted into the functional currency of the Group company and summed up.

In the case of foreign currency forwards and futures, the agreed forward rate, which depends on movements in exchange and interest rates for both currencies, is compared with the forward rate on the reporting date and the result is used to calculate the instrument's value.

Credit default swaps (CDS) are calculated with the Duffie-Singleton model. Based on the credit spread curve, the default probability curve (hazard rate) is calculated, which is used to generate the protection leg. Hence, the total value of a CDS is the sum of the protection and premium leg.

BAWAG determines a credit (CVA) or debt value adjustment (DVA) for the credit risk of OTC derivatives. For calculation, internal probabilities of default (PD) are used and a recovery rate (RR) of 0.4 is assumed.

For the counterparties, a market value + add-on model is used to determine the EPE/ENE (expected positive/negative exposure). The add-on is calculated separately for each transaction type and currency and is generally derived from observable parameters on the market.

If a netting agreement is in force, netting effects at the customer level within transactions of the same kind and currency are also taken into account.

The CVA is determined from the discount rates, the counterparty PD and loss rate (1-REC) as well as the EPE. The DVA is determined from BAWAG's PD and loss rate as well as the ENE.

If the risk discount rate cannot be derived from market transactions, it is estimated by the management. This applies especially to non-payment risks arising from legal uncertainty that cannot be derived from the customer's general credit spread. Provided that BAWAG believes that the transaction is legally enforceable, the Bank still reports an asset in the amount of the positive fair value of the transaction with the counterparty even if objections have been lodged.

To value financial assets whose parameters cannot be derived from market transactions, the expected cash flow (including interest on arrears, if contractually agreed) is discounted on the day of valuation and weighted according to the probability of its occurrence. If the legal validity or enforceability of the claim is contested on the basis of possible grounds for annulment or an appeal, these legal considerations are taken into account in the valuation.

In the case of the close-out of a derivative transaction with a customer, the type of claim changes for BAWAG. Before the contract is terminated, the asset is a derivative, while after the contract is closed out, the asset is a contractual claim whose value no longer changes depending on market parameters. For this reason, the claim no longer satisfies the definition of a derivative according to IFRS 9.

In the event of the early termination of a derivative transaction, the variability of the payment flows in terms of amount and time of occurrence are materially changed by the close-out, and the original derivative is replaced with a new asset. This new asset is recognized at its fair value according to IFRS 9.5.1.1. The fair value corresponds to the carrying amount of the derivative at the time that the agreement is terminated, including any valuation adjustments applied up to the time of termination. A claim arising from the termination of the agreement meets the criteria in IFRS 9.4.1.2 for being measured at amortized cost.

This approach was chosen following IFRS 9.3.3.2 and IFRS 9.3.2.7, since IFRS 9 contains no explicit rules for when a financial instrument first fulfills the characteristics of a derivative and then no longer exhibits these characteristics at a later time. According to IAS 8.10 to 8.12, such gaps in the standards must be closed by applying a similar provision in the IFRS and taking the framework into account.

Credit-linked notes

For credit-linked notes where no active markets exist, fair values are determined by applying a valuation model. Credit-linked notes (CLNs) are bonds with an embedded credit default swap (CDS) allowing the issuer to transfer a specific credit risk to investors. The valuation model for CLNs uses bond or CDS spreads of the issuer and the reference entity, as well as coupon and maturity.

Valuations by outside experts are also used when measuring complex structures. Appropriate tests and verifications are carried out.

Measurement for asset backed investments

Each position of the collateralized loan obligation (CLO) portfolio of BAWAG is subject to the mark-to-model valuation, which is performed on a monthly basis within the pricing functionality developed by Moody's Analytics. Specifically, the measurement is performed within the CDOnet functionality of Moody's Structured Finance solutions, where the present value technique is applied. The model uses the inputs already available in Moody's Structured Finance (e.g. cash flows, original spreads for each tranche, weighted average maturity etc.), as well as additional parameters that are derived independently by the Market Risk unit (primarily discounting spreads at the valuation date) from comparable CLO tranches with respect to credit rating, type of CLO, average subordination etc. The source for the market spread levels is the Moody's Structured Finance Portal as well as other external data sources like Wells Fargo Securities.

Fair value of participations

To determine the fair value of the participations, the present value of the projected potential dividends was calculated by using the risk-weighted pre-tax discount rate in the market applicable to the participation in question. These projections take into account the most recent forecasts including the observed and expected impact of the Russia-Ukraine conflict and further global risks on the relevant entity's profitability.

To determine the value in use of the single entity, the present value of the projected potential dividends was calculated using the risk-weighted after-tax discount rate in the market applicable to the single entity in question.

The general planning horizon used for valuation purposes is five years. The long-term growth rates used in the calculation are generally 1.0%, applying the going concern principle. To the extent necessary, proper company-specific profit retention in perpetuity was considered for the calculation of the continuing value and for the detailed planning phase.

The post-tax discount rate is composed of the risk-free rate, the local market risk premium and the beta factor. The following parameters are used as of 31 December 2024:

- The risk-free rate (2.59%) is the 30-year spot rate calculated in accordance with the Svensson method, based on the parameters published by Deutsche Bundesbank (2023: 2.22%; 30-year spot rate).
- The indicators for the country-specific market risk premium are the website of Damodaran and the recommendation of the Austrian Chamber of Chartered Public Accountants and Tax Consultants, whose Business Valuation working group sets a range from 9.0% to 9.5% (2023: 9.5% to 10.0%) for the expected nominal market yield. Due to the recent rise in yield expectations on the European capital markets, a market risk premium of 6.91% (2023: 7.28%) was chosen.
- The applied beta factor for banks and financial service companies (0.93) is the two-year weekly average beta of 10 banks listed on European stock exchanges with retail as their core business. To avoid unsustainable overemphasis of the market in the wake of one-time events or a crisis, a rolling beta factor is derived, the two-year betas of the peer group are formed over 12 quarters taking the mean value (rolling beta). Bloomberg serves as the relevant source. Banks with an R^2 (coefficient of determination) of at least 0.15 and/or a value for the t-test (hypothesis test) of at least 1.98 qualify for the peer group. The applied beta factor for non-banks is 1.0 (except for stock exchanges with a beta factor of 0.81), which is a specific figure for non-banks and not a general market risk. (2023: The applied beta factor for banks and financial service companies [0.99] is the two-year weekly average beta of 10 banks listed on European stock exchanges with retail as their core business. To avoid unsustainable overemphasis of the

market in the wake of one-time events or a crisis, a rolling beta factor is derived, the two-year betas of the peer group are formed over 12 quarters taking the mean value [rolling beta]. Bloomberg serves as the relevant source. Banks with an R^2 [coefficient of determination] of at least 0.15 and/or a value for the t-test [hypothesis test] of at least 1.98 qualify for the peer group. The applied beta factor for non-banks is 1.0 [except for stock exchanges with a beta factor of 0.81], which is a specific figure for non-banks and not a general market risk.) Based on the aforementioned assumptions, the fair value of the equity investments was calculated for the year under review in accordance with IFRS 13.

Transfers of financial instruments

Financial assets are derecognized as soon as the Group is no longer entitled to receive the financial rewards from the instruments. This generally occurs when the rights and obligations of the financial instruments pass to a third party by exercise, sale or assignment or if the Group has lost its right of disposal or the rights have lapsed.

When financial assets are transferred and BAWAG has significant continuing rights and obligations under them, such assets are still reported on the Consolidated Statement of Financial Position.

A financial liability is derecognized when the obligation under the liability is discharged or canceled.

Repurchase agreements, also known as “repos” or “sale and repurchase agreements,” are contracts under which financial assets are transferred to a transferee (lender) in return for a cash payment while also specifying that the financial assets must later be transferred back to the transferor (borrower) for an amount of money agreed in advance. The financial assets transferred out by BAWAG under repurchase agreements remain on the Group’s Statement of Financial Position and are measured according to the rules applicable to the respective Statement of Financial Position item. The liabilities resulting from cash received under repo arrangements are recorded in liabilities held for trading or financial liabilities associated with transferred assets depending on the purpose of the contract.

Conversely, under agreements to resell (known as reverse repos), financial assets are acquired for a consideration while at the same time committing to their future resale.

In securities lending transactions, the lender transfers ownership of securities to the borrower on the condition that the borrower will retransfer, at the end of the agreed loan term, ownership of instruments of the same type, quality and quantity and will pay a fee determined by the duration of the loan. Securities lent to counterparties are accounted for in the same way as repos. They are retained in the Group’s financial statements and are measured in accordance with IFRS 9. Securities lending and borrowing transactions are generally collateralized. Collateral furnished by the securities borrower continues to be recorded in the borrower’s financial statements.

Intangible non-current assets, property, plant and equipment

Intangible non-current assets consist mainly of acquired goodwill and intangible assets such as brand names and customer relationships as well as other acquired and self-developed intangible assets (in particular software) recognized in accordance with IAS 38.

Intangible non-current assets with an indefinite useful life are recognized at cost less impairments and plus reversals of impairments. Brands are not amortized as they are assumed to have an indefinite useful life. An intangible asset has an indefinite useful life if there are no legal, contractual, regulatory or other factors limiting that useful life. Intangible assets and property, plant and equipment with limited useful lives are recognized at cost less straight-line amortization or depreciation and impairments and plus reversals of impairments. Buildings are depreciated at an annual rate of between 2.0% and 14.3% (2023: between 2.0% and 14.3%), other furniture and equipment is depreciated at annual rates between 2.0% and 50.0% (2023: between 2.0% and 50.0%), while IFRS 16 right-of-use assets are depreciated at annual rates between 5.0% and 36.4% (2023: between 5.0% and 36.4%). Purchased and self-produced software and other intangible assets and rights (other than goodwill and brand names) are amortized at annual rates between 2.8% and 33.3% (2023: between 2.8% and 33.3%). Customer relationships are amortized over approximately 8–30 years (2023: approximately 8–30 years) using a linear amortization rate. The amortization method and period are reviewed annually according to IAS 38. For details, please refer to Note 19.

When circumstances change, the useful life is adjusted considering the remaining economic life.

Development costs for internally generated software are capitalized when the development is technically feasible, there is the intention to complete the software, economic benefits will be generated and costs incurred can be measured reliably. Expenses for pre-studies (research costs) are not capitalized.

Government grants

Government grants are recognized in BAWAG's consolidated financial statements when there is reasonable assurance that they will be received and that BAWAG will comply with the conditions attached to them. These grants relate to the acquisition of assets, are presented as deductions from the acquisition costs of the related asset and are recognized in profit or loss over the periods and in the proportions in which depreciations and amortizations on those assets are recognized.

The total amount of government grants recognized amounts to € 0.4 million as of 31 December 2024 (2023: € 0.5 million). This amount relates to an investment program in Austria ("Investitionsprämie") offered to support the economy in the COVID-19 crisis by supporting the acquisition of property, plant and equipment and intangible assets.

Investment properties

Investment properties include the real estate that meets the criteria for designation as investment property within the meaning of IAS 40.5. These properties are primarily held to earn rental revenue. To a limited degree, the Group also uses some of these properties itself. However, because these portions cannot be sold separately and are insignificant for the purposes of IAS 40.10, the entirety of such properties is included in Investment properties. Investment properties are measured at fair value.

Impairment testing

The fair value of the brand names is calculated using a modified relief from royalty method (the Brand Equity Method). In order to derive the brand share that can be associated with the income before taxes of the relevant profit centers, both the brand relevance and the brand strength are taken into consideration. After having derived the brand-related income, the cash flows are discounted with the specific discount rate. The fair value of the brand name equals the present value of all brand-related cash flows.

The cash flow projections are based on the annual profits planned by the management of the company for the next five years and a perpetual growth rate (depending on the business model 0.5% to 1.0%) thereafter. The sustainable growth rate was determined on the basis of the estimated long-term annual profit growth rate, which matches the assumption that a market participant would make. The discount rate was estimated based on average equity returns in the sector and amounts to 6.97% for Zahnärztekasse AG, 9.02% for Idaho First Bank and 9.02% for all other entities (2023: 6.96% for Zahnärztekasse AG, 9.70% for Idaho First Bank and 9.43% for all other entities). The planning assumptions for the period 2025–2029 are based on the ECB's economic assumptions and adequate estimates for risk costs. The planning input is based on the business strategy, which envisages organic growth in the core market and continuous improvement of our product range.

In addition, intangible and tangible assets are tested at the reporting date to determine whether or not there is evidence that they are impaired. If there is evidence for impairment, the recoverable amount is calculated for the asset. This is the higher of the value in use or the net selling price. If the recoverable amount is lower than the carrying amount, an impairment loss in the amount of the difference is recognized according to IAS 36. Details regarding impairments and appreciations are provided in Note 9.

In accordance with IFRS 3 in conjunction with IAS 36 and IAS 38, the recognized goodwill of all cash-generating units (CGUs) is subject to annual impairment testing in accordance with IAS 36 or when an impairment trigger exists based on the current business plan.

IFRS 16 Leases**Definition of a lease**

At the inception of a contract, BAWAG assesses whether the contract is a lease according to IFRS 16. This is the case if the leased asset is an identified asset, the lessee substantially obtains all of the economic benefits from the use and the lessee has the right to control the asset.

The lease term starts at the commencement date of the lease contract, which is the date the lessor makes the underlying asset available for use by the lessee. It includes the non-cancelable period as well as periods where it is reasonably certain that the lessee exercises any extension option or does not exercise any termination option. BAWAG also considers all relevant circumstances that provide an economical incentive for the execution of such options. Examples are:

- importance of the leased asset for the Bank's business
- scope and costs of leasehold improvements
- costs of termination

A lessee considers all fixed, essentially fixed (i.e. variable but unavoidable) and variable lease payments depending on an index or rate. Other variable payments, such as those based on a percentage of sale or usage and maintenance costs, are not included, but recognized in profit or loss.

BAWAG has fixed-term (with and without an extension option) and open-ended leases. The lease term is generally determined at the beginning of the lease. Fixed-term leases without an extension option are recognized with a term until their contractual end date. The lease term for fixed-term leases with an extension option and open-ended leases is estimated in accordance with BAWAG's investment cycle.

BAWAG as lessor

A lease is classified as a finance lease if it substantially transfers all the risks and rewards incidental to ownership to the lessee. By contrast, leases that do not substantially transfer all of the risks and rewards to the lessee are classified as operating leases.

For finance leases, the rights of claims against the lessee are recognized in the amount of the present value of the contractually agreed payments, taking any residual value into account, and reported under receivables from customers.

By contrast, operating leases in which BAWAG retains all risks and rewards incidental to ownership of the leased asset are reported under tangible non-current assets. Each leased asset is depreciated as appropriate. Lease payments received for operating leases and interest payments for finance leases are recognized in the Profit or Loss Statement.

The operating leasing business is not material for BAWAG.

BAWAG as lessee

At the commencement of a lease, a right-of-use asset as well as a lease liability are recognized. The lease liability is measured at the present value of the lease payments. For discounting lease payments for the majority of leasing contracts, BAWAG uses the incremental borrowing rate because the implicit interest rate cannot be determined. The incremental borrowing rate corresponds to the interest rate at which BAWAG can refinance itself on the market. It is assumed that the refinancing has a term and collateral comparable to that of the leasing contract. Since the share of leasing contracts not denominated in euros is insignificant, only refinancing in euros is considered. The right-of-use asset is recognized in the same amount as the corresponding lease liability, adjusted by initial direct costs.

For the subsequent measurement, the lease liability is increased by interest expense on the outstanding amount and reduced by lease payments made. The right-of-use asset is reduced by the accumulated depreciation on a straight-line basis.

BAWAG applies two recognition exemptions for lessees as permitted by the standard:

- short-term leases for contracts with a lease term of 12 months or less at the commencement date
- leases of low-value assets

In applying these exemptions, the lessee does not recognize the lease payments as a right-of-use asset and lease liability, but as rental expenses on a straight-line basis over the lease term in profit or loss.

Existing lease contracts are subject to a regular assessment for the purpose of considering significant events that have an impact on the lease payment or the lease term, e.g. an adjustment of the lease payments to a current index or rate. In such cases, the lease liability is re-measured to reflect the changes. Accordingly, the revised carrying amount is recognized either as an increase or decrease of the existing lease liability. The right-of-use asset is generally adjusted by the same amount.

Income taxes and deferred taxes

According to IAS 12, income taxes must be computed and reported using the liability method. The computation is based on the local tax rates that are legally binding at the time the consolidated financial statements are prepared.

Deferred tax assets and liabilities result from different methods used to measure assets and obligations on the Statement of Financial Position under IFRS and the respective tax code. This generally leads to positive or negative differences in the income tax to be paid for future periods (temporary differences). A deferred tax asset is recognized for the carryforward of unused tax losses when it is probable that future taxable profit will be generated by the same taxable unit. Deferred tax assets and liabilities are not discounted.

Tax expenses allocable to the taxable profit were recognized in the Profit or Loss Statement under Income taxes and broken down into current and deferred income taxes. Other taxes that are not attributable to profit are recognized under Other operating income and expenses.

A tax group pursuant to section 9 KStG was parented by BAWAG Group AG in the financial year. On 31 December 2024, the tax group consisted of the group parent and 23 members, both consolidated and non-consolidated in these financial statements (2023: group parent and 24 members).

In 2017, a tax compensation agreement effective 1 January 2018 was concluded between the group parent and each tax group member. The tax compensation payments shall be calculated using the standalone method. This method simulates that each group member is an independent taxpayer. Group members are obligated to make a tax compensation payment amounting to their taxable profit multiplied by the enacted tax rate. The compensation payment is independent from the taxable result of the group. An internal tax loss carryforward for tax losses transferred to the tax group parent is sustained and taken into account. As far as the tax group parent only has to pay the minimum corporate tax, no tax compensation payment will be charged. A final settlement for uncredited tax losses must be effected upon dissolution of the tax group or when a member entity leaves the group.

In addition, the new tax group and tax compensation agreement stipulates that the tax group parent abstains from subsequently charging tax compensation payments for periods prior to 1 January 2018. Internal tax loss carryforwards for periods prior to 1 January 2018 will be sustained.

As of 31 December 2024, the exit of BAWAG Group AG from the tax group and the exit of all other group members, with the exception of the new members in 2023 and 2024, would not result in a corporate income tax back payment as of 31 December 2024 because the minimum period of three years as required by section 9 paragraph 10 KStG was already fulfilled. The new group members who entered the tax group in 2023 and 2024 would incur a corporate income tax back payment in the amount of € 0 million (2023: € 0 million).

The Austrian corporate income tax rate decreased from 24% to 23% as of 1 January 2024. The domestic deferred tax assets/provisions as of 31 December 2023 are already recognized with a tax rate of 23%, as the temporary differences will be reversed at this tax rate.

BAWAG has determined that the global minimum top-up tax is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Provisions for employee benefits

According to IAS 19, provisions for post-employment and termination benefits and for jubilee benefits are calculated using the projected unit credit method. The present values of obligations outstanding as of the measurement date are calculated on the basis of actuarial assumptions applying an appropriate discount rate and taking into account the expected rates of increase in salaries and post-employment benefits. They are recognized as a provision in the Consolidated Statement of Financial Position. Actuarial gains and losses relating to provisions for post-employment and termination benefits are recognized in full in other comprehensive income in the year in which they are incurred.

The principal parameters underlying the actuarial calculations are:

Parameters for post-employment pension obligations		
	2024	2023
Interest rate EUR	3.40% p.a.	3.40% p.a.
Interest rate CHF	0.95% p.a.	1.50% p.a.
Wage growth	1.0%–2.0% p.a.	1.0%–2.5% p.a.
Fluctuation discount	0%–15.0% p.a.	0%–10.83% p.a.

Parameters for severance payments and anniversary bonuses

	2024	2023
Interest rate	3.40% p.a.	3.40% p.a.
Wage growth severance payments	2.75% p.a.	3.25% p.a.
Wage growth anniversary bonuses	2.50% p.a.	3.00% p.a.
Fluctuation discount severance payments	0%–0.34% p.a.	0%–0.34% p.a.
Fluctuation discount anniversary bonuses	0%–7.10% p.a.	0%–7.10% p.a.
Retirement age	60–65 years ¹	59–65 years ¹

¹ The earliest possible individual retirement age according to the legal requirements (excluding corridor pension) was assumed.

The interest rate used in 2024 of 3.40% remained unchanged compared to the previous year.

Post-employment benefit plans in BAWAG that qualify as defined benefit obligations are financed entirely through provisions. The allocated assets disclosed by the pension fund set up for certain beneficiaries are set off against the determined amounts of provisions for post-employment benefits.

These defined benefit plans expose BAWAG to actuarial risks such as interest rate risk and longevity risk.

The post-employment benefit rights of the majority of employees are defined contribution plans. The contributions that are made to these pension funds are recognized as expenses in the current period; there are no further obligations. Payments to pension funds for defined contribution plans amounted to € 9 million in 2024 (2023: € 7 million).

Other provisions

Other provisions for uncertain obligations to third parties are formed in accordance with the expected amount of the obligation. For details, see Note 28.

Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, where employees render services as consideration for equity instruments (equity-settled and cash-settled transactions). Accounting is based on IFRS 2.

Equity-settled awards

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized in employee benefits expense together with a corresponding increase in equity (other capital reserves) over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period).

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award but without an associated service requirement are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as of the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is canceled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Cash-settled awards

For cash-settled awards, IFRS 2 defines that the fair value of services received is based on the fair value of the liability. Unlike the grant date model for equity-settled awards for employees, the Group remeasures the fair value of the award at each reporting date and on settlement. The ultimate cost of a cash-settled award is the cash paid to the beneficiary, which is the fair value at settlement date. Until settlement, the cash-settled award is presented as a liability and not within equity. Changes in the measurement of the liability are reflected in the statement of profit or loss.

The effect of a market condition or a non-vesting condition is reflected in the estimation of the fair value of the cash-settled share-based payments both at the grant date and subsequently. Vesting conditions (other than market conditions) are not taken into account when estimating the fair value of cash-settled share-based payments. Instead, vesting conditions (other than market conditions) are taken into account in the measurement of the liability incurred by adjusting the number of awards that are expected to vest. Such an estimate is revised when the liability is remeasured at each reporting date and until the vesting date. On a cumulative basis, no expense is recognized if the awards granted do not vest because of failure to satisfy a vesting condition or a non-vesting condition.

If an employee is not required to provide a service, expense and liability are recognized immediately upon the grant date. If the employee is required to provide services over a specified period, expense and liability are spread over the vesting period, while reconsidering the likelihood of achieving vesting conditions and remeasuring the fair value of the liability at the end of each reporting period.

Modifications from equity-settled to cash-settled and vice versa

In case of modifications of a program from equity-settled to cash-settled share-based payment, a liability to settle in cash is recognized at the modification date based on the fair value of the shares at the modification date to the extent to which the specified services have been received.

If the amount of the liability recognized on the modification date is less than the amount previously recognized as an increase in equity, then no gain is recognized for the difference between the amount recognized to date in equity and the amount reclassified for the fair value of the liability; that difference remains in equity. Subsequent to the modification, the Group continues to recognize the grant-date fair value of equity instruments granted as the cost of the share-based payment. Any subsequent remeasurement of the liability (from the date of modification until the settlement date) is recognized in profit or loss.

In case of modifications of a program from cash-settled to equity-settled share-based payment, the outstanding liability is revalued with the current share price on the date of modification with fair value movements recognized in profit or loss. Afterwards, the liability is released against equity and no further fair value movements are recognized.

Contingent liabilities and unused lines of credit

For the most part, contingent liabilities are guarantees and unused lines of credit. Guarantees are used when subsidiaries of BAWAG guarantee payment to the creditor to fulfill the obligation of a third party. Unused lines of credit are commitments from which a credit risk may occur. Loan loss provisions for contingent liabilities and unused lines of credit are reported under provisions for anticipated losses on pending business. For details, see Note 44.

Equity

Equity is the capital provided by the Bank's owners (issued capital and capital reserves), AT1 capital and the capital generated by the Bank (retained earnings, reserves from currency translation, FVOCI reserve, cash flow hedge reserve, net investment hedge reserve, actuarial gains and losses, profit brought forward and the profit for the period). Details are provided in Note 31.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a framework for determining whether, how much and when revenue is recognized. Accordingly, revenues coming from fees and commissions are recognized when control of goods and services is transferred and hence the contractual performance obligation to the customer has been satisfied.

BAWAG receives fee and commission income from various services provided to customers. These are presented in net commission income in the statement of profit or loss.

Fees and commissions for services performed over a certain period of time are collected over the period in which the service is performed. This includes commissions from lending and current account business, liability commissions and other management and custody fees. In cases where an associated financial instrument exists, fees that are an integral part of the effective interest rate of this financial instrument are reported as part of interest income.

Fees associated with providing a particular service or the occurrence of a certain event (transaction-related services) are recognized when the service has been provided in full or the significant event has occurred. Commissions from the performance of transaction-related services include securities transactions, the brokerage of insurance policies and building society savings contracts as well as foreign exchange transactions.

Expenses that are directly and incrementally related to the generation of commission income are shown under commission expenses. Fee and commission income is measured based on consideration specified in a legally enforceable contract with a customer, excluding amounts such as taxes collected on behalf of third parties. Consideration received is allocated to the separately identifiable performance obligations in a contract. Consideration can include both fixed and variable amounts. Variable consideration includes refunds, discounts, performance bonuses and other amounts that are contingent on the occurrence or non-occurrence of a future event. Variable consideration that is contingent on an uncertain event is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue for a contract will not occur.

Note 4 shows a breakdown of commission income and expenses by business segment.

Description of P&L lines**Interest income and interest expense**

Interest income consists primarily of interest income from loans and receivables, fixed-income securities, variable-rate securities and assets held for trading. Furthermore, regular income from equity investments, shares as well as fees and commissions similar to interest income are shown in this item. Interest income and interest expense also include premiums and discounts on securities and loans using the effective interest rate method and the amortization of day one gains or losses. Also, the interest portion of interest-bearing derivatives, separated into income and expenses, is recognized in interest income and expense. Income from negative interest liabilities is also included.

Interest expense consists mainly of interest for liabilities to credit institutions and customers, issued bonds, subordinated capital and supplementary capital. Expenses from negative interest assets are also included.

Interest income and interest expense are recognized on an accrual basis.

Details concerning the net interest income can be found in Note 3.

Fee and commission income and expense

This item consists mainly of income from and expenses for payment transfers, securities and custody business and lending. Income and expenses are recognized on an accrual basis. For details, see Note 4.

Gains and losses on financial assets and liabilities

This item consists mainly of the valuation and sales gains or losses of the Group's investments, sales gains and losses from non-performing loans and issued securities, and the result from trading in securities and derivatives. Moreover, hedging inefficiencies and foreign exchange differences are shown within this position. The gains and losses from the derecognition of financial assets measured at amortized cost result from sales of financial instruments to third parties. This item also includes modification gains and losses. For details, see Note 5.

Other operating income and expenses

The other operating result reflects all other income and expenses not directly attributable to ordinary activities, such as results on the sale of property. In addition, the other operating result encompasses expenses for other taxes and regulatory charges (bank levy, the contributions to the deposit guarantee scheme and to the bank resolution fund), income from the release of other provisions and the reimbursement of expenses to customers as well as consolidation results from business combinations and related expenses. The annual IAS 40 valuation result is recognized in other operating income for appreciation or in other operating expenses for impairment. For details, see Note 6.

Administrative expenses

General administrative expenses represent personnel and other administrative expenses accrued in the reporting period. Details are explained in Note 7.

Risk costs

This item includes allocations to and releases of specific and portfolio risk provisions for loans and advances and for contingent liabilities bearing credit risk as well as changes in expected credit losses. Also reported in this item are direct write-offs of loans and advances as well as recoveries on written-off loans removed from the balance sheet. Furthermore, this line item includes all charges resulting from operational risk events.

In addition, this line item includes impairment losses or reversals of impairment losses on property and equipment and other intangible assets as well as impairment losses on goodwill. For details, see Note 9.

Net gains or losses on financial instruments

Net gains or losses on financial instruments include fair value measurements recognized in the income statement, impairments, impairment reversals, gains realized on disposal and subsequent recoveries on written-down financial instruments classified in the respective IFRS 9 categories. The components are detailed for each IFRS 9 category in the notes on net interest income, gains and losses on financial assets and liabilities, and risk costs.

Cash Flow Statement

The Cash Flow Statement provides information about the current state and development of the Group's cash and cash equivalents as of the reporting date. It shows inflows and outflows of cash broken down by operational activities, investing activities and financing activities. The amount of cash and cash equivalents reported comprises cash on hand and balances at central banks.

Financial investments include debt instruments recognized at amortized cost or at fair value through other comprehensive income.

The Cash Flow Statement is of low relevance for BAWAG. It is not a substitute for liquidity or financial planning and is not used as a management tool.

Effects of adopting amended and new standards

The following standards, amendments and interpretations to existing standards were mandatory for the first time for the 2024 consolidated financial statements:

Standards/Amendments/Interpretation	First-time application	Adopted by the EU	Impact on BAWAG
Amendments to IAS 1 Presentation of Financial Statements: • Classification of Liabilities as Current or Non-current Date (issued on 23 January 2020); • Classification of Liabilities as Current or Non-current – Deferral of Effective Date (issued on 15 July 2020); • Non-current Liabilities with Covenants (issued on 31 October 2022)	1 January 2024	19 December 2023	Immaterial
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)	1 January 2024	20 November 2023	None
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)	1 January 2024	15 May 2024	None

The following standards, amendments and interpretations to existing standards were approved by the International Accounting Standards Board (IASB) and endorsed by the EU but are not yet mandatory for the preparation of IFRS financial statements for the period ended 31 December 2024. BAWAG does not plan an early application of endorsed but not yet effective standards:

Standards/Amendments/Interpretation	First-time application	Adopted by the EU	Expected impact on BAWAG
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)	1 January 2025	12 November 2024	None

The following standards and amendments approved by the International Accounting Standards Board (IASB) have not yet been endorsed by the European Union. BAWAG does not plan early application:

Standard/Interpretation/Amendment	Expected impact on BAWAG
IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)	Material
IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024)	None
Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments (issued on 30 May 2024)	Immaterial
Annual Improvements Volume 11 (issued on 18 July 2024)	Immaterial
Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity (issued on 18 December 2024)	None

IFRS 18, which will replace IAS 1 Presentation of Financial Statements, contains new guidance on how to structure the Income Statement as well as disclosure requirements for Management-defined Performance Measures (MPMs). The

new standard is effective for annual periods beginning on or after 1 January 2027. BAWAG is currently assessing the impact of IFRS 18 on the presentation of its consolidated financial statements, but expects a material impact.

DETAILS OF THE CONSOLIDATED PROFIT OR LOSS STATEMENT

2 | Earnings per share

Earnings per share pursuant to IAS 33

	2024	2023 restated
Net result attributable to owners of the parent (in € million)	760.0	682.5
AT1 coupon (in € million)	(22.0)	(24.0)
Net result attributable to owners of the parent after deduction of AT1 coupon (in € million)	738.0	658.5
Weighted average number of outstanding shares	78,508,997	81,796,036
Basic earnings per share (in €)	9.40	8.05
Weighted average diluted number of outstanding shares	79,144,012	82,120,245
Diluted earnings per share (in €)	9.32	8.02

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)

	2024	2023 restated
Net result attributable to owners of the parent (in € million)	760.0	682.5
Weighted average diluted number of outstanding shares	79,144,012	82,120,245
After-tax earnings per share in (€) – BAWAG definition	9.60	8.31

Changes in number of outstanding shares

	2024	2023
Shares outstanding at the beginning of the period	78,507,604	82,147,160
Shares outstanding at the end of the period	78,524,046	78,507,604
Weighted average number of outstanding shares	78,508,997	81,796,036
Weighted average diluted number of outstanding shares	79,144,012	82,120,245

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 long-term incentive program, shares will be awarded to employees after fulfillment of certain conditions. For these shares, a potential dilutive effect is calculated.

3 | Net interest income

in € million	2024	2023
Interest income	3,097.3	2,565.4
Financial assets at fair value through profit or loss	29.3	18.1
Financial assets at fair value through other comprehensive income	97.0	87.5
Financial assets held for trading	605.8	415.8
Financial assets at amortized cost	2,340.9	2,052.2
Derivatives – Hedge accounting, interest rate risk	21.9	(8.7)
Interest income from financial liabilities	1.6	0.5
Other assets	0.8	—
Interest expense	(1,789.3)	(1,315.0)
Deposits at central banks	—	—
Financial liabilities designated at fair value through profit or loss	(3.3)	(7.0)
Financial liabilities held for trading	(624.0)	(395.4)
Financial liabilities measured at amortized cost	(769.1)	(525.8)
Derivatives – Hedge accounting, interest rate risk	(381.5)	(373.1)
Provisions for social capital	(7.9)	(9.5)
Interest expense from IFRS 16 lease liabilities	(2.7)	(2.5)
Interest expense from financial assets	(0.8)	(1.7)
Dividend income	3.8	2.4
Financial assets mandatorily at fair value through profit or loss	—	0.1
Financial assets at fair value through other comprehensive income	3.8	2.3
Net interest income	1,311.8	1,252.8

Interest income on impaired receivables during 2024 amounted to € 16.0 million (2023: € 13.0 million). Interest income includes income from negative interest of € 1.6 million (2023: € 0.5 million). Interest expense includes expenses from negative interest of € 0.8 million (2023: € 1.7 million). Interest income from financial assets at fair value through other comprehensive income and financial assets at amortized cost is calculated using the effective interest method. As in the previous year, dividend income from financial assets at fair value through other comprehensive income is related to investments held at the end of the reporting period.

4 | Net fee and commission income

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

2024					
in € million	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Corporate Center	BAWAG
Fee and commission income	381.9	37.0	0.1	0.8	419.8
Transactional	209.3	37.0	—	—	246.3
Advisory	116.6	—	—	0.8	117.4
Securities	100.0	—	—	0.8	100.8
Insurance	16.6	—	—	—	16.6
Lending and others	56.0	—	0.1	—	56.1
Lending	31.7	—	—	—	31.7
Factoring	19.4	—	—	—	19.4
Others	4.9	—	0.1	—	5.0
Fee and commission expense	(102.5)	(4.5)	(0.5)	(2.4)	(109.9)
Transactional	(62.7)	(4.5)	—	—	(67.2)
Advisory	(12.8)	—	—	(0.2)	(13.0)
Securities	(12.8)	—	—	(0.2)	(13.0)
Insurance	—	—	—	—	—
Lending and others	(27.0)	—	(0.5)	(2.2)	(29.7)
Lending	(25.2)	—	—	—	(25.2)
Factoring	(1.6)	—	—	—	(1.6)
Others	(0.2)	—	(0.5)	(2.2)	(2.9)
Net fee and commission income	279.4	32.5	(0.4)	(1.6)	309.9

2023

in € million	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Corporate Center	BAWAG
Fee and commission income	352.8	39.3	0.1	0.8	393.0
Transactional	195.2	39.3	—	—	234.5
Advisory	104.3	—	—	0.8	105.1
Securities	90.3	—	—	0.8	91.1
Insurance	14.0	—	—	—	14.0
Lending and others	53.3	—	0.1	—	53.4
Lending	30.1	—	—	—	30.1
Factoring	19.8	—	—	—	19.8
Others	3.4	—	0.1	—	3.5
Fee and commission expense	(102.0)	(4.0)	(0.5)	(1.9)	(108.4)
Transactional	(66.3)	(4.0)	—	—	(70.3)
Advisory	(11.0)	—	—	(0.2)	(11.2)
Securities	(11.0)	—	—	(0.2)	(11.2)
Insurance	—	—	—	—	—
Lending and others	(24.7)	—	(0.5)	(1.7)	(26.9)
Lending	(22.1)	—	—	—	(22.1)
Factoring	(2.5)	—	—	—	(2.5)
Others	(0.1)	—	(0.5)	(1.7)	(2.3)
Net fee and commission income	250.8	35.3	(0.4)	(1.1)	284.6

Net fee and commission income includes an amount of € 1.6 million (2023: € 4.8 million) for fiduciary transactions. Income from payment transfers and securities and custody business is recognized mainly at a point in time. Income from lending is recognized mainly over time. Other income is recognized using a mix of point in time and over time.

5 | Gains and losses on financial assets and liabilities

in € million	2024	2023
Realized gains and losses on financial assets and liabilities not measured at fair value through profit or loss, net	(2.8)	(39.6)
Financial assets at fair value through other comprehensive income	(6.5)	(12.6)
Financial assets measured at amortized cost	(7.2)	(1.9)
thereof gains from the derecognition of financial assets measured at amortized cost	—	0.2
thereof losses from the derecognition of financial assets measured at amortized cost	(7.2)	(2.1)
Financial liabilities measured at amortized cost	6.7	13.6
Net gain or loss from modification	0.1	3.1
Other result	0.1	(41.8)
Gains (losses) on financial assets and liabilities held for trading, net	32.4	78.1
Gains (losses) on financial assets and liabilities measured at fair value through profit or loss, net	5.1	3.5
Gains (losses) from fair value hedge accounting	(58.6)	(53.1)
Fair value adjustment of hedged item	(255.4)	(511.7)
Fair value adjustment of hedging instrument	196.8	458.6
Exchange differences, net	—	(5.5)
Gains and losses on financial assets and liabilities	(23.9)	(16.6)

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

6 | Other operating income and expenses

in € million	2024	2023
Other operating income	149.7	69.2
Income from investment properties	6.6	10.8
Consolidation result relating to the acquisition of Knab	73.7	—
Lease objects maintenance costs charged to the lessees	25.3	33.2
Other income	44.1	25.2
Other operating expenses	(129.2)	(98.7)
Expenses relating to investment properties	(5.7)	(10.1)
Restructuring and other expenses relating to the acquisition of Knab	(30.1)	—
Losses from the sale and derecognition of property, plant and equipment and intangible assets	(6.6)	(2.9)
Regulatory charges	(9.5)	(34.1)
Lease objects maintenance costs	(25.5)	(33.3)
Other expenses	(51.8)	(18.3)
Other operating income and expenses	20.5	(29.5)

Income from investment properties includes rental income of € 6.6 million (2023: € 10.7 million).

Expenses relating to investment properties include operating costs of € 4.7 million and negative valuation results of net minus € 1.1 million (2023: operating costs of € 7.7 million and negative valuation results of net minus € 2.4 million).

The line item Regulatory charges includes the bank levy and the contributions to the deposit guarantee scheme and to the bank resolution fund. The bank levy included in this item amounts to € 8.1 million for 2024 (2023: € 8.3 million).

BAWAG contributed to the Single Resolution Fund (SRF) in cash and in the form of irrevocable payment commitments. Total contributions made in the years 2016 to 2024 in the form of irrevocable payment commitments amounted to € 11

million. In 2024, BAWAG did not make use of the option to contribute in form of a payment commitment. BAWAG values irrevocable payment commitments with a fair value of zero as no repayment is expected. No asset is recognized, all amounts contributed in form of payment commitments were fully expensed in the year of payment.

Other income includes rental income from subleased premises of € 22 million, corresponding expenses of € 15 million have been recognized in other expenses. Further, other expenses include allocations to provisions for ongoing court procedures of € 20 million which are partly offset by a repayment of € 10 million recognized in other income.

7 | Administrative expenses

in € million	2024	2023
Staff costs	(344.6)	(299.7)
Wages and salaries	(269.1)	(244.2)
Statutory social security contributions	(58.7)	(54.8)
Increase/Release of pension provision and pension payments	(11.7)	(10.8)
Increase/Decrease of provision for severance payments	(2.6)	(2.5)
Increase/Decrease of provision for jubilee benefits	(0.2)	14.9
Staff benefit fund costs	(2.3)	(2.3)
Other administrative expenses	(139.6)	(126.1)
IT, data, communication	(68.6)	(66.4)
Real estate, utility, maintenance expenses	(11.8)	(10.7)
Advertising	(10.7)	(8.3)
Legal, consulting, outsourcing	(16.4)	(12.3)
Postage fees and logistics	(14.5)	(14.0)
Regulatory and audit fees	(14.5)	(11.8)
Other general expenses	(3.1)	(2.6)
Administrative expenses	(484.2)	(425.8)

8 | Depreciation and amortization on tangible and intangible non-current assets

in € million	2024	2023
Depreciation and amortization		
Customer relationships	(10.0)	(9.5)
Software and other intangible assets	(33.3)	(32.3)
Property, plant and equipment	(23.4)	(22.7)
thereof depreciation of right of use assets	(12.8)	(12.1)
Depreciation and amortization	(66.7)	(64.5)

9 | Risk costs

in € million	2024	2023
Changes in provisions for financial assets at amortized cost	(59.7)	(79.3)
Stage 1	(17.6)	7.3
Stage 2	57.3	14.6
Stage 3	(110.0)	(115.6)
POCI loans	10.6	14.4
Changes in provisions for off-balance credit risk	(3.8)	(1.7)
Stage 1	1.4	0.5
Stage 2	(0.4)	(1.9)
Stage 3	(4.8)	(0.3)
Change in provisions for financial assets at fair value through other comprehensive income	0.6	(0.1)
Stage 1	0.6	(0.1)
Subtotal – risk costs according to IFRS 9	(62.9)	(81.1)
Provisions and expenses for operational risk	(4.3)	(2.1)
Impairment losses on non-financial assets	—	(0.5)
CDS premia and securitization costs	(14.6)	(9.5)
Risk costs	(81.8)	(93.2)

Impairment losses on non-financial assets

in € million	2024	2023
Software and other intangible assets	—	(0.5)
thereof Brand name	—	(0.5)
Impairment and appreciation of non-current assets	—	(0.5)

For further details regarding impairment losses on non-financial assets, please refer to Note 19.

10 | Share of the profit or loss of associates accounted for using the equity method

The result reported for 2024 of € 4.3 million (2023: € 2.5 million) contains the proportionate shares in PSA Payment Services Austria GmbH of in total € 4.3 million (2023: BAWAG P.S.K. Versicherung AG and PSA Payment Services Austria GmbH of in total € 6.4 million) and impairment of entities accounted for using the equity method of € 0.0 million (2023: € 3.9 million).

Currently, there are no unrecognized shares of the losses of entities that were accounted for using the equity method according to IFRS 12.22 (c).

The following table shows key financial indicators for the Group's associates accounted for using the equity method (2023 excluding BAWAG P.S.K. Versicherung AG due to its IFRS 5 held for sale status):

Associates accounted for using the equity method

in € million	2024	2023
Cumulated assets	312	307
Cumulated liabilities	111	234
Cumulated equity	201	73
Rental income	13	—
Fee and commission income	372	328
Cumulated net profit	23	18

In 2024, the associates accounted for using the equity method are PCT Nominee Owner LLP (stake of 24.90%) and PSA Payment Services Austria GmbH (stake of 20.82%). In 2023, the associates accounted for using the equity method were BAWAG P.S.K. Versicherung Aktiengesellschaft (stake of 25.00%; held for sale) and PSA Payment Services Austria GmbH (stake of 20.82%). For further details, please refer to Note 36 Related parties.

11 | Income taxes

in € million	2024	2023
Current tax expense	(221.8)	(200.5)
Deferred tax expense/income	(8.1)	(27.3)
Income taxes	(229.9)	(227.8)

The following reconciliation shows the relationship between computed tax expenses and reported tax expenses:

in € million	2024	2023
Profit before tax	989.9	910.3
Tax rate	23%	24%
Computed tax expenses	(227.7)	(218.5)
Reductions in tax		
Due to tax-exempt income from equity investments	2.8	0.5
Due to first-time consolidation / deconsolidation	14.7	0.1
Due to tax-deductible dividends	7.1	5.8
Due to foreign exchange differences	—	—
Due to differing foreign tax rates	—	—
Due to other tax effects	2.5	1.5
Increases in tax		
Due to gains and losses from the valuation of equity investments	(0.4)	(16.4)
Due to unrecognized deferred taxes on tax loss carryforwards	(0.8)	—
Due to non-tax deductible expenses	(17.4)	(14.0)
Due to foreign exchange differences	(1.2)	0.1
Due to differing foreign tax rates	(3.9)	(9.0)
Due to other tax effects	(1.0)	(2.5)
Income tax in the period	(225.4)	(252.5)
Out-of-period income tax	(4.5)	24.7
Reported income tax (expense)	(229.9)	(227.8)

The Group's assets included deferred tax assets recognized for benefits arising from as-yet-unused tax losses in the amount of € 6 million (2023: € 2 million). The tax losses can be carried forward for an unlimited period.

According to IAS 12.34, a deferred tax asset is recognized for tax loss carryforwards if it is probable that future taxable profit will be available against which the unused tax losses can be utilized. As of 31 December 2024, unused tax losses amounted to € 0 million (2023: € 0 million) at the level of BAWAG Group AG, € 2 million (2023: € 6 million) at the level of members of the tax group included in the consolidated financial statements and € 0 million (2023: € 0 million) at the level of other Austrian companies included in the consolidated financial statements, hence a total of € 2 million (2023: € 6 million).

Furthermore, foreign subsidiaries had tax loss carryforwards of € 22 million as of 31 December 2024 (2023: € 106 million), of which € 22 million (2023: € 4 million) are expected to be utilized for tax purposes.

The utilizability of unused tax losses and deferred tax assets by BAWAG was tested on the basis of the Group's long-term plan (planning period: five years). The expected utilization of unused tax losses is projected to amount to € 23 million (2023: € 6 million). In total, deferred tax assets for tax loss carryforwards in the amount of approximately € 6 million (2023: € 2 million) are recognized within BAWAG. If the forecasted taxable results varied by 10% compared to management estimates, deferred tax assets would remain unchanged (2023: would remain unchanged) if results improve and would remain unchanged (2023: would remain unchanged) if forecasted results turn out to be lower than expected. The current geopolitical situation has no effect on the utilizability of unused tax losses of BAWAG.

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation. The top-up tax relates to the Group's operations in Switzerland, where the statutory rate is below 15%. The respective amount has been accrued in current tax expense.

DETAILS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

12 | Cash reserves

in € million	31.12.2024	31.12.2023
Cash on hand	102	139
Balances at central banks	17,110	12,374
Demand deposits	392	273
Cash reserves	17,604	12,786

13 | Financial assets at fair value through profit or loss

in € million	31.12.2024	31.12.2023
Financial assets designated at fair value through profit or loss	45	52
Receivables from customers	45	52
Financial assets mandatorily at fair value through profit or loss	579	541
Bonds and other securities	335	284
Receivables from customers	162	173
Subsidiaries and other equity investments	82	84
Financial assets at fair value through profit or loss	624	593

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.

Further information on the fair value option can be found in Note 1. The maximum credit risk of loans and advances to customers equals book value.

14 | Financial assets at fair value through other comprehensive income

in € million	31.12.2024	31.12.2023
Debt instruments	1,769	2,688
Bonds and other fixed income securities	1,769	2,688
Bonds of other issuers	1,522	2,659
Public sector debt instruments	247	29
Subsidiaries and other equity investments	144	139
AT1 capital	28	24
subsidiaries	7	10
Interests in associates	—	—
Other shareholdings	109	105
Financial assets at fair value through other comprehensive income	1,913	2,827

In 2024, 12-month ECL Stage 1 for financial assets at fair value through other comprehensive income was released in the amount of € 0.6 million (2023: € 0.1 million booked).

The item AT1 capital comprises investments in AT1 issues by credit institutions.

Other investments mainly include investments in financial institutions and relate to listed shares in the amount of € 0 million and unlisted shares in the amount of € 109 million (2023: listed shares in the amount of € 0 million and unlisted shares in the amount of € 105 million).

In 2024, fair value valuations of non-consolidated participations at fair value through other comprehensive income amounted to plus € 2.6 million (2023: minus € 32.3 million) of which plus € 3.6 million relate to listed shares and minus € 1.0 million relate to non-listed shares (2023: plus € 0.2 million related to listed shares and minus € 32.5 million related to non-listed shares). Dividends received from equity investments recognized at fair value through other comprehensive income amounted to € 3.9 million (2023: € 2.3 million).

15 | Financial assets held for trading

in € million	31.12.2024	31.12.2023
Derivatives in banking book	316	103
Foreign currency derivatives	11	30
Interest rate derivatives	305	73
Financial assets held for trading	316	103

16 | Financial assets measured at amortized cost

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

31.12.2024 in € million	Total gross carrying amount	Impairments Stage 1	Impairments Stage 2	Impairments Stage 3	Total net carrying amount
Receivables from customers	45,845	(48)	(59)	(242)	45,496
Securities	3,082	(1)	—	—	3,081
Public sector debt instruments	135	—	—	—	135
Debt instruments of other issuers	2,947	(1)	—	—	2,946
Receivables from credit institutions	830	—	—	—	830
Total	49,757	(49)	(59)	(242)	49,407

31.12.2023 in € million	Total gross carrying amount	Impairments Stage 1	Impairments Stage 2	Impairments Stage 3	Total net carrying amount
Receivables from customers	33,712	(31)	(116)	(232)	33,333
Securities	3,661	(1)	—	—	3,660
Public sector debt instruments	122	—	—	—	122
Debt instruments of other issuers	3,539	(1)	—	—	3,538
Receivables from credit institutions	500	—	—	—	500
Total	37,873	(32)	(116)	(232)	37,493

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

in € million	31.12.2024	31.12.2023
Loans	42,191	30,450
Current accounts	981	987
Finance leases	2,084	1,494
Cash advances	163	170
Money market	77	232
Receivables from customers	45,496	33,333

Financial instruments that have been modified but not derecognized during the reporting period and that have been allocated to Stage 2 or Stage 3 at the time of modification:

31.12.2024 in € million	Lifetime-ECL – not impaired	Lifetime-ECL – impaired	Purchased / originated credit impaired
Amortized cost before modification in the current reporting period	189	11	—
Net gain or loss from modification	—	—	—

31.12.2023 in € million	Lifetime-ECL – not impaired	Lifetime-ECL – impaired	Purchased / originated credit impaired
Amortized cost before modification in the current reporting period	170	14	—
Net gain or loss from modification	—	—	—

Modified financial assets whose risk provision was allocated to Stage 2 or Stage 3 at the time of modification and that have been reallocated to Stage 1 during the reporting period had a gross book value as of 31 December 2024 of € 89 million (2023: € 362 million).

The following breakdown depicts the composition of the item
At amortized cost according to the Group's segments:

31.12.2024 in € million	Total gross carrying amount	Impairments Stage 1	Impairments Stage 2	Impairments Stage 3	Total net carrying amount
Retail & SME	34,263	(41)	(57)	(218)	33,947
Corporates, Real Estate & Public Sector	13,286	(8)	(2)	(24)	13,252
Treasury	2,553	—	—	—	2,553
Corporate Center	(345)	—	—	—	(345)
Total	49,757	(49)	(59)	(242)	49,407

31.12.2023 in € million	Total gross carrying amount	Impairments Stage 1	Impairments Stage 2	Impairments Stage 3	Total net carrying amount
Retail & SME	21,861	(20)	(72)	(207)	21,562
Corporates, Real Estate & Public Sector	13,125	(11)	(44)	(25)	13,045
Treasury	3,343	(1)	—	—	3,342
Corporate Center	(9)	—	—	—	(9)
Reclassification of Start DE to held for sale (IFRS 5)	(447)	—	—	—	(447)
Total	37,873	(32)	(116)	(232)	37,493

17 | Asset maturities

The following table contains a breakdown of financial assets (excluding subsidiaries and other equity investments and derivatives) by remaining period to maturity.

Financial assets – breakdown by remaining period to maturity 2024

31.12.2024 in € million	Repayable on demand	Up to 3 months	3 months up to 1 year	1–5 years	Over 5 years	Total
Financial assets designated at fair value through profit or loss						
Receivables from customers	—	1	1	6	37	45
Financial assets mandatorily at fair value through profit or loss						
Receivables from customers	—	—	3	112	47	162
Bonds and other securities	—	1	176	79	79	335
Financial assets at fair value through other comprehensive income						
Bonds and other fixed income securities	1	237	73	882	576	1,769
At amortized cost						
Receivables from customers	1,187	800	1,122	9,346	33,041	45,496
Receivables from credit institutions	—	771	1	9	49	830
Bonds and other fixed income securities	2	50	143	804	2,082	3,081
Total	1,190	1,860	1,519	11,238	35,911	51,718

Financial assets – breakdown by remaining period to maturity 2023

31.12.2023 in € million	Repayable on demand	Up to 3 months	3 months up to 1 year	1–5 years	Over 5 years	Total
Financial assets designated at fair value through profit or loss						
Receivables from customers	—	—	—	9	43	52
Financial assets mandatorily at fair value through profit or loss						
Receivables from customers	—	—	2	116	55	173
Bonds and other securities	—	—	177	83	24	284
Financial assets at fair value through other comprehensive income						
Bonds and other fixed income securities	—	3	313	1,705	667	2,688
At amortized cost						
Receivables from customers	1,327	834	1,843	8,998	20,331	33,333
Receivables from credit institutions	—	395	35	4	66	500
Bonds and other fixed income securities	—	37	245	1,255	2,123	3,660
Total	1,327	1,269	2,615	12,170	23,309	40,690

18 | Property, plant and equipment, Investment properties

Changes in property, plant and equipment 2024

in € million	Carrying amount 31.12.2023	Acquisition cost 01.01.2024	Change in scope of consolidation Acquisition cost	Change in foreign exchange differences	Additions
Property, plant and equipment	259	482	—	—	30
Land and buildings used by the enterprise for its own operations	21	35	—	—	—
Office furniture and equipment	70	176	—	—	10
Plant under construction	—	—	—	—	2
Right of use assets IFRS 16	168	271	—	—	18

(Continued) Changes in property, plant and equipment 2024

in € million	Disposals	Reallocations	Write-downs cumulative	Carrying amount 31.12.2024	Depreciation (-), impairments (-) and reversal of impairments (+) Financial year
Property, plant and equipment	(12)	—	(246)	254	(35)
Land and buildings used by the enterprise for its own operations	—	—	(14)	21	(1)
Office furniture and equipment	(9)	—	(108)	69	(10)
Plant under construction	—	—	—	2	—
Right of use assets IFRS 16	(3)	—	(124)	162	(24)

Changes in property, plant and equipment 2023

in € million	Carrying amount 31.12.2022	Acquisition cost 01.01.2023	Change in scope of consolidation Acquisition cost	Change in foreign exchange differences	Additions
Property, plant and equipment	268	468	12	—	26
Land and buildings used by the enterprise for its own operations	15	27	8	—	—
Office furniture and equipment	75	180	2	—	6
Plant under construction	1	1	—	—	—
Right of use assets IFRS 16	177	260	2	—	20

(Continued) Changes in property, plant and equipment 2023

in € million	Disposals	Reallocations	Write-downs cumulative	Carrying amount 31.12.2023	Depreciation (-), impairments (-) and reversal of impairments (+) Financial year
Property, plant and equipment	(24)	—	(223)	259	(33)
Land and buildings used by the enterprise for its own operations	—	—	(14)	21	—
Office furniture and equipment	(13)	1	(106)	70	(10)
Plant under construction	—	(1)	—	—	—
Right of use assets IFRS 16	(11)	—	(103)	168	(23)

Changes in investment properties as of 31.12.2024

in € million	Carrying amount 31.12.2023	Change in scope of consolidation	Change in foreign exchange differences	Changes in fair value valuation in accordance with IAS 40
Investment properties	75	(3)	3	(9)

(Continued) Changes in investment properties as of 31.12.2024

in € million	Additions	Disposals	Reallocations	Reclassification to/from non- current assets held for sale	Carrying amount 31.12.2024
Investment properties	—	(16)	—	—	50

Changes in investment properties as of 31.12.2023

in € million	Carrying amount 31.12.2022	Change in scope of consolidation	Change in foreign exchange differences	Changes in fair value valuation in accordance with IAS 40
Investment properties	84	—	2	(10)

(Continued) Changes in investment properties as of 31.12.2023

in € million	Additions	Disposals	Reallocations	Reclassification to/from non- current assets held for sale	Carrying amount 31.12.2023
Investment properties	—	(1)	—	—	75

19 | Goodwill, brand names and customer relationships and Software and other intangible assets

The brand name “BAWAG P.S.K.” with a book value of € 114 million (2023: € 114 million), customer relationships of Group companies with a total book value of € 102 million (2023: € 113 million) and software and other intangible assets with a total book value of € 180 million (2023: € 177 million) are the Bank’s most important intangible non-current assets. The book value of the customer relationships is amortized on a straight-line pro rata temporis basis.

The discount rate used for impairment testing is before taxes and was estimated based on average equity returns in the sector. The euro risk-free interest rate used is the yield on government bonds with a remaining term to maturity of 30 years published by the German central bank. The Swiss franc interest rate used is the yield on zero coupon bonds with a maturity of at least 30 years published by the Swiss National Bank. This discount rate is adjusted by applying a risk premium that reflects the higher general risk associated with an equity

investment and the specific risk of the individual cash-generating unit.

The line items Goodwill, Brand names and customer relationships, and Software and other intangible assets are shown under the line item Intangible non-current assets in Note 34.

Changes in Goodwill, Brand names and customer relationships, Software and other intangible assets 2024

in € million	Carrying amount 31.12.2023	Acquisition cost 01.01.2024	Change in scope of consolidation Acquisition cost	Change in foreign exchange differences	Additions
Goodwill	118	682	—	1	—
Brand names and customer relationships	238	492	9	—	—
Software and other intangible assets	177	643	—	—	38
Software and other intangible non-current assets	174	632	—	—	32
Thereof purchased	76	452	—	—	7
Thereof internally generated	98	180	—	—	25
Intangible non-current assets in development	3	3	—	—	6
Thereof purchased	1	1	—	—	2
Thereof internally generated	2	2	—	—	4
Rights and compensation payments	—	8	—	—	—

(Continued) Changes in Goodwill, Brand names and customer relationships, Software and other intangible assets 2024

in € million	Disposals	Reallocations	Write-downs cumulative	Carrying amount 31.12.2024	Amortization (-), impairments (-) and reversal of impairments (+) Financial year
Goodwill	—	—	(564)	119	—
Brand names and customer relationships	(14)	—	(245)	233	(10)
Software and other intangible assets	(13)	—	(487)	180	(33)
Software and other intangible non-current assets	(13)	1	(479)	173	(33)
Thereof purchased	(12)	—	(378)	69	(13)
Thereof internally generated	(1)	1	(101)	104	(20)
Intangible non-current assets in development	—	(1)	—	7	—
Thereof purchased	—	—	—	3	—
Thereof internally generated	—	(1)	—	4	—
Rights and compensation payments	—	—	(8)	—	—

Changes in Goodwill, Brand names and customer relationships, Software and other intangible assets 2023

in € million	Carrying amount 31.12.2022	Acquisition cost 01.01.2023	Finalization of the initial purchase price allocation	Change in scope of consolidation Acquisition cost	Change in foreign exchange differences
Goodwill	98	662	(4)	23	1
Brand names and customer relationships	242	486	5	—	1
Software and other intangible assets	182	622	—	—	—
Software and other intangible non-current assets	176	607	—	—	—
Thereof purchased	83	450	—	—	—
Thereof internally generated	93	157	—	—	—
Intangible non-current assets in development	6	6	—	—	—
Thereof purchased	2	2	—	—	—
Thereof internally generated	4	4	—	—	—
Rights and compensation payments	—	9	—	—	—

(Continued) Changes in Goodwill, Brand names and customer relationships, Software and other intangible assets 2023

in € million	Additions	Disposals	Reallocations	Write-downs cumulative	Carrying amount 31.12.2023
Goodwill	—	—	—	(564)	118
Brand names and customer relationships	—	—	—	(254)	238
Software and other intangible assets	27	(6)	—	(466)	177
Software and other intangible non-current assets	24	(5)	6	(458)	174
Thereof purchased	5	(5)	2	(376)	76
Thereof internally generated	19	—	4	(82)	98
Intangible non-current assets in development	3	—	(6)	—	3
Thereof purchased	1	—	(2)	—	1
Thereof internally generated	2	—	(4)	—	2
Rights and compensation payments	—	(1)	—	(8)	—

(Continued) Changes in Goodwill, Brand names and customer relationships, Software and other intangible assets 2023

in € million	Amortization (-), impairments (-) and reversal of impairments (+) Financial year
Goodwill	—
Brand names and customer relationships	(10)
Software and other intangible assets	(32)
Software and other intangible non-current assets	(32)
Thereof purchased	(14)
Thereof internally generated	(18)
Intangible non-current assets in development	—
Thereof purchased	—
Thereof internally generated	—
Rights and compensation payments	—

The following table shows the material intangible assets with their respective book value and their remaining useful life:

Intangible assets	Book value as of 31.12.2024 in € million	Remaining useful life	Book value as of 31.12.2023 in € million
Total goodwill	119		118
thereof: goodwill easybank franchise	59	Indefinite	59
thereof: goodwill brokerage business	1	Indefinite	1
thereof: goodwill Zahnärztekasse	24	Indefinite	24
thereof: goodwill Health Coevo	15	Indefinite	15
thereof: goodwill Idaho First Bank	20	Indefinite	19
Total brand names	130		125
thereof: brand name BAWAG P.S.K.	114	Indefinite	114
thereof: brand name Südwestbank franchise	—	Indefinite	1
thereof: brand name Zahnärztekasse AG	7	Indefinite	7
thereof: brand name Health Coevo AG	2	Indefinite	2
thereof: brand name Knab	7	Indefinite	—
Total customer relationships	102		113
thereof: customer relationships BAWAG P.S.K.	77	6–15 years	83
thereof: customer relationships Südwestbank franchise	—	13 years	1
thereof: customer relationships brokerage business	11	7–13 years	11
thereof: customer relationships start:bausparkasse Austria	3	12 years	3
thereof: customer relationships Paylife	1	1 years	3
thereof: customer relationships IMMO-BANK	—	12 years	1
thereof: customer relationships Zahnärztekasse AG	2	3 years	3
thereof: customer relationships Health Coevo	1	2 years	1
thereof: customer relationships BFL GmbH	—	4 years	2
thereof: customer relationships Idaho First Bank	5	9 years	5
thereof: customer relationships Knab	2	10 years	—
Total other intangibles	180		177
thereof: core banking system for Austrian operations (Allegro)	35	16 years	35

Brand names have an indefinite useful life and are therefore tested for impairment at the end of each financial year or when an impairment trigger exists based on the current business plan and other external and internal indicators.

If the carrying amount of the brand name is higher than the recoverable amount, an impairment loss will be recognized. The recoverable amount is calculated using a modified relief from royalty method. BAWAG uses the brand's fair value less cost of disposal as its recoverable amount, utilizing Level 2 and Level 3 input parameters. Major parameters are brand-specific core income and the brand's royalty rate. The cash flow projections are based on the annual profits planned by the management of the company for the next five years and a perpetual growth rate (depending on the business model 0.5% to 1.0%) thereafter (2023: 0.5% to 1.0%). The after-tax discount rate was set at 6.97% for Zahnärztekasse AG, 9.02% for Idaho First Bank and 9.02% for other entities (2023: 6.96% for Zahnärztekasse AG, 9.70% for Idaho First Bank and 9.43%

for other entities). Additionally, asset-specific premiums between 1% and 2% are added to the discount rate (2023: between 1% and 2%).

As of 31 December 2024, based on the analyses and results of the impairment tests, the brand name Südwestbank franchise with a book value of € 1 million was derecognized in full (2023: impairment of € 0.5 million).

Customer relationships were reviewed for impairment in the event that there was objective evidence of an impairment trigger (such as customer development differing from the initial plans). The fair value or value in use was calculated for all customer relationships taking into account current experience on customer retention, current cash flow forecasts and discount rates. Fair value was calculated using either the value in use or fair value less cost of disposal valuations, using the multi-period excess earnings method, utilizing Level 2 and Level 3 input parameters. Major input parameters used in

customer relationships valuation were customer-specific income, churn rate and asset charge. Fair value less costs of disposal represents the recoverable amount from the sale in an arm's length transaction. The value in use is determined by discounting the cash flows at a rate that contains present market rates and the specific risks of the entity.

The planning projections take into account impacts due to the current geopolitical situation. As of 31 December 2024, based on the analyses and results of the impairment tests, the customer relationships Südwestbank franchise, IMMO-BANK and BFL GmbH with a total book value of € 3 million were derecognized in full (2023: no impairment). All customer relationships are part of the Corporate Center segment. The original valuation was performed by an external advisor; the impairment test was carried out internally.

Impairment testing for cash-generating units with goodwill

For the purposes of impairment testing, goodwill is assigned to the following cash-generating units (CGU) as follows:

in € million	31.12.2024	31.12.2023
easybank franchise	59	59
Zahnärztekasse AG	24	24
Idaho First Bank	20	19
Health Coevo AG	15	15
Brokerage business	1	1
Goodwill	119	118

The material assumptions made in estimating the recoverable amount (value in use) are explained below. Material assumptions are based on assessments of future developments in the relevant sectors and are based on information obtained from external and internal sources.

The forecast is subject to greater uncertainty due to the current geopolitical situation, which has been reflected in the current cash flow projections. These projections take into account the most recent forecasts including the observed and expected impact of the current geopolitical situation on the relevant CGU's profitability. The planning assumptions for the period 2025–2029 are based on the ECB's economic assumptions and adequate estimates for risk costs. The planning input is based on the business strategy, which envisages organic growth in the core market and continuous improvement of our product range.

in %	2024	2023
Pre-tax discount rate easybank franchise	11.4%	12.0%
Pre-tax discount rate Zahnärztekasse AG	8.1%	10.9%
Pre-tax discount rate Health Coevo AG	13.2%	13.8%
Pre-tax discount rate brokerage business	—%	—%
Pre-tax discount rate Idaho First Bank	12.5%	13.1%
Planned profit growth rate (average for the next five years) easybank franchise	10.5%	10.0%
Planned profit growth rate (average for the next five years) Zahnärztekasse AG	0.7%	5.1%
Planned profit growth rate (average for the next five years) Health Coevo AG	6.5%	16.5%
Planned profit growth rate (average for the next five years) brokerage business	—%	—%
Planned profit growth rate (average for the next five years) Idaho First Bank	18.6%	5.8%
Sustainable growth rate easybank franchise	0.5%	0.5%
Sustainable growth rate Zahnärztekasse AG	0.5%	0.5%
Sustainable growth rate Health Coevo AG	0.5%	0.5%
Sustainable growth rate brokerage business	—%	—%
Sustainable growth rate Idaho First Bank	0.5%	0.5%

The discount rate of Zahnärztekasse AG is based on CHF (2023: EUR), that of Idaho First Bank on USD (2023: EUR).

The cash flow projections are based on the annual profits planned by the management for the next five years and a perpetual growth rate thereafter. The sustainable growth rate was determined on the basis of the estimated long-term annual profit growth rate, which matches the assumption that a market participant would make. In order to keep growth properly equity backed, profit retentions have been considered in the valuation, both in the planned period and in the calculation of the continuing value.

Sensitivity analysis as of 31.12.2024

A sensitivity analysis was used to test the robustness of the impairment test for goodwill, which was based on the assumptions outlined above. A change in the discount rate and a change in growth were chosen as the relevant parameters. The table below shows to what extent an increase in the discount rate or a decline in growth after 2025 could occur without the fair value of the cash-generating unit falling below the carrying value (equity plus goodwill).

	Change in discount rate (in percentage pts)	Change in growth after 2025 (in %)
easybank franchise	24.01	(19.46%)
Zahnärztekasse AG	0.54	(2.04%)
Health Coevo AG	7.07	(12.97%)
Idaho First Bank	27.99	<(20)%
PSA Payment Services Austria GmbH	10.01	0.00%

in € million	Discount rate increase by 1%	Decrease of net profit by 10% in the period 2025–2027
Fully consolidated		
easybank franchise	no impairment	no impairment
Zahnärztekasse AG	(3.5)	no impairment
Health Coevo AG	no impairment	no impairment
Idaho First Bank	no impairment	no impairment
Equity method		
PSA Payment Services Austria GmbH	no impairment	no impairment

Sensitivity analysis as of 31.12.2023

	Change in discount rate (in percentage pts)	Change in growth after 2024 (in %)
easybank franchise	16.01	(12.97%)
Zahnärztekasse AG	0.18	(0.58%)
Health Coevo AG	8.24	(16.17%)
Idaho First Bank	2.65	(6.00%)
PSA Payment Services Austria GmbH	0.00	0.00%
BAWAG P.S.K. Versicherung Aktiengesellschaft	(6.10)	<(20)%

in € million	Discount rate increase by 1%	Decrease of net profit by 10% in the period 2024–2026
Fully consolidated		
easybank franchise	no impairment	no impairment
Zahnärztekasse AG	(3.2)	(0.1)
Health Coevo AG	no impairment	no impairment
Idaho First Bank	no impairment	no impairment
Equity method		
BAWAG P.S.K. Versicherung Aktiengesellschaft	no impairment	no impairment
PSA Payment Services Austria GmbH	no impairment	no impairment

Sensitivity analysis as of 31.12.2024 for brand name BAWAG P.S.K.

A sensitivity analysis was used to test the robustness of the impairment test for the brand name BAWAG P.S.K., which was based on the assumptions outlined above. A change in the discount rate and a change in growth were chosen as the relevant parameters. The table below shows to what extent an increase in the discount rate or a decline in growth after 2025 could occur without the value-in-use of the brand name falling below the carrying value.

	Change in discount rate (in percentage pts)	Change in growth after 2025 (in %)
Brand name BAWAG P.S.K.	>20	<(20)%

in € million	Discount rate increase by 1%	Decrease of net profit by 10% in the period 2025–2027
Brand name BAWAG P.S.K.	no impairment	no impairment

Sensitivity analysis as of 31.12.2023 for brand name BAWAG P.S.K.

A sensitivity analysis was used to test the robustness of the impairment test for the brand name BAWAG P.S.K., which was based on the assumptions outlined above. A change in the discount rate and a change in growth were chosen as the relevant parameters. The table below shows to what extent an increase in the discount rate or a decline in growth after 2024 could occur without the value-in-use of the brand name falling below the carrying value.

	Change in discount rate (in percentage pts)	Change in growth after 2024 (in %)
Brand name BAWAG P.S.K.	>20	<(20)%

in € million	Discount rate increase by 1%	Decrease of net profit by 10% in the period 2024–2026
Brand name BAWAG P.S.K.	no impairment	no impairment

20 | 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	31.12.2024	31.12.2023
Financial liabilities designated at fair value through profit or loss	41	146
Financial liabilities at amortized cost	401	221
Financial assets at fair value through other comprehensive income	4	21
Provisions	12	5
Liabilities held for trading	57	77
Hedging derivatives	22	12
Tax loss carryforwards	6	2
Other	9	6
Deferred tax assets	552	490
Deferred tax assets netted with deferred tax liabilities	(431)	(472)
Deferred tax assets reported on the balance sheet¹	121	18
Financial assets at fair value through profit or loss	13	4
Financial assets at amortized cost	466	514
Internally generated intangible assets	23	23
Other intangible assets	48	50
Deferred tax liabilities	550	591
Deferred tax liabilities netted with deferred tax assets	(431)	(472)
Deferred tax liabilities reported on the balance sheet	119	119

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.

Temporary differences for which no deferred tax liabilities were recognized, as permitted by IAS 12.39, came to € 1,021 million (2023: € 578 million). IAS 12.39 stipulates that in the

case of temporary differences associated with investments in subsidiaries, deferred tax liabilities do not have to be recognized if the parent is able to control the timing of the reversal of the temporary difference and it is not probable that the temporary difference will be reversed in the foreseeable future.

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

As of 31 December 2024, deferred tax assets on tax loss carryforwards of BAWAG amount to € 6 million (31 December 2023: € 2 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 can be seen in the table above, the Statement of Financial Position shows a net deferred tax asset of € 2 million (31 December 2023: liability of € 101 million). There is no increased risk that deferred tax assets cannot be used for future taxable profits.

21 | Other assets

in € million	31.12.2024	31.12.2023
Accruals	42	31
Contract assets	12	7
Other items	228	207
Other assets	282	245

The other items include accounts relating to payment and miscellaneous other assets. As of 31 December 2024, other assets in the amount of € 82 million (31 December 2023: € 2 million) have a maturity of more than one year.

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

According to IFRS 5, disposal groups consisting of assets and liabilities are to be classified as held for sale when the associated carrying amount stems primarily from a sale transaction and not from continued usage, and the sale is expected to be effected within twelve months.

On 15 December 2023, BAWAG announced the sale of start:bausparkasse AG in Germany to Wüstenrot Bausparkasse AG in Germany. After the approval of the antitrust and supervisory authorities, the transaction was closed on 1 July 2024.

The sale of the investment in BAWAG P.S.K. Versicherung AG, Vienna, which was accounted for using the equity method, was also closed in 2024.

The remaining book value of investment properties classified as non-current assets held for sale amounted to € 5 million as of 31 December 2024 (31 December 2023: € 5 million). These non-current assets held for sale are reported in the segment Corporate Center.

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

in € million	31.12.2024	31.12.2023
Issued bonds, subordinated and supplementary capital	100	131
Issued debt securities and other securitized liabilities	63	63
Subordinated capital	14	29
Short-term notes and non-listed private placements	23	39
Deposits from customers	—	5
Financial liabilities designated at fair value through profit or loss	100	136

The issued bonds are listed securities. Financial liabilities designated at fair value through profit or loss include issues of the former P.S.K. that are guaranteed by the Republic of Austria.

The carrying amount of the securities issued by BAWAG and recognized at their fair value as of 31 December 2024 was € 0.2 million below their repayment amount (2023: € 2 million below the repayment amount).

24 | Financial liabilities held for trading

in € million	31.12.2024	31.12.2023
Derivatives trading book	—	2
Interest rate derivatives	—	2
Derivatives banking book	454	461
Foreign currency derivatives	44	15
Interest rate derivatives	405	444
Credit derivatives	5	2
Financial liabilities held for trading	454	463

25 | Financial liabilities measured at amortized cost

in € million	31.12.2024	31.12.2023
Deposits from credit institutions	1,264	1,809
Deposits from customers	46,170	33,270
Current accounts	19,450	15,685
Retail & SME	16,154	12,944
Corporates, Real Estate & Public Sector	3,278	2,726
Treasury	4	—
Corporate Center	14	15
Deposits	26,720	17,585
Daily deposits	16,847	10,141
Retail & SME	16,517	9,753
Corporates, Real Estate & Public Sector	281	257
Treasury	5	—
Corporate Center	44	131
Term deposits	9,873	7,444
Retail & SME	6,997	4,035
Corporates, Real Estate & Public Sector	2,808	3,860
Treasury	68	—
Corporate Center	—	—
Reclassification of start:bausparkasse Germany term deposits to held for sale (IFRS 5)	—	-451
Issued bonds, subordinated and supplementary capital	17,174	13,594
Issued debt securities	15,280	11,906
Subordinated capital	—	—
Supplementary capital	630	693
Other obligations evidenced by paper	1,264	995
Financial liabilities at amortized cost	64,608	48,673

The issued bonds are mainly listed securities.

As of 31 December 2024, BAWAG utilized no funding under the ECB's TLTRO III facility (31 December 2023: € 0.6 billion). An amount of € 0.6 billion was repaid in March 2024 due to contractual maturity.

The interest expense from the TLTRO III program amounting to € 5.8 million (2023: interest expense amounting to € 59.8 million) is reported under interest expense (2023: under interest expense).

26 | Issued bonds, subordinated and supplementary capital

Issued bonds, subordinated and supplementary capital are shown in the category Financial liabilities designated at fair value through profit or loss and in the category Financial liabilities measured at amortized cost. The total volume amounts to (IFRS book values):

	Recognized at fair value		Recognized at amortized cost		Total	
in € million	2024	2023	2024	2023	2024	2023
Issued bonds (own issues)	63	63	15,280	11,906	15,343	11,969
Subordinated capital	14	29	—	—	14	29
Supplementary capital	—	—	630	693	630	693
Short-term notes and unlisted private placements	23	39	1,264	995	1,287	1,034
Total	100	131	17,174	13,594	17,274	13,725

The following table shows the main conditions of issued bonds exceeding a nominal value of € 200 million:

ISIN	Type	Currency	Nominal value in EUR million	Type of interest payment	Coupon	Maturity date
XS2180667474	Secured	EUR	1,540 ¹	Fixed	0.500% until & excluding first optional redemption date/0.750% from & including first optional redemption date	28.01.2092
XS2523326853	Covered	EUR	1,250	Fixed	2.000%	25.08.2032
XS2570759154	Covered	EUR	850	Fixed	3.130%	12.01.2029
XS2234573710	Covered	EUR	750	Fixed	0.010%	23.09.2030
XS2468221747	Covered	EUR	750	Fixed	1.125%	31.07.2028
XS2487770104	Covered	EUR	750	Fixed	1.750%	08.03.2030
XS2556232143	Covered	EUR	750	Fixed	3.000%	17.05.2027
XS2618704014	Covered	EUR	750	Fixed	3.380%	04.05.2026
XS2773068676	Covered	EUR	750	Fixed	3.125%	27.02.2031
XS1551294926	Covered	EUR	500	Fixed	0.750%	18.01.2027
XS1637329639	Covered	EUR	500	Fixed	0.010%	27.06.2027
XS2013520023	Covered	EUR	500	Fixed	0.625%	19.06.2034
XS2049584084	Senior unsecured	EUR	500	Fixed	0.375%	03.09.2027
XS2058855441	Covered	EUR	500	Fixed	0.010%	02.10.2029
XS2257857834	Covered	EUR	500	Fixed	0.0001%	16.11.2025
XS2259776230	Covered	EUR	500	Fixed	0.010%	19.11.2035
XS2106563161	Covered	EUR	500	Fixed	0.010%	21.01.2028
XS2320539765	Covered	EUR	500	Fixed	0.375%	25.03.2041
XS2340854848	Covered	EUR	500	Fixed	0.100%	12.05.2031
XS2351073098	Covered	EUR	500	Fixed	0.038%	06.09.2036
XS2380748439	Covered	EUR	500	Fixed	0.010%	03.09.2029
XS2429205540	Covered	EUR	500	Fixed	0.250%	12.01.2032
XS2531479462	Senior unsecured	EUR	500	Fixed	4.130%	18.01.2027
XS2642546399	Covered	EUR	500	Fixed	0.034%	28.06.2030
XS2714460719	Covered	EUR	500 ¹	Fixed	0.035%	14.11.2028
XS2714464117	Covered	EUR	500 ¹	Fixed	0.035%	14.11.2029
XS2831056101	Covered	EUR	500 ¹	Fixed	0.032%	30.05.2032
XS2851605886	Senior unsecured	EUR	500	Fixed	3.125%	10.03.2029
XS2707629056	Tier II	EUR	400	Fixed	6.750%	24.02.2034
XS2843020525	Covered	EUR	250 ¹	Zero coupon	—%	18.06.2034
AT0000A31L43	Senior unsecured	EUR	200 ²	Fixed	3.750%	10.02.2026
XS2230264603	Tier II	EUR	200	Fixed	Fixed coupon until reset date (23 September 2025) of 1.875%, from including 23 September 2025 to final maturity (23 September 2030), the annual coupon will be a fixed coupon corresponding to 5y swap rate + 235bp, with the 5y swap rate being fixed two payment days before the reset date	23.09.2030

¹ Fully retained by BAWAG.

² Thereof € 2 million bought back.

27 | Liabilities maturities

The following tables depict a breakdown of the financial liabilities (excluding derivatives) by legal maturity.

Financial liabilities – breakdown by remaining period to maturity 2024

31.12.2024 in € million	Repayable on demand	Up to 3 months	3 months up to 1 year	1–5 years	Over 5 years	Total
Liabilities designated at fair value through profit or loss						
Deposits from customers	—	—	—	—	—	—
Bonds	—	10	31	—	22	63
Subordinated capital	—	—	—	14	—	14
Short-term notes and non-listed private placements	—	7	—	16	—	23
Liabilities at amortized cost						
Deposits from customers	36,156	3,555	3,528	1,152	1,779	46,170
Deposits from credit institutions	59	506	11	47	641	1,264
Bonds	—	266	645	7,704	6,665	15,280
Subordinated capital	—	—	—	—	—	—
Supplementary capital	—	—	201	422	8	631
Short-term notes and non-listed private placements	—	220	73	493	478	1,264
Total	36,215	4,564	4,489	9,848	9,593	64,709

Financial liabilities – breakdown by remaining period to maturity 2023

31.12.2023 in € million	Repayable on demand	Up to 3 months	3 months up to 1 year	1–5 years	Over 5 years	Total
Liabilities designated at fair value through profit or loss						
Deposits from customers	—	—	5	—	—	5
Bonds	—	—	7	36	20	63
Subordinated capital	—	16	—	13	—	29
Short-term notes and non-listed private placements	—	—	14	25	—	39
Liabilities at amortized cost						
Deposits from customers	25,718	3,683	3,235	556	78	33,270
Deposits from credit institutions	231	829	17	54	678	1,809
Bonds	—	—	53	5,253	6,600	11,906
Subordinated capital	—	—	—	—	—	—
Supplementary capital	—	—	—	591	102	693
Short-term notes and non-listed private placements	—	21	23	903	48	995
Total	25,949	4,549	3,354	7,431	7,526	48,809

28 | Provisions

in € million	31.12.2024	31.12.2023
Provisions for social capital	234	217
Thereof for severance payments	64	65
Thereof for pension provisions	169	150
Thereof for jubilee benefits	1	2
Anticipated losses from pending business	16	14
Credit promises and guarantees	16	14
Other items including legal risks	35	—
Provisions	285	231

Provisions for social capital are long-term liabilities. Provisions for anticipated losses from pending business in the amount of € 16 million (2023: € 14 million) and other risks including legal risks in the amount of € 5 million (2023: € 0 million) are expected to be used after more than 12 months. In the financial year 2024 a provision in the amount of € 5 million relating to the interbank exemption pursuant to Art 6 sec 1 subsec 28 (2nd sentence) Austrian VAT Act was allocated. This exemption might be classified by the European Court of Justice or the EU Commission as aid that is not compatible with EU law and might therefore have to be refunded.

Other items include provisions of € 25 million for legal, integration and litigation risk that have been recognized as part of the purchase price allocation for Knab (see Note 37).

Changes in social capital

in € million	Provisions for pensions	Provisions for severance payments
Defined benefit obligation as of 01.01.2024	190	65
Service cost	—	3
Interest cost	6	2
Actuarial gain/loss		
from financial assumptions	(6)	(3)
due to other reasons, mainly experience results	6	3
Other		
Payments	(14)	(6)
Defined benefit obligation as of 31.12.2024	182	64
Fair value of plan assets	(13)	—
Provision as of 31.12.2024	169	64

in € million	Provisions for pensions	Provisions for severance payments
Defined benefit obligation as of 01.01.2023	185	65
Service cost	—	3
Interest cost	7	2
Actuarial gain/loss		
from financial assumptions	4	(1)
experience results	8	3
Other		
Payments	(14)	(7)
Defined benefit obligation as of 31.12.2023	190	65
Fair value of plan assets	(13)	—
Reclassification to non-current assets and disposal groups classified as held for sale	27	—
Provision as of 31.12.2023	150	65

On 31 December 2024, the weighted average duration was 8.95 years (2023: 9.42 years) for defined benefit obligations relating to Austrian pension plans, 10.65 years for German pension plans (2023: 10.88 years), 12.30 years for Swiss pension plans (2023: 15.50 years) and 9.33 years (2023: 9.73 years) for obligations arising from entitlement to severance payments.

Assignable unit-linked pension fund assets

in € million	2024	2023
Pension fund assets as of 01.01.	13	11
Foreign exchange differences	—	—
Additions	1	1
Payments	(1)	—
Fair value changes	—	—
Returns on plan assets	—	1
Pension fund assets as of 31.12.	13	13

The fair value changes contain expected returns on plan assets, actuarial gains and losses, contributions by the employer, contributions by plan participants and benefits paid.

The pension fund assets consist of:

in %	2024	2023
Bonds	42%	43%
Equities	28%	26%
Real estate	16%	16%
Cash and cash equivalents	1%	2%
Alternative investments	3%	3%
Other	10%	10%

Bonds issued by BAWAG P.S.K. amount to 0.051% of plan assets.

All equity securities and fixed-income bonds have quoted prices in active markets. All fixed-income investments are mainly issued by European entities and have an average rating of A-.

The strategic investment policy of the pension funds can be summarized as follows:

- a strategic asset mix comprising 42% bonds, 28% equities, 16% real estate and 14% other investments;

→ the weighting of the investment classes may vary from the long-term strategic asset allocation within a defined range: bonds: 25%–100%, equities: 10%–18%, other investments: 0%–37%;

→ interest rate risk is monitored and managed through active duration risk management of all fixed-income assets;

→ currency risk is managed with the objective of reducing the risk to a maximum of 20%.

BAWAG expects that payments in the amount of € 0.2 million will have to be made to the pension fund in 2025 (2024: € 0.2 million) for asset purchases.

Sensitivity analysis

Reasonably possible changes to one of the relevant actuarial assumptions on the reporting date, holding other assumptions constant, would have resulted in the following defined benefit obligation for pension and severance payments. The basis for the calculation is the present value of the defined benefit obligations as of 31 December 2024 in the amount of € 246 million (2023: € 255 million):

Sensitivity analysis as of 31 December 2024

in € million	Provisions for post-employment benefits and severance payments	
	Increase of variable	Decrease of variable
Discount rate – 1 percentage point movement	216	262
Future salary growth – 1 percentage point movement	259	217
Attrition – 1 percentage point movement	231	237
Future mortality – 1 percentage point movement (post-employment benefits only)	174	174

Sensitivity analysis as of 31 December 2023

in € million	Provisions for post-employment benefits and severance payments	
	Increase of variable	Decrease of variable
Discount rate – 1 percentage point movement	224	274
Future salary growth – 1 percentage point movement	272	226
Attrition – 1 percentage point movement	241	247
Future mortality – 1 percentage point movement (post-employment benefits only)	182	182

Changes in other provisions

in € million	Balance 01.01.2024	Added	Used	Released	Other adjustments	Balance 31.12.2024
Other provisions	14	42	(2)	(3)	—	51
Anticipated losses from pending business	14	7	(2)	(3)	—	16
Other items	—	35	—	—	—	35

in € million	Balance 01.01.2023	Added	Used	Released	Other adjustments	Balance 31.12.2023
Other provisions	24	6	(3)	(12)	(1)	14
Anticipated losses from pending business	13	6	(1)	(4)	—	14
Other items	11	—	(2)	(8)	(1)	—

29 | Other obligations

in € million	31.12.2024	31.12.2023
Accounts relating to payment transactions	254	259
Lease liabilities IFRS 16	172	181
Liabilities resulting from restructuring	28	28
Other liabilities	332	299
Accruals	40	16
Other obligations	826	783

According to IFRS 16, a lease liability is recognized at the commencement of a lease. The lease liability is measured at the present value of the lease payments. As of 31 December 2024, other obligations in the amount of € 302 million (31 December 2023: € 262 million) have a maturity of more than one year.

30 | Hedging derivatives

in € million	31.12.2024	31.12.2023
Hedging derivatives in fair value hedges		
Positive market values	315	37
Negative market values	56	89
Hedging derivatives in cash flow hedges		
Positive market values	16	206
Negative market values	226	123
Hedging derivatives in net investment hedge		
Positive market values	—	4
Negative market values	9	2

Fair value hedge

	Notional of hedged items		Net book value of hedging instruments		Net result of hedged item and hedging instrument recognized in the financial year	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
in € million						
Financial assets at fair value through other comprehensive income	1,340	2,576	—	—	1	(6)
Securities	1,340	2,576	—	—	1	(6)
Financial instruments recognized at amortized cost	41,641	33,863	259	(52)	(75)	(47)
Securities	1,056	1,455	(1)	—	2	1
Own issues	11,876	10,949	1	(1)	(13)	2
Loans to customers	14,296	9,530	281	40	(66)	(31)
Liabilities to customers	14,413	11,929	(22)	(91)	2	(19)
Total	42,981	36,439	259	(52)	(74)	(53)

The valuation of hedged items and hedging instruments is recognized in profit or loss in the line item Gains and losses on financial assets and liabilities (Note 5).

Cash flow hedge

The time periods in which the hedged cash flows are expected to occur and affect profit or loss are:

31.12.2024 in € million	Within 1 year	1 to 5 years	Over 5 years	Total
	1,427	5,133	2,988	9,548

31.12.2023 in € million	Within 1 year	1 to 5 years	Over 5 years	Total
	1,676	4,919	2,567	9,162

Profile of the timing of the nominal amount of the hedging instrument:

31.12.2024 in € million	Within 1 year	1 to 5 years	Over 5 years	Total
	1,200	4,448	2,725	8,373

31.12.2023 in € million	Within 1 year	1 to 5 years	Over 5 years	Total
	1,448	4,213	2,357	8,018

Disclosure according to IFRS 7.24B a)

	Micro hedges	Hedge adjustments on micro hedges		Macro hedges
	Carrying amount	Hedge adjustments included in the carrying amount of assets/liabilities	Remaining adjustments for discontinued micro hedges including hedges of net positions	Hedged items in portfolio hedge of interest rate risk
31.12.2024 in € million				
ASSETS				
Financial assets measured at fair value through other comprehensive income				
Interest rate related	1,371	(6)	28	—
Financial assets measured at amortized cost				
Interest rate related	2,057	(265)	(17)	13,128
LIABILITIES				
Financial liabilities measured at amortized costs				
Interest rate related	11,836	(534)	(121)	14,031

	Micro hedges	Hedge adjustments on micro hedges		Macro hedges
	Carrying amount	Hedge adjustments included in the carrying amount of assets/liabilities	Remaining adjustments for discontinued micro hedges including hedges of net positions	Hedged items in portfolio hedge of interest rate risk
31.12.2023 in € million				
ASSETS				
Financial assets measured at fair value through other comprehensive income				
Interest rate related	2,525	(78)	38	—
Financial assets measured at amortized cost				
Interest rate related	2,491	(358)	(20)	8,051
LIABILITIES				
Financial liabilities measured at amortized costs				
Interest rate related	10,652	(782)	(127)	11,467

Hedged items in cash flow hedges

31.12.2024 in € million	Change in FV for the period used for calculating hedge ineffectiveness	Cash flow hedge reserve for continuing hedges	Cash flow hedge reserve for terminated hedges
Foreign exchange risk	(44)	(68)	—

31.12.2023 in € million	Change in FV for the period used for calculating hedge ineffectiveness	Cash flow hedge reserve for continuing hedges	Cash flow hedge reserve for terminated hedges
Foreign exchange risk	(5)	(24)	—

Hedged items in net investment hedges

31.12.2024 in € million	Change in FV for the period used for calculating hedge ineffectiveness	Net investment hedge reserve for continuing hedges	Net investment hedge reserve for terminated hedges
Foreign exchange risk	(9)	(10)	—

31.12.2023 in € million	Change in FV for the period used for calculating hedge ineffectiveness	Net investment hedge reserve for continuing hedges	Net investment hedge reserve for terminated hedges
Foreign exchange risk	1	(1)	—

31 | Equity**Share capital**

The fully paid-in share capital of BAWAG Group AG amounts to € 78.6 million (2023: € 78.6 million) divided into 78,600,000 bearer shares (2023: 78,600,000 bearer shares). BAWAG Group AG holds 75,954 own shares (2023: 92,396 own shares), thus the share capital amounts to € 78.5 million for accounting purposes (2023: € 78.5 million). The number of bearer shares excluding own shares is 78,524,046 (2023: 78,507,604).

Authorized capital

Pursuant to Section 5 No 7 of the Articles of Association of BAWAG Group AG, the Management Board shall be authorized, with the consent of the Supervisory Board, to increase the share capital within five years from the date of the registration of the amendment to the Articles of Association in the commercial register, also in several tranches against contributions in cash and/or contributions in kind, by up to € 31.44 million by issuing up to 31,440,000 new bearer shares with no par value and to determine the issue price conditions in agreement with the Supervisory Board (Authorized Capital 2024).

Conditional capital

In accordance with section 159 Para 2 No 1 AktG, the share capital shall be conditionally increased by up to € 7.86 million by issuing up to 7,860,000 no-par value bearer shares for the purpose of issuing them to creditors of convertible bonds which the Management Board, with the consent of the Supervisory Board, may issue in the future on the basis of the authorization granted at the Annual General Meeting on 8 April 2024. The conditional capital increase may only be carried out to the extent that creditors of convertible bonds to be issued make use of their conversion and/or subscription rights to shares of BAWAG Group AG. The amount to be issued and the conversion ratio shall be determined in accordance with the interests of BAWAG Group AG, the existing shareholders and the subscribers of the convertible bonds within the framework of a customary market pricing procedure using recognized customary market methods and the stock exchange price of BAWAG Group AG's shares. The issue price of the new shares may not be less than the proportionate amount of the share capital. The shares to be issued as part of the conditional capital increase are entitled to dividends to the same extent as the existing shares.

Capital reserves and retained earnings

Capital reserves include contributions from shareholders that do not represent subscribed capital. Retained earnings and other reserves represent accumulated net profit brought forward as well as income and expense recognized in other comprehensive income.

AT1 capital

In April 2018, BAWAG Group AG issued Additional Tier 1 capital in the amount of € 300 million. Based on the contractual framework, the issue is classified as equity in accordance with IAS 32. Expenses and tax effects directly related to the issuance are subtracted from equity. Coupon payments are recognized as dividends directly in equity. In 2024, an amount of € 262.2 million was bought back. As of 31 December 2024, the remaining volume amounts to € 37.8 million.

In September 2020, BAWAG Group AG issued Additional Tier 1 capital in the amount of € 175 million. Based on the contractual framework, the issue is classified as equity in accordance with IAS 32. Expenses and tax effects directly related to the issuance are subtracted from equity. Coupon payments are recognized as dividends directly in equity.

In September 2024, BAWAG Group AG issued Additional Tier 1 capital in the amount of € 500 million. Based on the contractual framework, the issue is classified as equity in accordance with IAS 32. Expenses and tax effects directly related to the issuance are subtracted from equity. Coupon payments are recognized as dividends directly in equity.

Dividends

BAWAG earmarked dividends of € 432 million, subject to shareholder approvals, for the financial year 2024, which will be proposed to the ordinary Annual General Meeting on 4 April 2025 (total of € 5.50 per share; based on the number of shares expected to be outstanding at the time of the Annual General Meeting).

Dividends of € 393 million (€ 5.00 per share) were distributed in 2024.

Non-controlling interests

As of 31 December 2024, non-controlling interests amount to € 0.0 million (2023: € 0.0 million).

Liability reserve (Haftrücklage)

Credit institutions are required to allocate a liability reserve (Haftrücklage) according to section 57 paragraph 5 BWG. The liability reserve may be reversed only insofar as this is required to meet obligations pursuant to section 93 BWG or to cover other losses to be reported in the annual financial statements.

Changes in other comprehensive income

in € million	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	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
Total comprehensive income 2024	760.0	(43.9)	0.1	16.0	0.8	(1.3)	(8.8)	9.9	732.8	—	732.8
Consolidated profit/loss	760.0	—	—	—	—	—	—	—	760.0	—	760.0
Income and expenses recognized directly in equity	—	(43.9)	0.1	16.0	0.8	(1.3)	(8.8)	9.9	(27.2)	—	(27.2)
Change in cash flow hedge reserve	—	(57.0)	—	—	—	—	—	—	(57.0)	—	(57.0)
Change in debt securities at fair value through other comprehensive income	—	—	—	11.8	—	—	—	—	11.8	—	11.8
Share of other comprehensive income of associates accounted for using the equity method	—	—	—	—	—	—	—	—	—	—	—
Actuarial gains (losses) on defined benefit pension plans	—	—	—	—	—	—	—	—	—	—	—
Fair value changes of shares and other equity investments at fair value through other comprehensive income	—	—	—	—	1.4	—	—	—	1.4	—	1.4
Change in credit spread of financial liabilities	—	—	—	—	—	(1.7)	—	—	(1.7)	—	(1.7)
Hedge of net investment in foreign operations	—	—	—	—	—	—	(8.8)	—	(8.8)	—	(8.8)
Foreign exchange differences	—	—	—	—	—	—	—	9.9	9.9	—	9.9
Income taxes	—	13.1	0.1	4.2	(0.6)	0.4	—	—	17.2	—	17.2

in € million	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	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
Total comprehensive income 2023	682.5	(4.5)	(10.1)	32.9	(25.6)	(2.2)	0.7	(1.8)	671.9	—	671.9
Consolidated profit/loss	682.5	—	—	—	—	—	—	—	682.5	—	682.5
Income and expenses recognized directly in equity	—	(4.5)	(10.1)	32.9	(25.6)	(2.2)	0.7	(1.8)	(10.6)	—	(10.6)
Change in cash flow hedge reserve	—	(5.2)	—	—	—	—	—	—	(5.2)	—	(5.2)
Change in debt securities at fair value through other comprehensive income	—	—	—	34.3	—	—	—	—	34.3	—	34.3
Share of other comprehensive income of associates accounted for using the equity method	—	—	—	6.9	—	—	—	—	6.9	—	6.9
Actuarial gains (losses) on defined benefit pension plans	—	—	(13.3)	—	—	—	—	—	(13.3)	—	(13.3)
Fair value changes of shares and other equity investments at fair value through other comprehensive income	—	—	—	—	(32.3)	—	—	—	(32.3)	—	(32.3)
Change in credit spread of financial liabilities	—	—	—	—	—	(1.1)	—	—	(1.1)	—	(1.1)
Hedge of net investment in foreign operations	—	—	—	—	—	—	0.7	—	0.7	—	0.7
Foreign exchange differences	—	—	—	—	—	—	—	(1.8)	(1.8)	—	(1.8)
Income taxes	—	0.7	3.2	(8.3)	6.7	(1.1)	—	—	1.2	—	1.2

Deferred income taxes recognized in other comprehensive income

	Before taxes	Income taxes	After taxes
in € million	01.01.–31.12.2024		
Cash flow hedge reserve	(57.0)	13.1	(43.9)
Actuarial gains (losses) on defined benefit pension plans	—	0.1	0.1
Debt instruments at fair value through other comprehensive income net of tax	11.8	4.2	16.0
Debt instruments at fair value through other comprehensive income net of tax from equity associates	—	—	—
Equity investments at fair value through other comprehensive income net of tax	1.4	(0.6)	0.8
Change in credit spread of financial liabilities net of tax	(1.7)	0.4	(1.3)
Hedge of net investment in foreign operations net of tax	(8.8)	—	(8.8)
Foreign exchange differences	9.9	—	9.9
Income and expenses recognized directly in equity	(44.4)	17.2	(27.2)

	Before taxes	Income taxes	After taxes
in € million	01.01.–31.12.2023		
Cash flow hedge reserve	(5.2)	0.7	(4.5)
Actuarial gains (losses) on defined benefit pension plans	(13.3)	3.2	(10.1)
Debt instruments at fair value through other comprehensive income net of tax	34.3	(8.3)	26.0
Debt instruments at fair value through other comprehensive income net of tax from equity associates	6.9	—	6.9
Equity investments at fair value through other comprehensive income net of tax	(32.3)	6.7	(25.6)
Change in credit spread of financial liabilities net of tax	(1.1)	(1.1)	(2.2)
Hedge of net investment in foreign operations net of tax	0.7	—	0.7
Foreign exchange differences	(1.8)	—	(1.8)
Income and expenses recognized directly in equity	(11.8)	1.2	(10.6)

SEGMENT REPORTING

This information is based on the Group structure as of 31 December 2024.

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, which primarily offers secured mortgage lending.

- **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:

2024 in € million	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Corporate Center	Total
Net interest income	933.9	275.8	56.1	46.0	1,311.8
Net fee and commission income	279.4	32.5	(0.4)	(1.6)	309.9
Core revenues	1,213.3	308.3	55.7	44.4	1,621.7
Other income ¹	2.9	1.4	10.6	(8.8)	6.1
Operating income	1,216.2	309.6	66.3	35.7	1,627.8
Operating expenses	(406.2)	(75.7)	(43.8)	(19.4)	(545.1)
Pre-provision profit	810.0	233.9	22.4	16.4	1,082.7
Regulatory charges	(7.8)	(3.7)	(3.3)	(0.5)	(15.3)
Total risk costs	(101.6)	20.1	0.9	(1.2)	(81.8)
Share of the profit or loss of associates accounted for using the equity method	0.0	0.0	0.0	4.3	4.3
Profit before tax	700.6	250.3	20.0	19.0	989.9
Income taxes	(175.2)	(62.5)	(5.0)	12.8	(229.9)
Profit after tax	525.4	187.8	15.1	31.7	760.0
Non-controlling interests	0.0	0.0	0.0	0.0	0.0
Net profit	525.4	187.8	15.1	31.7	760.0
Business volumes					
Assets	34,106	13,339	21,882	2,014	71,341
Liabilities	52,448	8,669	4,239	5,985	71,341
Risk-weighted assets	12,424	4,935	1,063	2,205	20,627

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

The segments in detail:

2023 restated in € million	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Corporate Center	Total
Net interest income	887.8	286.4	55.6	23.0	1,252.8
Net fee and commission income	250.8	35.3	(0.4)	(1.1)	284.6
Core revenues	1,138.6	321.7	55.2	21.9	1,537.4
Other income ¹	3.9	(3.7)	2.3	(14.4)	(12.0)
Operating income	1,142.5	318.0	57.5	7.4	1,525.4
Operating expenses	(344.9)	(78.1)	(41.7)	(20.6)	(485.4)
Pre-provision profit	797.6	239.9	15.8	(13.1)	1,040.0
Regulatory charges	(9.7)	(10.0)	(7.5)	(11.8)	(39.0)
Total risk costs	(86.1)	(5.2)	(3.4)	1.5	(93.2)
Share of the profit or loss of associates accounted for using the equity method	0.0	0.0	0.0	2.5	2.5
Profit before tax	701.8	224.7	4.9	(21.0)	910.3
Income taxes	(175.4)	(56.2)	(1.2)	5.0	(227.8)
Profit after tax	526.4	168.5	3.7	(16.0)	682.5
Non-controlling interests	0.0	0.0	0.0	0.0	0.0
Net profit	526.4	168.5	3.7	(16.0)	682.5
Business volumes					
Assets	22,021	13,328	18,758	1,341	55,448
Liabilities	37,456	8,918	3,723	5,351	55,448
Risk-weighted assets	9,354	6,352	1,892	1,719	19,317

¹ The position "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:

2024 in € million	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Corporate Center	Total
DACH / NL	1,123.5	135.2	19.0	23.8	1,301.5
thereof Austria	923.3	111.3	9.7	6.1	1,050.4
thereof Germany	123.7	21.0	6.8	1.8	153.3
Western Europe / USA	89.8	173.1	36.7	20.6	320.2
Total	1,213.3	308.3	55.7	44.4	1,621.7

2023 in € million	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Corporate Center	Total
DACH / NL	1,074.7	136.0	17.7	3.7	1,232.1
thereof Austria	877.5	108.5	2.2	14.4	1,002.6
thereof Germany	146.7	25.3	10.5	(11.0)	171.5
Western Europe / USA	63.9	185.7	37.5	18.2	305.3
Total	1,138.6	321.7	55.2	21.9	1,537.4

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

in € million	2024	2023	in € million	2024	2023
Other operating income and expenses according to segment report ¹	30.0	4.6	Operating expenses according to segment report ¹	(545.1)	(485.4)
Regulatory charges ¹	(9.5)	(34.1)	Regulatory charges ¹	(5.8)	(4.9)
Other operating income and expenses according to Consolidated Profit or Loss Statement	20.5	(29.5)	Operating expenses according to Consolidated Profit or Loss Statement	(550.9)	(490.3)

¹ In accordance with IFRS, the item Other operating income and expenses also includes regulatory charges in the amount of € 9.5 million for 2024 (2023: € 34.1 million). The item Operating expenses includes regulatory charges in the amount of € 5.8 million for 2024 as well (2023: € 4.9 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

The capital management of BAWAG is based on own funds as defined by the CRR (Capital Requirements Regulation) and the corresponding national regulations (Basel 3 Pillar 1) and the economic capital management approach (Basel 3 Pillar 2) related to the Internal Capital Adequacy Assessment Process (ICAAP).

The Group employs a centralized capital management process. The main responsibilities of this function are to continuously monitor the development of the Group's business, to analyze changes in its risk-weighted assets and to reconcile those with the available regulatory own funds or the ICAAP limit and utilization for each segment.

The capital management function is fully integrated into the Group's business planning process to ensure that the regulatory requirements as well as the target capital ratio are complied with throughout the planning horizon. Besides regulatory capital management, economic capital limits aligned with the business plan are assigned to the business segments as part of the ICAAP process.

The Capital Management Team gives recommendations to the Management Board of BAWAG Group for strengthening and optimizing the own funds position when necessary and reports to the Bank's Enterprise Risk Meeting once a month.

The ICAAP is modeled taking into account the Group's business and risk profile and is an integral part of the planning and the control system. In the course of the ICAAP, the risk-bearing capacity of the Group is ensured and the efficient use of capital for risk coverage monitored. In addition, stress tests complement the steering process.

As part of the SREP, minimum regulatory capital requirements as well as a Pillar 2 capital guidance are set for BAWAG Group. In addition to the minimum capital ratios required by the regulators, BAWAG Group defines early warning and recovery levels in BAWAG Group's recovery plan and the corresponding processes. The recovery and warning levels refer to regulatory and economic capital figures. The recovery plan was prepared within the framework of the BaSAG (Bundesgesetz über die Sanierung und Abwicklung von Banken, the Austrian Banking Resolution and Recovery Act).

BAWAG Group constantly monitors its compliance with the warning and recovery levels and therefore at the same time with the stipulated own funds ratios on the basis of the notifications sent to Oesterreichische Nationalbank (the Austrian national bank) and on the basis of current business developments.

Additionally, the Capital Management Team tracks all regulatory changes in its field of responsibility, e.g. Basel IV/V. The impact of the regulatory changes is estimated and the expected effects on the capital position of the Bank are presented to the respective division heads and board members. Expected future regulatory requirements are proactively integrated into the capital management process. This is intended to ensure that the Bank adapts its capital management procedures to the new prudential requirement in time.

Regulatory reporting on a consolidated basis is performed on the level of BAWAG Group as the EU parent financial holding company of the group of credit institutions.

As part of the BAWAG Capital Management, MREL requirements are also monitored on a regular basis. In Q1 2025, BAWAG Group received its new MREL decision from the Single Resolution Board ("SRB"). It is based on a single point of entry resolution strategy with BAWAG P.S.K. AG as the resolution entity. The MREL requirement (including combined buffer requirement) has been set at 27.1% of RWA on the consolidated level of BAWAG P.S.K. AG. The current MREL decision does not contain a subordination requirement. In addition to the MREL requirement in % of RWA, according to the new SRB decision the MREL requirement in % of LRE (leverage ratio exposure) has been set at 5.9% on the consolidated level of BAWAG P.S.K. AG.

As of 31 December 2024, BAWAG reported MREL-eligible instruments amounting to 31.8% of RWA and 9.0% of LRE (31 December 2023: MREL-eligible instruments amounting to 30.3% of RWA and 10.2% of LRE [including interim profit and the deduction of the proposed dividend]). Thereby exceeding the final requirements in % of RWA and in % of LRE.

The table below shows the breakdown of own funds of BAWAG Group applying transitional rules (including interim profit and the deduction of the proposed dividend in the amount of € 432 million payable subject to the respective resolution in the Annual General Meeting) and its own funds requirement as of 31 December 2024 and 31 December 2023 pursuant to CRR applying IFRS figures and the CRR scope of consolidation. In addition to the BAWAG Group own funds, the following tables show the breakdown of the eligible liabilities and own funds (MREL) on the consolidated level of BAWAG P.S.K. AG Group.

	BAWAG Group	
in € million	31.12.2024	31.12.2023
Share capital and reserves (including funds for general banking risk) ¹	3,753	3,468
Deduction of intangible assets	(415)	(431)
Other comprehensive income	(164)	(154)
IRB risk provision shortfalls	(21)	(6)
Prudent valuation, cumulative gains due to changes in own credit risk on fair valued liabilities, prudential filter for unrealized gains, cash flow hedge reserve	62	15
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(1)	(1)
Securitization positions which can alternatively be subject to a 1,250% risk weight	(29)	(3)
Insufficient coverage for non-performing exposures	(10)	(5)
Additional deductions of CET 1 capital due to article 3 CRR	(27)	(38)
Common Equity Tier I	3,147	2,845
Capital instruments eligible as additional Tier 1 capital	675	475
Deduction of significant investments	(72)	(68)
Additional Tier I	603	407
Tier I	3,750	3,252
Tier II capital	631	599
Tier II capital in grandfathering	8	10
Excess IRB risk provisions	—	20
Deduction of significant investments	—	(24)
Tier II	638	605
Own funds	4,388	3,857

¹ In this item, dividends not yet paid out for the financial year 2024 in the amount of € 431.9 million and a share buyback in the amount of € 0.0 million were deducted (31 December 2023: € 392.5 million in dividends not yet paid out for the financial year 2023, share buyback in the amount of € 175.0 million in financial year 2023).

Capital requirements (risk-weighted assets) based on a transitional basis

	BAWAG Group	
in € million	31.12.2024	31.12.2023
Credit risk	18,132	17,203
Operational risk	2,495	2,114
Capital requirements (risk-weighted assets)	20,627	19,317

Supplemental information on a fully loaded basis

	BAWAG Group	
	31.12.2024	31.12.2023
Common Equity Tier 1 capital ratio based on total risk	15.2%	14.7%
Total capital ratio based on total risk	21.2%	19.9%

Key figures according to CRR including its transitional rules

	BAWAG Group	
	31.12.2024	31.12.2023
Common Equity Tier 1 capital ratio based on total risk	15.3%	14.7%
Total capital ratio based on total risk	21.3%	20.0%

During the financial year 2024, BAWAG Group complied with the overall capital requirement imposed by the SREP of 10.37% CET1, 12.34% Tier 1 and 14.96% total capital or 10.87%/12.84%/15.46% including Pillar 2 guidance¹.

¹ Countercyclical buffer of 0.5639% based on exposure as of December 2024.

MREL	BAWAG P.S.K.	
	31.12.2024	31.12.2023
in € million		
Legacy MREL – Senior preferred	641	945
New senior preferred	1,363	859
Senior non-preferred and other subordinated liabilities	502	500
Eligible liabilities	2,506	2,304
Own funds	3,940	3,446
Total MREL	6,446	5,750
RWA	20,265	18,973
MREL ratio	31.8%	30.3%
MREL requirement	27.3%	22.6%
LRE	71,471	56,146
MREL ratio	9.0%	10.2%
MREL requirement	5.9%	5.9%

FURTHER DISCLOSURES REQUIRED BY IFRS

32 | Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes

Liabilities arising from financing activities are liabilities for which cash flows are classified as cash flows from financing activities in the Cash Flow Statement. At BAWAG, these are cash flows from subordinated and supplementary capital (for details regarding subordinated and supplementary capital, please refer to Note 26). Thus, the following table discloses the changes from subordinated and supplementary capital in the reporting period:

in € million	01.01.2024	Change in scope of consolidation	Fair value adjustment of hedged item from hedge accounting	Valuation of liabilities designated at fair value through profit or loss	Issuance of new bonds	Additions	Repurchase/Redemption/Cash change	Others	31.12.2024
Financial liabilities designated at fair value through profit or loss									
Subordinated and supplementary capital	29	—	—	1	—	—	(15)	(1)	14
Financial liabilities measured at amortized cost									
Subordinated and supplementary capital	693	—	8	—	—	—	(89)	19	631
Other obligations									
Lease liability	181	6	—	—	—	—	(29)	14	172

in € million	01.01.2023	Change in scope of consolidation	Fair value adjustment of hedged item from hedge accounting	Valuation of liabilities designated at fair value through profit or loss	Issuance of new bonds	Additions	Repurchase /Redemption/Cash change	Others	31.12.2023
Financial liabilities designated at fair value through profit or loss									
Subordinated and supplementary capital	90	—	—	2	—	—	(62)	(1)	29
Financial liabilities measured at amortized cost									
Subordinated and supplementary capital	645	—	17	—	399	—	(362)	(6)	693
Other obligations									
Lease liability	192	2	—	—	—	—	(31)	18	181

Regarding changes in equity due to dividends paid, please refer to the Statement of Changes in Equity.

33 | Cash flow from the sale of subsidiaries

In 2024, BAWAG sold its shares in start:bausparkasse AG in Germany after having received all regulatory approvals. The result from the sale is shown in the line item Gains and losses on financial assets and liabilities.

in € million	2024
Sales proceeds	1
Assets sold	475
Financial assets	460
Other assets	15
Debts sold	436
Financial liabilities	432
Other obligations	4
Net assets sold	39
Release of accrual for expected losses from sale recognized in the financial statements as of 31 December 2023	38
Result from the sale	—
Sales proceeds	1
Cash and cash equivalents contained in the assets sold	—
Proceeds from the sale	1

34 | Fair value

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

	Carrying amount	Fair value	Delta Fair value/ Carrying amount	Carrying amount	Fair value	Delta Fair value/ Carrying amount
in € million	31.12.2024	31.12.2024	31.12.2024	31.12.2023	31.12.2023	31.12.2023
Assets						
Cash reserves	17,604	17,604	—	12,786	12,786	—
Financial assets designated at fair value through profit or loss	45	45	—	52	52	—
Loans to customers	45	45	—	52	52	—
Financial assets mandatorily at fair value through profit or loss	579	579	—	541	541	—
Securities	335	335	—	284	284	—
Loans to customers	162	162	—	173	173	—
Subsidiaries and other equity investments	82	82	—	84	84	—
Financial assets at fair value through other comprehensive income	1,913	1,913	—	2,827	2,827	—
Debt instruments	1,769	1,769	—	2,688	2,688	—
Subsidiaries and other equity investments	144	144	—	139	139	—
Financial assets held for trading	316	316	—	103	103	—
At amortized cost	49,407	48,817	(590)	37,493	36,665	(828)
Customers	45,496	44,942	(554)	33,333	32,543	(790)
Credit institutions	830	826	(4)	500	494	(6)
Securities	3,081	3,049	(32)	3,660	3,628	(32)
Valuation adjustment on interest rate risk hedged portfolios	(218)	(218)	—	(310)	(310)	—
Hedging derivatives	331	331	—	247	247	—
Property, plant and equipment	254	n/a	n/a	259	n/a	n/a
Investment properties	50	50	—	75	75	—
Intangible non-current assets	532	n/a	n/a	533	n/a	n/a
Other assets	523	n/a	n/a	304	n/a	n/a
Non-current assets and disposal groups held for sale	5	5	—	538	n/a	n/a
Total assets	71,341			55,448		

	Carrying amount	Fair value	Delta Fair value/ Carrying amount	Carrying amount	Fair value	Delta Fair value/ Carrying amount
in € million	31.12.2024	31.12.2024	31.12.2024	31.12.2023	31.12.2023	31.12.2023
Equity and liabilities						
Financial liabilities designated at fair value through profit or loss	100	100	—	136	136	—
Issued debt securities and other securitized liabilities	86	86	—	102	102	—
Subordinated and supplementary capital	14	14	—	29	29	—
Deposits from customers	—	—	—	5	5	—
Financial liabilities held for trading	454	454	—	463	463	—
Financial liabilities at amortized cost	64,608	64,354	(254)	48,673	48,419	(254)
Deposits from credit institutions	1,264	1,269	5	1,809	1,811	2
Deposits from customers	46,170	46,153	(17)	33,270	33,261	(9)
Issued bonds, subordinated and supplementary capital	17,174	16,932	(242)	13,594	13,347	(247)
Financial liabilities associated with transferred assets	—	—	—	402	402	—
Valuation adjustment on interest rate risk hedged portfolios	(220)	(220)	—	(415)	(415)	—
Hedging derivatives	291	291	—	214	214	—
Provisions	285	n/a	n/a	231	n/a	n/a
Other obligations	1,090	n/a	n/a	1,092	n/a	n/a
Liabilities in disposal groups held for sale	—	n/a	n/a	482	n/a	n/a
Equity	4,733	n/a	n/a	4,170	n/a	n/a
Non-controlling interests	—	n/a	n/a	—	n/a	n/a
Total liabilities and equity	71,341			55,448		

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.

In the following economic view, the fair value of deposits from customers is obtained by using the present value method based on expected cash flows established in the various contracts and subsequently discounted. An internal model for estimating current account maturities and other demand deposits calibrated based on available internal historical information is used for this purpose. This model takes the sensitivity of its remuneration at market rates and the level of permanence of account balances into account.

	Carrying amount	Fair value	Delta Fair value/ Carrying amount	Carrying amount	Fair value	Delta Fair value/ Carrying amount
in € million	31.12.2024	31.12.2024	31.12.2024	31.12.2023	31.12.2023	31.12.2023
Assets						
Cash reserves	17,604	17,604	—	12,786	12,786	—
Financial assets designated at fair value through profit or loss	45	45	—	52	52	—
Loans to customers	45	45	—	52	52	—
Financial assets mandatorily at fair value through profit or loss	579	579	—	541	541	—
Securities	335	335	—	284	284	—
Loans to customers	162	162	—	173	173	—
Subsidiaries and other equity investments	82	82	—	84	84	—
Financial assets at fair value through other comprehensive income	1,913	1,913	—	2,827	2,827	—
Debt instruments	1,769	1,769	—	2,688	2,688	—
Subsidiaries and other equity investments	144	144	—	139	139	—
Financial assets held for trading	316	316	—	103	103	—
At amortized cost	49,407	48,817	(590)	37,493	36,665	(828)
Customers	45,496	44,942	(554)	33,333	32,543	(790)
Credit institutions	830	826	(4)	500	494	(6)
Securities	3,081	3,049	(32)	3,660	3,628	(32)
Valuation adjustment on interest rate risk hedged portfolios	(218)	(218)	—	(310)	(310)	—
Hedging derivatives	331	331	—	247	247	—
Property, plant and equipment	254	n/a	n/a	259	n/a	n/a
Investment properties	50	50	—	75	75	—
Intangible non-current assets	532	n/a	n/a	533	n/a	n/a
Other assets	523	n/a	n/a	304	n/a	n/a
Non-current assets and disposal groups held for sale	5	5	—	538	n/a	n/a
Total assets	71,341			55,448		

	Carrying amount	Fair value	Delta Fair value/ Carrying amount	Carrying amount	Fair value	Delta Fair value/ Carrying amount
in € million	31.12.2024	31.12.2024	31.12.2024	31.12.2023	31.12.2023	31.12.2023
Equity and liabilities						
Financial liabilities designated at fair value through profit or loss	100	100	—	136	136	—
Issued debt securities and other securitized liabilities	86	86	—	102	102	—
Subordinated and supplementary capital	14	14	—	29	29	—
Deposits from customers	—	—	—	5	5	—
Financial liabilities held for trading	454	454	—	463	463	—
Financial liabilities at amortized cost	64,608	63,863	(745)	48,673	47,524	(1,149)
Deposits from credit institutions	1,264	1,269	5	1,809	1,811	2
Deposits from customers	46,170	45,662	(508)	33,270	32,366	(904)
Issued bonds, subordinated and supplementary capital	17,174	16,932	(242)	13,594	13,347	(247)
Financial liabilities associated with transferred assets	—	—	—	402	402	—
Valuation adjustment on interest rate risk hedged portfolios	(220)	(220)	—	(415)	(415)	—
Hedging derivatives	291	291	—	214	214	—
Provisions	285	n/a	n/a	231	n/a	n/a
Other obligations	1,090	n/a	n/a	1,092	n/a	n/a
Liabilities in disposal groups held for sale	—	n/a	n/a	482	n/a	n/a
Equity	4,733	n/a	n/a	4,170	n/a	n/a
Non-controlling interests	—	n/a	n/a	—	n/a	n/a
Total liabilities and equity	71,341			55,448		

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 31 December 2024, 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 € 1.8 million (minus € 2.0 million as of 31 December 2023). 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 31 December 2024, the cumulative fair value change resulting from changes in the Group's credit rating amounted to plus € 1.1 million (plus € 2.9 million as of 31 December 2023).

A one basis point narrowing of the credit spread is expected to change their valuation by minus € 0.02 million (minus € 0.03 million as of 31 December 2023).

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 € 0.2 million as of 31 December 2024 (€ 0.2 million as of 31 December 2023) 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 2023).

A one basis point narrowing of the credit spread is expected to change their valuation by plus € 0.02 million (plus € 0.02 million as of 31 December 2023).

→ **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.

31.12.2024
in € million

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets designated at fair value through profit or loss	—	45	—	45
Financial assets mandatorily at fair value through profit or loss	2	—	577	579
Financial assets at fair value through other comprehensive income	1,384	413	116	1,913
Debt instruments	1,375	394	—	1,769
Subsidiaries and other equity investments	9	19	116	144
Financial assets held for trading	—	316	—	316
Financial assets measured at amortized cost	876	16,040	31,901	48,817
Valuation adjustment on interest rate risk hedged portfolios	—	(218)	—	(218)
Hedging derivatives	—	331	—	331
Investment properties	—	—	50	50
Total assets	2,262	16,927	32,644	51,833
Liabilities				
Financial liabilities designated at fair value through profit or loss	—	96	4	100
Issued debt securities and other securitized liabilities	—	82	4	86
Subordinated and supplementary capital	—	14	—	14
Deposits from customers	—	—	—	—
Financial liabilities held for trading	—	454	—	454
Financial liabilities at amortized cost	968	18,542	44,844	64,354
Financial liabilities associated with transferred assets	—	—	—	—
Valuation adjustment on interest rate risk hedged portfolios	—	(220)	—	(220)
Hedging derivatives	—	291	—	291
Total liabilities	—	19,163	44,848	64,979

31.12.2023 in € million	Level 1	Level 2	Level 3	Total
Assets				
Financial assets designated at fair value through profit or loss	—	52	—	52
Financial assets mandatorily at fair value through profit or loss	2	25	514	541
Financial assets at fair value through other comprehensive income	2,518	194	115	2,827
Debt instruments	2,509	179	—	2,688
Subsidiaries and other equity investments	9	15	115	139
Financial assets held for trading	—	103	—	103
Financial assets measured at amortized cost	1,366	14,214	21,085	36,665
Valuation adjustment on interest rate risk hedged portfolios	—	(310)	—	(310)
Hedging derivatives	—	247	—	247
Investment properties	—	—	75	75
Total assets	3,886	14,525	21,789	40,200
Liabilities				
Financial liabilities designated at fair value through profit or loss	—	112	24	136
Issued debt securities and other securitized liabilities	—	78	24	102
Subordinated and supplementary capital	—	29	—	29
Deposits from customers	—	5	—	5
Financial liabilities held for trading	—	463	—	463
Financial liabilities at amortized cost	—	17,119	31,300	48,419
Financial liabilities associated with transferred assets	—	402	—	402
Valuation adjustment on interest rate risk hedged portfolios	—	(415)	—	(415)
Hedging derivatives	—	214	—	214
Total liabilities	—	17,895	31,324	49,219

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 2024, securities at fair value through other comprehensive income with a book value of € 10 million (2023: € 15 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 € 0 million (2023: € 32 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:

in € million	Financial assets mandatorily at fair value through profit or loss	Financial assets designated at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial liabilities
			Debt instruments	Subsidiaries and other equity investments	
Opening balance as of 01.01.2024	514	—	—	115	24
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	—	—	—	—	—
Valuation gains (losses) in other comprehensive income					
for assets held at the end of the period	—	—	—	(2)	—
for assets no longer held at the end of the period	—	—	—	—	—
Purchases/Additions	73	—	—	4	—
Redemptions	(26)	—	—	(1)	(20)
Sales	(1)	—	—	(1)	—
Foreign exchange differences	8	—	—	4	—
Change in scope of consolidation	—	—	—	(3)	—
Closing balance as of 31.12.2024	577	—	—	116	4

in € million	Financial assets mandatorily at fair value through profit or loss	Financial assets designated at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial liabilities
			Debt instruments	Subsidiaries and other equity investments	
Opening balance as of 01.01.2023	473	—	—	149	32
Valuation gains (losses) in profit or loss					
for assets held at the end of the period	1	—	—	1	(1)
for assets no longer held at the end of the period	—	—	—	—	—
Valuation gains (losses) in other comprehensive income					
for assets held at the end of the period	—	—	—	(35)	—
for assets no longer held at the end of the period	—	—	—	—	—
Purchases/Additions	111	—	—	2	—
Redemptions	(58)	—	—	—	(7)
Sales	(5)	—	—	—	—
Foreign exchange differences	(5)	—	—	(3)	—
Change in scope of consolidation	(3)	—	—	1	—
Closing balance as of 31.12.2023	514	—	—	115	24

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 83 basis points (31 December 2023: 104 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 CDS Markit 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 31 December 2024 would have increased by € 0.0 million (31 December 2023: € 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 31 December 2024 would have decreased by € 0.0 million (31 December 2023: € 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 € 4.2 million as of 31 December 2024 (31 December 2023: plus € 2.1 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 € 2.1 million (31 December 2023: minus € 0.3 million).

A one basis point narrowing of the credit spread is expected to change their valuation by plus € 0.06 million (31 December 2023: plus € 0.07 million).

If the credit spread used in calculating the fair value of loans increased by 100 basis points, the accumulated valuation result as of 31 December 2024 would have decreased by € 5.6 million (31 December 2023: € 6.6 million). If the credit spread used in calculating the fair value of loans decreased by 100 basis points, the accumulated valuation result as of 31 December 2024 would have increased by € 6.2 million (31 December 2023: € 7.2 million).

If the liquidity discount of illiquid funds is increased by 10 percentage points, the valuation result as of 31 December 2024 would have decreased by € 0.3 million (31 December 2023: € 0.3 million). If the liquidity discount of illiquid funds is decreased by 10 percentage points, the valuation result as of 31 December 2024 would have increased by € 0.3 million (31 December 2023: € 0.3 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 € 3.3 million (thereof € 1.5 million FVTOCI and € 1.8 million FVTPL; 31 December 2023: € 3.2 million; thereof € 1.5 million FVTOCI and € 1.7 million FVTPL), whereas if the discount rate is increased by 100 basis points, the fair value would decrease by € 2.5 million (thereof € 1.1 million FVTOCI and € 1.4 million FVTPL; 31 December 2023: € 2.4 million; thereof € 1.1 million FVTOCI and € 1.3 million FVTPL). If changes in dividend income or net profit where applicable rose by 20%, the fair value of those assets would rise by € 0.7 million (thereof € 0.3 million FVTOCI and € 0.4 million FVTPL; 31 December 2023: € 0.6 million; thereof € 0.2 million FVTOCI and € 0.4 million FVTPL); if changes in dividend income or net profit where applicable declined by 20%, the fair value would decrease by € 0.7 million (thereof € 0.3 million FVTOCI and € 0.4 million FVTPL; 31 December 2023: € 0.6 million; thereof € 0.2 million FVTOCI and € 0.4 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 € 15.8 million (thereof € 9.5 million FVTOCI and € 6.3 million FVTPL; 31 December 2023: € 15.2 million, thereof € 9.0 million FVTOCI and € 6.2 million FVTPL). If these indications were 10% higher, the fair value of this portion would increase by € 15.8 million (thereof € 9.5 million FVTOCI and € 6.3 million FVTPL; 31 December 2023: € 15.2 million; thereof € 9.0 million FVTOCI and € 6.2 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 € 1.3 million (thereof € 1.0 million FVTOCI and € 0.3 million FVTPL; 31 December 2023: € 1.7 million; thereof € 1.1 million FVTOCI and € 0.6 million FVTPL), whereas if the equity was 10% higher, there would be an increase of € 1.3 million (thereof € 1.0 million FVTOCI and € 0.3 million FVTPL; 31 December 2023: € 1.7 million; thereof € 1.1 million FVTOCI and € 0.6 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 € 0.1 million (31 December 2023: minus € 0.1 million) if rates rise by 100 bp and a credit spread sensitivity of minus € 0.1 million (31 December 2023: minus € 0.1 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 € 17.6 million in profit or loss (31 December 2023:

€ 17.6 million). If the fair value indicated decreased by 10%, the Group would recognize a loss of € 17.6 million in profit or loss (31 December 2023: € 17.6 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.

31.12.2024
in € million

	(50) bp	+50 bp	+100 bp
Financial assets at fair value through profit or loss	3.0	(2.9)	(5.7)
Debt securities	—	—	—
Loans to customers	3.0	(2.9)	(5.6)
Income funds	—	—	(0.1)
Financial assets at fair value through other comprehensive income	—	—	—
Debt securities	—	—	—

31.12.2023
in € million

	(50) bp	+50 bp	+100 bp
Financial assets at fair value through profit or loss	3.5	(3.4)	(6.7)
Debt securities	—	—	—
Loans to customers	3.5	(3.4)	(6.6)
Income funds	—	—	(0.1)
Financial assets at fair value through other comprehensive income	—	—	—
Debt securities	—	—	—

35 | 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	31.12.2024	31.12.2023
Balance at the beginning of the period	38	67
New transactions	—	(5)
Amounts recognized in profit or loss during the period	(16)	(24)
FX effects	—	—
Balance at the end of the period	22	38

36 | Related parties

Owners of BAWAG Group AG

The shares of BAWAG Group AG were admitted for trading on the Vienna Stock Exchange.

Major non-fully consolidated subsidiaries, joint ventures and equity investments of BAWAG P.S.K.

PCT Nominee Owner LLC

BAWAG indirectly holds 24.9% in PCT Nominee Owner LLC, which holds a commercial real estate property in the United States. A loan was converted into an equity share in PCT Nominee Owner LLC by means of a debt/equity conversion.

PSA Payment Services Austria GmbH

BAWAG holds 20.82% in PSA Payment Services Austria GmbH. PSA is owned by several Austrian banks and banking groups and is engaged in the service and organization of ATM card business. PSA is accounted for using the equity method in BAWAG's accounts.

Other subsidiaries

Please refer to Note 50 for a list of all non-consolidated subsidiaries.

Transactions with related parties

The following table shows transactions with related parties (data included in Statement of Financial Position as at 31 December 2024; P&L data are for the full year 2024).

31.12.2024 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	—	—	41	—	14	—
Unutilized credit lines	—	—	18	4	29	—
Securities	—	—	—	—	—	—
Other assets (incl. derivatives)	—	—	3	—	—	—
Financial liabilities – customers	—	—	13	—	1	—
Other liabilities (incl. derivatives)	—	—	—	—	—	—
Guarantees provided	—	—	3	—	—	—
Interest income ¹	—	—	2.8	0.4	1.1	—
Interest expense	—	—	0.5	—	—	—
Net fee and commission income	—	—	—	—	—	—

1 Gross income; hedging costs not offset.

The following table shows transactions with related parties (data included in Statement of Financial Position as at 31 December 2023; P&L data are for the full year 2023).

31.12.2023 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	—	—	53	—	36	—
Unutilized credit lines	—	—	16	4	8	—
Securities	—	—	—	25	—	—
Other assets (incl. derivatives)	—	—	3	—	—	—
Financial liabilities – customers	—	—	11	66	1	—
Other liabilities (incl. derivatives)	—	—	—	—	—	—
Guarantees provided	—	—	3	—	—	—
Interest income ¹	—	—	2.0	1.8	1.2	—
Interest expense	—	—	0.5	1.2	—	—
Net fee and commission income	—	—	—	12.0	—	—

1 Gross income; hedging costs not offset.

Business relationships with these entities were subject to normal banking terms and conditions.

Consultancy fees to entities with joint control of, or significant influence over, the entity amounted to € 0.0 million in 2024 (2023: € 0.0 million).

For loans with related parties, there were no valuation losses in the financial year 2024 (2023: no valuation losses).

Information regarding natural persons

Key management

Key management of BAWAG refers to the members of the Management Board and the Supervisory Board of BAWAG Group AG and BAWAG P.S.K. AG. Total personnel expenses for the key management amount to € 42.8 million (2023: € 43.5 million).

Expenses for remuneration (including accrued and deferred bonuses and payments to the pension fund) relating to active members of the Management Board of BAWAG Group AG and BAWAG P.S.K. AG during the financial year amounted to € 41.2 million (2023: € 42.0 million). These expenses consist of short-term benefits in the amount of € 21.1 million, expenses for long-term bonus benefits in the amount of € 17.1 million (of which € 10.9 million relate to the portion of the total bonus award 2024 of € 18.5 million to be expensed in 2024 [including amounts to be deferred], € 6.2 million relate to the portion of the bonus award granted in 2023, 2022 and 2021 to be expensed in 2024) and payments to the pension fund in the amount of € 3.1 million (2023: short-term benefits in the amount of € 20.2 million, expenses for long-term bonus benefits in the amount of € 18.7 million [of which € 8.9 million relate to the portion of the total bonus award 2023 of € 13.4 million to be expensed in 2023 [including amounts to be deferred], € 5.0 million relate to the portion of the bonus award granted in 2022 to be expensed in 2022 and € 4.8 million relate to expenses in connection with the Long Term Incentive Program 2025] and payments to the pension fund in the amount of € 3.1 million). Expenses for remuneration in 2024 for former members of the Management Board amounted to € 0.0 million (2023: € 0.0 million).

As of 31 December 2024, contractual agreements governing the payment of contributions to pension funds were in force for all Management Board members.

In 2022, a long-term incentive program awarded 100% in shares was implemented for Management Board members and certain employees.

As of the reporting date, there were three outstanding loans in the amount of € 21.4 million to members of the Management Board (2023: seven outstanding loans in the amount of € 29.6 million). Loans, building society loans and leasing financing to members of the Supervisory Board totaled € 0.0 million (2023: € 0.0 million). Repayments of loans granted to executives and staff took place as contractually agreed.

Furthermore, Management Board and Supervisory Board members made no use of current account limits (2023: € 0.0 million) as of the reporting date. Turnover on credit cards guaranteed to third parties by the Bank that belong to Management Board members amounted to € 0.0 million in

December 2024 (2023: € 0.0 million). Turnover on guaranteed credit cards that belong to members of the Supervisory Board amounted to € 0.0 million in December 2024 (2023: € 0.0 million).

Remuneration of members of the Supervisory Board of BAWAG P.S.K. AG amounted to € 1.2 million in 2024 (2023: € 1.1 million). Works Council delegates to the Supervisory Board do not receive any incremental remuneration. Remuneration of members of the Supervisory Board of BAWAG Group AG amounted to € 0.4 million (2023: € 0.4 million).

There were no consulting expenses in 2024 or 2023.

Pension payments to former members of the Management Board and their surviving dependents came to € 1.1 million (2023: € 1.3 million).

Expenditures for severance pay for former members of the Management Board came to € 0.0 million (2023: € 0.0 million).

Share-based payments

In January 2022, the Nomination and Remuneration Committee of BAWAG established a new long-term incentive program ("BAWAG LTIP 2025"). The purpose of the BAWAG LTIP 2025 is to retain key personnel (retention aspect) and to effectively align the interests of participants with the long-term performance of BAWAG by considering BAWAG's externally communicated multi-year performance targets until 2025 (interest alignment aspect). The awards under the BAWAG LTIP 2025 will, subject to certain conditions as outlined below, be delivered in the form of ordinary shares of BAWAG Group AG (no phantom shares) in 2026 and 2027.

The vesting conditions comprise the following:

- Retention condition: In light of the retention aspect of the BAWAG LTIP 2025, participants are required to be employed in good standing at the beginning of 2026.
- Performance condition: The performance conditions as specified below.
- Regulatory vesting requirement: Regulatory vesting requirements in accordance with the applicable regulatory framework (e.g. no malus is applied to the individual or to all BAWAG LTIP 2025 participants, vesting is sustainable according to the financial and risk situation of BAWAG).

In order to effectively align the interests of participants of the BAWAG LTIP 2025 with the long-term performance of BAWAG, the performance conditions are tied to the multi-

year performance targets until 2025 as presented at the investor day 2021. They consist of financial and non-financial/ESG targets, which are split as follows:

Financial targets		Non-financial/ESG targets	
	70%		30%
Profit before tax target ("PBT") >€ 750 million	30%	CO ₂ emission target >50% reduction	10%
Earnings per share target ("EPS") >€ 7.25	20%	Women quota target	10%
Dividend per share target ("DPS") >€ 4.00	20%	Supervisory Board (33%)	5%
		Senior Leadership Team (33%)	5%
		Green lending business target	10%

Subject to the vesting conditions as outlined above, 88% of the BAWAG LTIP 2025 award shall vest in early 2026 and 12% of the BAWAG LTIP 2025 award shall vest in early 2027. Upon delivery of the shares, the shares will remain subject to retention during a period in accordance with applicable regulatory requirements, which currently stands at one year (one-year retention period). The financial and non-financial/ESG targets are deemed fulfilled if all financial targets or all non-financial/ESG targets are met at any financial year-end (i.e. year-end 2022/23/24). The assessment of whether and to what extent the vesting conditions (including the performance targets) under the BAWAG LTIP 2025 have been fulfilled will be carried out by the Remuneration Committee of BAWAG.

annual bonus award which will be partially delivered in the form of ordinary shares of BAWAG Group AG (no phantom shares) subject to the employee continuing his employment with BAWAG up to and including 29 February 2028. No performance condition applies to this plan. Subject to the vesting conditions as outlined above, the award will be delivered in early 2028, with the shares remaining subject to retention during a period in accordance with applicable regulatory requirements, which currently stands at one year (one-year retention period).

Accounting

These programs represent equity-settled share-based payment transactions that are accounted for in compliance with IFRS 2. The following awards have been granted within the BAWAG LTIP 2025 program:

	Number of shares	Fair value in € million	Fair value per share at the grant date
Granted as of 31.12.2024	677,629	24.7	36.47

The following table shows an overview of the shares awarded per group of beneficiaries:

Group of beneficiaries	Number of shares awarded	Maximum number of shares to be actually allocated	Minimum number of shares to be actually allocated	Number of shares actually allocated on grant date
Members of the Management Board				
Anas Abuzaakouk	104,333	104,333	—	—
Guido Jestädt	25,080	25,080	—	—
David O'Leary	62,199	62,199	—	—
Sat Shah	78,250	78,250	—	—
Enver Sirucic	70,224	70,224	—	—
Andrew Wise	72,231	72,231	—	—
Members of the Senior Leadership Team	265,312	265,312	—	—
Total	677,629	677,629	—	—

As described above, the following other awards have been granted:

	Number of shares	Fair value in € million	Fair value per share on the grant date
Granted as of 31.12.2024	191,026	6.3	33.00

The following table shows an overview of the shares awarded per group of beneficiaries:

Group of beneficiaries	Number of shares awarded	Maximum number of shares to be actually allocated	Minimum number of shares to be actually allocated	Number of shares actually allocated on grant date
Members of the Senior Leadership Team	191,026	191,026	—	—
Total	191,026	191,026	—	—

Valuation

BAWAG used the fair value of the equity instruments granted to measure the fair value of the services received from its employees. The fair value of the equity instruments on the grant date was based on the observable market price of BAWAG Group AG shares on 24 January 2022 for LTIP 2025 and on the observable market price of BAWAG Group AG shares on 24 January 2023 for the award which was granted in ordinary shares as part of the annual bonus for the financial year 2022. An adjustment for expected dividends was incorporated into the measurement of fair value. For the programs, no market and non-vesting conditions were defined.

Non-market performance conditions (including service conditions and non-market financial performance conditions) are not taken into account when measuring the grant date fair value of equity instruments. Instead, those are taken into account by adjusting the number of equity instruments included in the measurement of the transaction.

Accounting for cancellations

If a grant of equity instruments (equity-settled share-based payment) is canceled or settled during the period between granting and vesting, the cancellation or settlement is accounted for as an acceleration of vesting, and the amount that otherwise would have been recognized for services received over the remainder of the vesting period is immediately recognized in profit or loss. Any payment made to the employee on the cancellation or settlement of the grant is accounted for as a deduction from equity. If the payment exceeds the fair value of the equity instruments granted, measured at the repurchase date, the exceeding amount is recognized as an expense.

Amounts recognized in the consolidated financial statements

The services received in an equity-settled share-based payment transaction are recognized as the services are received, with a corresponding increase in equity. The following amounts have been recognized under the BAWAG LTIP 2025 in the Profit or Loss Statement (staff costs) for the period:

in € million	2024	2023
Expenses for equity-settled share-based payments	3.4	6.2
Thereof relating to		
Members of the Management Board	2.1	3.8
Members of the Senior Leadership Team	1.3	2.4

The following amounts have been recognized for the award which was granted in ordinary shares as part of the annual bonus for the financial year 2022 in the Profit or Loss Statement for the period:

in € million	2024	2023
Expenses for equity-settled share-based payments	1.2	1.2
Thereof relating to		
Members of the Senior Leadership Team	1.2	1.2

Annual bonus program

Annual bonus awards are granted to selected employees and Management Board members. The bonus of this group is based on the annual result and defined internal targets. If the individual bonus exceeds a certain limit, 50% of the bonus is paid in cash and 50% in the form of BAWAG Group AG phantom shares. Bonus programs include entitlements to phantom dividends which are included in determining the required provision.

All expected bonus allocations for employees that are granted for services rendered in 2024 were taken into account in the consolidated financial statements as of 31 December 2024 by recognition of a provision.

Employee participation

In the fourth quarter 2023, BAWAG introduced its BAWAG Employee Participation Program 2023. Under this program, all entitled employees of BAWAG receive shares of BAWAG Group AG.

In 2024 an additional employee stock participation plan in the form of a matching program was adopted (BAWAG 3+1 Matching Program). Under this program, all entitled employees of BAWAG can receive one share of BAWAG Group AG for every three shares they acquire within a predefined period.

In total, 16,442 shares with a value of € 1.3 million have been transferred to employees of BAWAG Group in 2024.

Business relations with related party individuals

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.

	Key management of the entity or its parent	Other related parties ¹	Key management of the entity or its parent	Other related parties ¹
in € million	31.12.2024	31.12.2024	31.12.2023	31.12.2023
Deposits	5	1	4	—
Loans	21	—	30	—
Interest income	0.6	—	0.8	—
Interest expense	0.2	—	0.2	—

¹ With respect to key management.

	Key management of the entity or its parent	Other related parties ²	Key management of the entity or its parent	Other related parties ²
Number of shares	31.12.2024	31.12.2024	31.12.2023	31.12.2023
Shares of BAWAG Group AG ¹	3,085,515	55,600	2,991,967	55,600

¹ Key management includes related trusts.

² With respect to key management.

37 | Changes in the Group's holdings

Finalization of the initial purchase price allocation of Peak Bancorp Group according to IFRS 3

BAWAG acquired 100% of Peak Bancorp, Inc. on 30 November 2023. The initial accounting for the purchase price allocation was accounted for in the financial year 2023. Due to the closing of the acquisition taking place shortly before the balance sheet date, the initial purchase price allocation was based on provisional amounts as the recognition of brand and customer relationships was pending until completion of the valuation.

The purchase price allocation was finalized in November 2024. BAWAG identified customer relationships as separately identifiable intangible assets. The valuation was carried out with the assistance of an external advisor using state-of-the-art valuation models, which resulted in a fair value of € 5.0 million. Customer relationships were valued using a multi-period excess earnings method (MPEEM).

The following table shows the final fair values of assets and liabilities which have been adjusted within the measurement period according to IFRS 3.45 due to new information obtained about facts and circumstances that existed but were unknown at the acquisition date.

in € million	2023 provisional	2023 final
Cash reserves	5	5
Financial assets at fair value through other comprehensive income	27	27
cost	516	516
Customers	463	463
Credit institutions	53	53
Property, plant and equipment	9	9
Brand names and customer relationships	—	5
Tax assets for deferred taxes	5	4
Other assets	2	2
Financial liabilities at amortized cost	523	523
Customers	504	504
Credit institutions	19	19
Other obligations	4	4
Total identifiable net assets acquired	37	40
Total consideration transferred	59	59
Goodwill	23	19

According to IFRS 3, prior-year figures were adjusted as if the accounting for the business combination had been completed at the acquisition date. The following table shows the impacts on the Balance Sheet and Profit or Loss Statement in the financial year 2023 resulting from the finalization of the purchase price allocation:

Balance Sheet	
in € million	Result from the finalization of the initial purchase price allocation 31.12.2023
Goodwill	(3.7)
Brand names and customer relationships	5.0
Tax assets for deferred taxes	(1.3)
Total equity	—
Statement of comprehensive income	
in € million	Result from the finalization of the initial purchase price allocation 2023
Depreciation and amortization on tangible and intangible non-current assets	—
Income taxes	—
Profit after tax	—

The recognition of customer relationships of € 5.0 million led to a decrease of deferred tax assets of € 1.3 million as well as a decrease of the consolidation result (goodwill) of € 3.7 million. The impact on the Profit or Loss Statement is a result of the amortization of the customer relationships.

Acquisition of Knab N.V.

On 1 November 2024, after receiving all relevant approvals, BAWAG acquired 100% of the shares of Knab N.V., a bank based in the Netherlands.

Knab N.V. is an online bank for the self-employed with approximately 400,000 customers. The acquisition enables BAWAG to expand its presence in the Dutch retail and SME market and to better position itself for future growth in one of the Bank's core markets.

The purchase price was € 610.5 million and was paid in cash equivalents. BAWAG incurred acquisition-related costs of € 9.8 million in consulting and legal fees, which were spread over several periods. These costs were included in the line item other operating expenses.

According to IFRS 3, the consolidation result was recognized in the Profit or Loss Statement in the line item Other operating income.

In accordance with IFRS 3, the fair values were reassessed after the calculation of a gain on bargain purchase (fair value of the assets and liabilities acquired exceeded the purchase price). The reassessment showed that the fair values of the assets and liabilities do not differ significantly from the carrying amounts recognized so far in the consolidated financial statements of Knab N.V. There are particularly no previously unrecognized default risks that market participants would include in the fair value measurement, or other risks that have not been provided for.

The purchase price agreed when the contract was signed was a fixed price, whereby any economic changes between negotiations and the signing of the contract were to be borne by BAWAG. The negotiations between the seller and BAWAG began at the beginning of 2023 and were concluded on 1 February 2024. Positive or negative deviations within this period may therefore lead to positive or negative first-time consolidation results (i.e. goodwill or goodwill).

Due to its size and the financial instruments to be remeasured, Knab is a bank that is exposed to a high degree of sensitivity in the measurement results in the event of even minor adjustments to the measurement parameters to be selected. This applies in particular to the valuation of the loan portfolio, which mainly consists of fixed-interest loans, and less so to the corresponding deposits, which mainly have daily maturities. At the time of the negotiations, the interest rate was higher than at the time the deal was closed. This led to a lower devaluation of the financial instruments than originally expected. In addition, the profit generated by Knab exceeded the expected result.

In view of the circumstances described above and the resulting goodwill situation, BAWAG has reassessed all valuation assumptions and, based on the provisions of IFRS 3.36, recognized additional provisions for legal, integration and litigation risks.

The following table compares the recognized amount of assets and liabilities at the date of acquisition with the total consideration transferred:

in € million	2024
Cash reserves	2,509
Financial assets at fair value through other comprehensive income	382
Financial assets held for trading	9
Financial assets measured at amortized cost	12,747
Customers	12,747
Credit institutions	—
Hedging derivatives	494
Tangible assets	6
Intangible assets	9
Tax assets for deferred taxes	63
Other assets	72
Financial liabilities at amortized cost	15,539
Customers	12,478
Credit institutions	511
Debt issues	2,550
Provisions	29
Tax liabilities for current taxes	5
Other liabilities	33
Total identifiable net assets acquired	685
Total consideration transferred	611
Consolidation result (Badwill)	74
Restructuring and other expenses relating to the acquisition of Knab	(30)
Net result	44

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Financial assets

Group-wide valuation methodologies and standards are applied. Depending on the information available for the determination of the fair values, different approaches are chosen.

For financial instruments where the fair value cannot be determined directly by reference to market-observable information (Level 3), a discounted cash flow model is used. The valuation is based on expected future cash flows. Different parameters are used for the discounting of these expected cash flows, which can either be derived from market data or from internal information of the acquired company (e.g. expected credit losses). The discount rates that are then used for valuations are basically composed of a risk-free yield curve, refinancing costs and counterparty credit risk premiums. In addition, a residual spread component is calculated to calibrate the applied discount spreads to current

market observed transactions (e.g. new business margins that reflect current fair value spreads).

The discount curves used to determine the pure time value of money contain only instruments which assume no or only low default risk, such as swap rates. Spread curves that reflect the refinancing costs are either derived from outstanding funding instruments, distinguished by seniority (senior unsecured, subordinated, collateralized funding), benchmark yield curves (e.g. bond indices) or funding costs observed for new business conducted recently. The assignment of a credit spread curve to a financial asset is based on internal rating based probabilities of default. For all credit spread curves applied, available collateralization is taken into account (i.e. only unsecured exposure at risk).

The acquired loans and receivables from customers in the amount of € 12,747 million represent the fair value as of the acquisition date. Additionally, hedging instruments in the amount of € 494 million were acquired. The total financial assets comprise gross amounts of € 13,156 million, of which € 18 million was expected to be uncollectable at the date of acquisition.

Financial liabilities

On the liabilities side, Knab has customer deposits with a volume of around € 12.478 million. These are mainly deposits repayable on demand, which are therefore measured at nominal value (see IFRS 13.47). There was therefore largely no compensating interest rate-triggered valuation effect on the liabilities side.

The business combination and the following disclosure is based on information available as at the reporting date and the resulting accounting results of the business combination described above. The acquisition was completed shortly before the reporting date. In the event that we obtain new information about facts or circumstances that existed as of the acquisition date and that – if known – would have resulted in the recognition of additional assets or liabilities, the accounting for the business combination would have to be adapted according to IFRS 3.45.

For the period from 1 November 2024 to 31 December 2024, Knab N.V. contributed core revenues (net interest income and net commission income) of € 51.7 million and a profit of € 28.6 million to the consolidated financial statements. If the acquisition had occurred on 1 January 2024, management estimates that Knab N.V. would have contributed core revenues of € 300.0 million and consolidated profit of € 105.0 million. In determining these amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2024.

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

In 2024, one company was deconsolidated, as the requirements for consolidation in accordance with IFRS 10 were no longer met. Three companies were deconsolidated due to immateriality. One company was merged within the scope of consolidated entities. One company was deconsolidated due to an asset transfer by way of universal succession and therefore deleted from the company register. One newly established company which holds a participation accounted for using the equity method was included in the scope of consolidation.

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

In the first quarter of 2024, five companies were included in the scope of consolidation due to the successful closing of the Dexia transaction (acquisition of five non-regulated leasing entities of Dexia Crédit Local).

In the third quarter of 2024, start:bausparkasse AG in Germany was deconsolidated due to the closing of the sale to Wüstenrot Bausparkasse AG in Germany.

Also in the third quarter of 2024, the investment in BAWAG P.S.K. Versicherung AG, which had been accounted for using the equity method, was sold.

In the fourth quarter of 2024, four companies were included in the scope of consolidation due to the successful completion of the acquisition process for Knab.

For further details, please refer to Note 49 List of consolidated subsidiaries in the BAWAG consolidated annual report 2024.

38 | Assets pledged as collateral

in € million	31.12.2024	31.12.2023
Receivables and securities assigned to Oesterreichische Kontrollbank AG	73	91
Collateral pledged to the European Investment Bank	93	95
Cover pool for trust savings deposits	158	155
Cover pool for covered bonds	13,681	12,490
Collateral for tender facilities	—	836
Cash collateral for derivatives	652	621
Other collateral	91	100
Assets pledged as collateral	14,748	14,388

The Group pledges assets for repurchase agreements that are generally conducted under terms that are usual and customary for standard securitized borrowing contracts. In addition, the Group pledges collateral against other borrowing arrangements and for margining purposes on derivative liabilities. Receivables and securities are also pledged to Oesterreichische Kontrollbank AG in connection with export financing.

Pledges for trust savings deposits are conducted in accordance with legal regulations (section 68 BWG).

The cover pool for covered bonds is subject to the German Pfandbrief Act (Pfandbriefgesetz, PfandBG). Additionally, relevant collateral was provided for refinancing through the European Investment Bank.

39 | Total collateralized debt

The collateral listed in the table above corresponded to the following payables of BAWAG:

in € million	31.12.2024	31.12.2023
Liabilities to Oesterreichische Kontrollbank secured with assigned receivables	74	98
Payables arising due to refinancing by the European Investment Bank	27	30
Trust savings deposits	62	83
Payables secured by the cover pool for covered bonds	13,700	11,011
Tender facilities	—	586
Negative market values of derivatives	595	476
Other collateral	61	66
Total collateralized debt	14,519	12,350

40 | Genuine repurchase agreements

in € million	31.12.2024	31.12.2023
Lender – receivables from credit institutions	—	—
Repurchaser – payables to credit institutions	—	402
Repurchase agreements	—	402

41 | Transferred assets that are not derecognized in their entirety

in € million	31.12.2024	31.12.2023
Carrying amount of transferred assets ¹	—	432
Carrying amount of associated liabilities	—	402

¹ 2023: All of the transferred assets are bonds (at amortized cost: € 411 million; at fair value through other comprehensive income: € 21 million).

Transferred assets that are not derecognized in their entirety relate to genuine repurchase agreements. Since BAWAG is still the owner of the transferred assets, it remains exposed to market, interest rate, currency and credit risk with regard to these assets. The transferred assets are blocked for sale and are not taken into account in the liquidity calculation.

42 | Subordinated assets

Line items on the assets side of the Statement of Financial Position included the following subordinated assets:

in € million	31.12.2024	31.12.2023
Subordinated assets designated at fair value through profit or loss	4	28
Subordinated assets at fair value through other comprehensive income	48	40
Subordinated assets	52	68

43 | Offsetting financial assets and financial liabilities

BAWAG enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. Under such agreements, the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are generally aggregated into a single net amount that is payable by one

party to the other. Under certain circumstances, e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The ISDA agreements do not meet the criteria for offsetting in the Statement of Financial Position. This is because BAWAG currently does not have any legally enforceable right to offset recognized amounts because the right to offset is enforceable only on the occurrence of future events such as a default on the bank loans or other credit events.

Repo and reverse repo transactions are covered by master agreements with netting terms similar to those of ISDA master netting agreements.

The disclosures in the tables below include financial assets and financial liabilities that:

- are offset in BAWAG's Statement of Financial Position; or
- are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in the Statement of Financial Position.

Financial assets

31.12.2024 in € million	Gross amounts of recognized financial assets	Gross amounts of financial liabilities offset in the Statement of Financial Position	Net amounts of financial assets presented in the Statement of Financial Position	Amounts not offset in the Statement of Financial Position		
				Financial instruments	Cash collateral received	Net amount
Derivatives (excl. hedging derivatives)	1,107	792	315	3	303	9
Hedging derivatives	1,450	1,119	331	25	306	—
Loans to and receivables from customers	131	100	31	—	—	31
Total	2,688	2,011	677	28	609	40

Financial assets

31.12.2023 in € million	Gross amounts of recognized financial assets	Gross amounts of financial liabilities offset in the Statement of Financial Position	Net amounts of financial assets presented in the Statement of Financial Position	Amounts not offset in the Statement of Financial Position		
				Financial instruments	Cash collateral received	Net amount
Derivatives (excl. hedging derivatives)	1,130	1,027	103	57	23	23
Hedging derivatives	1,474	1,227	247	157	90	—
Loans to and receivables from customers	139	107	32	—	—	32
Total	2,743	2,361	382	214	113	55

Financial liabilities

31.12.2024 in € million	Gross amounts of recognized financial liabilities	Gross amounts of financial assets offset in the Statement of Financial Position	Net amounts of financial liabilities presented in the Statement of Financial Position	Amounts not offset in the Statement of Financial Position		
				Financial instruments	Cash collateral pledged	Net amount
Derivatives (excl. hedging derivatives)	1,095	642	453	72	365	16
Hedging derivatives	1,440	1,149	291	64	221	6
Repo transactions	—	—	—	—	—	—
Customer deposits	100	100	—	—	—	—
Total	2,635	1,891	744	136	586	22

Financial liabilities

31.12.2023 in € million	Gross amounts of recognized financial liabilities	Gross amounts of financial assets offset in the Statement of Financial Position	Net amounts of financial liabilities presented in the Statement of Financial Position	Amounts not offset in the Statement of Financial Position		
				Financial instruments	Cash collateral pledged	Net amount
Derivatives (excl. hedging derivatives)	1,181	718	463	95	342	26
Hedging derivatives	1,777	1,563	214	91	119	4
Repo transactions	402	—	402	402	—	—
Customer deposits	107	107	—	—	—	—
Total	3,467	2,388	1,079	588	461	30

The following tables reconcile the net amounts of financial assets and financial liabilities presented in the Statement of Financial Position to the respective line items in the Statement of Financial Position:

Financial assets				
31.12.2024 in € million	Line item in Statement of Financial Position	Carrying amount of line item in Statement of Financial Position	Thereof without offsetting agreement	Thereof with offsetting agreement
Derivatives (excl. hedging derivatives)	Assets held for trading	315	—	315
Hedging derivatives	Hedging derivatives	331	—	331
Loans to and receivables from customers	Loans to and receivables from customers	45,496	45,465	31
Total		46,142	45,465	677

Financial assets				
31.12.2023 in € million	Line item in Statement of Financial Position	Carrying amount of line item in Statement of Financial Position	Thereof without offsetting agreement	Thereof with offsetting agreement
Derivatives (excl. hedging derivatives)	Assets held for trading	103	—	103
Hedging derivatives	Hedging derivatives	247	—	247
Loans to and receivables from customers	Loans to and receivables from customers	33,333	33,301	32
Total		33,683	33,301	382

Financial liabilities				
31.12.2024 in € million	Line item in Statement of Financial Position	Carrying amount of line item in Statement of Financial Position	Thereof without offsetting agreement	Thereof with offsetting agreement
Derivatives (excl. hedging derivatives)	Liabilities held for trading	453	—	453
Hedging derivatives	Hedging derivatives	291	—	291
Repo transactions	Financial liabilities associated with transferred assets	—	—	—
Customer deposits	Deposits from customers	46,170	46,170	—
Total		46,914	46,170	744

Financial liabilities				
31.12.2023 in € million	Line item in Statement of Financial Position	Carrying amount of line item in Statement of Financial Position	Thereof without offsetting agreement	Thereof with offsetting agreement
Derivatives (excl. hedging derivatives)	Liabilities held for trading	463	—	463
Hedging derivatives	Hedging derivatives	214	—	214
Repo transactions	Financial liabilities associated with transferred assets	402	—	402
Customer deposits	Deposits from customers	33,270	33,270	—
Total		34,349	33,270	1,079

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

in € million	31.12.2024	31.12.2023
Contingent liabilities	102	125
Arising from guarantees	102	125
Unused customer credit lines	9,141	9,118
Thereof terminable at any time and without notice	7,487	7,336
Thereof not terminable at any time	1,654	1,782

The Austrian banks in BAWAG have an obligation arising from their membership in the deposit guarantee scheme as required by sections 93 and 93a of the Austrian Banking Act and the Deposit Guarantee and Investor Compensation Act (ESAEG). BAWAG is a member of the deposit guarantee scheme "Einlagensicherung AUSTRIA Ges.m.b.H." ("ESA").

45 | Foreign currency amounts

BAWAG had assets and liabilities in the following foreign currencies:

in € million	31.12.2024	31.12.2023
USD	7,366	6,298
CHF	696	835
GBP	582	1,010
Other	515	451
Foreign currency	9,159	8,594
EUR	62,182	46,854
Total assets	71,341	55,448
USD	1,118	845
CHF	920	1,078
GBP	50	56
Other	65	11
Foreign currency	2,153	1,990
EUR	69,188	53,458
Total liabilities	71,341	55,448

This table only includes Statement of Financial Position items and does not provide information about open currency positions due to off-balance hedging transactions.

46 | Information about geographical areas – Non-current assets

in € million	31.12.2024	31.12.2023
Austria	733	716
Western Europe	165	131
Other	121	33
Total	1,019	880

Non-current assets consist of the balance sheet items Property, plant and equipment, Investment properties, Goodwill, Brand name and customer relationships, Software and other intangible assets, Associates recognized at equity and Other assets with a remaining maturity of more than one year.

47 | Leasing

Finance leasing from the view of BAWAG as lessor

Finance lease receivables are included in the balance sheet position Loans and advances to customers.

BAWAG leases both movable property and real estate to other parties under finance lease arrangements.

The following table shows the reconciliation between gross investment value and present value, broken down according to maturity for all ongoing leasing contracts (without open items):

31.12.2024 in € million	Up to 1 year	1–5 years	Over 5 years	Total
Total outstanding leasing installments (gross investment value)	523	1,034	62	1,619
As yet unrealized financial income	72	103	7	182
Receivables from finance leases (net investment value)	451	931	55	1,437

31.12.2023 in € million	Up to 1 year	1–5 years	Over 5 years	Total
Total outstanding leasing installments (gross investment value)	558	1,065	50	1,673
As yet unrealized financial income	77	111	7	195
Receivables from finance leases (net investment value)	481	954	43	1,478

As of 31 December 2024, the non-guaranteed residual value amounts to € 15 million (2023: € 13 million).

Impairments in the amount of € 5.9 million were recognized in respect of irrecoverable minimum lease installments (2023: € 6.3 million).

Operating leasing from the view of BAWAG as lessee

BAWAG leases office premises, branches, equipment and vehicles under various rental agreements. The lease contracts are concluded under standard terms and conditions and include price adjustment clauses in line with general office

rental market conditions. The lease agreements do not include any clauses that impose any restriction on the Group's ability to pay dividends, engage in debt financing transactions or enter into further lease agreements.

As of 31 December 2024, the right-of-use assets amount to € 162.5 million (2023: € 169.5 million). Of this amount, € 162.1 million (2023: € 168.6 million) are presented within property, plant and equipment and € 0.4 million (2023: € 0.9 million) are presented within receivables from customers at amortized cost. The following table presents the development of the right-of-use assets by asset classes:

31.12.2024 in € million	Land and buildings	Office furniture and equipment	Total
Carrying amount 01.01.2024	168.5	1.0	169.5
Additions	8.2	—	8.2
Disposals	—	(0.1)	(0.1)
Reassessments and modifications	9.4	—	9.4
Depreciation	(24.0)	(0.5)	(24.5)
Carrying amount 31.12.2024	162.1	0.4	162.5
thereof property, plant and equipment	161.7	0.4	162.1
thereof lease receivables	0.4	—	0.4

31.12.2023

in € million	Land and buildings	Office furniture and equipment	Total
Carrying amount 01.01.2023	177.3	1.1	178.4
Additions	5.5	0.1	5.6
Disposals	(0.6)	—	(0.6)
Reassessments and modifications	9.6	0.3	9.9
Depreciation	(23.3)	(0.5)	(23.8)
Carrying amount 31.12.2023	168.5	1.0	169.5
thereof property, plant and equipment	167.6	1.0	168.6
thereof lease receivables	0.9	—	0.9

Since 1 January 2024, an addition to the right-of-use assets was recognized in the amount of € 8.2 million (2023: € 5.6 million). This results from new leases of real estate, whereas € 6.0 million concern the purchase of Knab.

As of 31 December 2024, the lease liability amounts to € 172.3 million (2023: € 181.4 million) and is presented within other obligations. The following table presents a maturity analysis of the lease liability:

in € million	31.12.2024	31.12.2023
Up to 1 year	25.9	26.5
1–5 years	65.6	68.2
Over 5 years	80.8	86.7
Total lease liability	172.3	181.4

The following table presents the impact of IFRS 16 on profit or loss:

in € million	2024	2023
Depreciation of right-of-use assets	24.5	23.8
Land and buildings	24.0	23.3
Office furniture and equipment	0.5	0.5
Interest expense on lease liabilities	2.7	2.5
Expenses relating to short-term leases	0.6	0.5
Expenses relating to low-value assets	0.2	0.2
Expenses relating to variable lease payments independent from an index or rate	—	—
Total	28.0	27.0
Total rental payments for lease agreements	(33)	(34)
Rental income from subleasing right-of-use assets	11	11

In 2024, interest expenses in the amount of € 2.7 million (2023: € 2.5 million) and depreciation in the amount of € 24.5 million (2023: € 23.8 million) were recorded due to the adoption of IFRS 16.

48 | Derivative financial transactions

Derivative financial transactions as of 31.12.2024

31.12.2024 in € million		Nominal amount/maturity ¹				Fair value ¹	
		Up to 1 year	1–5 years	Over 5 years	Total	Positive	Negative
Interest rate related derivatives		21,093	31,552	35,502	88,146	614	-439
Thereof	interest rate swaps banking book	21,083	31,245	35,296	87,623	613	-432
	interest rate options banking book	10	307	206	523	1	-7
	interest rate swaps trading book	—	—	—	—	—	—
	interest rate options trading book	—	—	—	—	—	—
Currency related derivatives		3,959	4,590	2,724	11,274	27	-298
Thereof	currency swaps banking book	1,083	3,936	2,715	7,734	5	-227
	foreign currency forward transactions and options banking book	2,876	654	9	3,540	22	-71
	currency swaps trading book	—	—	—	—	—	—
	foreign currency forward transactions and options trading book	—	—	—	—	—	—
Securities related derivatives		48	175	243	466	6	-8
Thereof	securities related and other derivatives banking book	48	175	243	466	6	-8
Total		25,100	36,317	38,469	99,886	647	-745
Thereof	banking book derivatives	25,100	36,317	38,469	99,886	647	-745
	trading book derivatives	—	—	—	—	—	—

1. Banking book derivatives include fair value hedging, cash flow hedging and net investment hedging instruments.

The table above includes the following figures for fair value hedges, cash flow hedges and net investment hedges:

31.12.2024 in € million		Nominal amount/maturity				Fair value	
		Up to 1 year	1–5 years	Over 5 years	Total	Positive	Negative
Interest rate related business	Fair value hedge – interest rate risk	9,451	17,951	19,040	46,442	315	-56
Currency related business	Cash flow hedge – FX risk	1,200	4,448	2,725	8,373	16	-226
Currency related business	Net investment hedge – FX risk	220	—	—	220	—	-9
Total		10,871	22,399	21,765	55,035	331	-291

Derivative financial transactions as of 31.12.2023

31.12.2023 in € million		Nominal amount/maturity ¹				Fair value ¹	
		Up to 1 year	1–5 years	Over 5 years	Total	Positive	Negative
Interest rate related business		15,974	28,173	30,478	74,625	147	-556
Thereof	interest rate swaps banking book	15,970	27,849	30,193	74,012	145	-543
	interest rate options banking book	4	324	267	595	2	-11
	interest rate swaps trading book	—	—	18	18	—	-2
	interest rate options trading book	—	—	—	—	—	—
	forward rate agreements trading book	—	—	—	—	—	—
Currency related business		3,430	4,439	2,583	10,452	198	-116
Thereof	currency swaps banking book	1,200	3,848	2,583	7,631	148	-85
	foreign currency forward transactions and options banking book	2,230	591	—	2,821	50	-31
	currency swaps trading book	—	—	—	—	—	—
	foreign currency forward transactions and options trading book	—	—	—	—	—	—
Securities related business		9	229	17	255	5	-5
Thereof	securities related business banking book	9	229	17	255	5	-5
Total		19,412	32,841	33,079	85,332	350	-677
Thereof	banking book business	19,412	32,841	33,061	85,315	350	-675
	trading book business	—	—	18	18	—	-2

¹ Banking book derivatives include fair value hedging, cash flow hedging and net investment hedging instruments.

The table above includes the following figures for fair value hedges and cash flow hedges:

31.12.2023 in € million		Nominal amount/maturity				Fair value	
		Up to 1 year	1–5 years	Over 5 years	Total	Positive	Negative
Interest rate related business	Fair value hedge – interest rate risk	5,203	17,444	17,388	40,035	37	-89
Currency related business	Cash flow hedge – FX risk	1,448	4,213	2,357	8,018	206	-123
Currency related business	Net investment hedge – FX risk	194	—	—	194	4	-2
Total		6,845	21,657	19,745	48,247	247	-214

49 | List of consolidated subsidiaries

		31.12.2024		31.12.2023
Banks				
BAWAG P.S.K. AG, Vienna	F	100.00%	F	100.00%
BAWAG P.S.K. Wohnbaubank Aktiengesellschaft, Vienna	F	100.00%	F	100.00%
Idaho First Bank, McCall	F	100.00%	F	100.00%
Knab N.V., Amsterdam	F	100.00%	—	—
start:bausparkasse AG, Hamburg	—	Deconsolidated	F	100.00%
start:bausparkasse AG, Vienna	F	100.00%	F	100.00%
Real estate				
Dromalane Mill Limited, Newry ¹	—	Deconsolidated	F	0.00%
GEI Newry Ltd, Newry ¹	—	Deconsolidated	F	0.00%
Promontoria Holding 136 B.V., Amsterdam	F	100.00%	F	100.00%
R & B Leasinggesellschaft m.b.H. in Liqu., Vienna	F	100.00%	F	100.00%
RVG Realitätenverwertungsgesellschaft m.b.H., Vienna	F	100.00%	F	100.00%
Leasing				
ALSATRAM SA, Paris	F	100.00%	—	—%
BAWAG P.S.K. IMMOBILIENLEASING GmbH, Vienna	F	100.00%	F	100.00%
BAWAG EVOLUTION SAS, Paris	F	100.00%	—	—
BAWAG FB France SAS, Paris	F	100.00%	—	—
BAWAG RAIL SAS, Paris	F	100.00%	—	—
BAWAG RB France SAS, Paris	F	100.00%	—	—
BAWAG P.S.K. LEASING GmbH & Co. MOBILIENLEASING KG., Vienna	—	Merged	F	100.00%
BAWAG P.S.K. LEASING Holding GmbH, Vienna	F	100.00%	F	100.00%
BAWAG P.S.K. MOBILIENLEASING GmbH, Vienna	F	100.00%	F	100.00%
CVG Immobilien GmbH, Vienna	F	100.00%	F	100.00%
easyleasing GmbH, Vienna	F	100.00%	F	100.00%
HBV Holding und Beteiligungsverwaltung GmbH, Vienna	F	100.00%	F	100.00%
KLB Baulandentwicklung GmbH, Vienna	F	100.00%	F	100.00%
P.S.K. IMMOBILIENLEASING GmbH, Vienna	F	100.00%	F	100.00%

Other non-credit institutions

BAWAG Education Trust, Wilmington	F	100.00%	F	100.00%
BAWAG Group Germany GmbH, Eschborn	F	100.00%	F	100.00%
BAWAG P.S.K. IMMOBILIEN GmbH, Vienna	F	100.00%	F	100.00%
BAWAG P.S.K. Versicherung Aktiengesellschaft, Vienna	—	Deconsolidated	E	25.00%
Bonnie RE UK 1 B.V., Amsterdam	F	100.00%	F	100.00%
BPI Holding GmbH & Co KG., Vienna	F	100.00%	F	100.00%
BRE Investment Corporation, Venice	F	100.00%	—	—
BV Vermögensverwaltung GmbH, Vienna	F	100.00%	F	100.00%
BVV Cayman Ltd., George Town	F	100.00%	F	100.00%
Canadian Mortgage Loan Trust I, Toronto ¹	F	0.00%	F	0.00%
Canadian Mortgage Loan Trust II, Toronto ¹	F	0.00%	F	0.00%
FCT Pearl, Pantin	F	100.00%	F	100.00%
Garrison Earlsfort Investments 2 DAC, Newry ¹	—	Deconsolidated	F	0.00%
Health Coevo AG, Hamburg	F	100.00%	F	100.00%
Knab Conditional Pass-Through Covered Bond Company B.V., Amsterdam ¹	F	0.00%	—	—
Knab Soft Bullet Covered Bond Company B.V., Amsterdam ¹	F	0.00%	—	—
Leasing-west GmbH, Rosenheim	F	100.00%	F	100.00%
M. Sittikus Str. 10 Errichtungs GmbH, Vienna	—	Merged	F	100.00%
Orange Loans B.V., Amsterdam	F	100.00%	—	—
PCT Nominee Owner LLP, Wilmington	E	24.90%	—	—
Peak Bancorp, Inc., McCall	F	100.00%	F	100.00%
PFH Properties Funds Holding GmbH, Vienna	F	100.00%	F	100.00%
PSA Payment Services Austria GmbH, Vienna	E	20.82%	E	20.82%
P.S.K. Beteiligungsverwaltung GmbH, Vienna	F	100.00%	F	100.00%
RF fünfzehn BAWAG Mobilien-Leasing Gesellschaft m.b.H., Vienna	F	100.00%	F	100.00%
SWB Immowert GmbH, Stuttgart	—	Deconsolidated	F	100.00%
Zahnärztekasse AG, Wädenswil	F	100.00%	F	100.00%

F ... Full consolidation, E ... Equity method

¹ Consolidated according to IFRS 10 due to materiality.

Material subsidiaries are fully consolidated on the basis of IFRS 10, whereas material associates are accounted for using the equity method according to IAS 28.

Subsidiaries are entities that BAWAG controls in accordance with IFRS 10. BAWAG controls an entity when it is exposed or has rights to variable returns from its involvement with a subsidiary and has the ability to influence those returns through its power over the subsidiary.

Associates in accordance with IAS 28 are all entities over which BAWAG has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights.

The classification of whether a subsidiary/associate is material is reviewed once a year.

50 | List of subsidiaries and associates not consolidated due to immateriality

	2024	2023
Real estate		
N & M Immobilienentwicklungs GmbH, Vienna	100.00%	100.00%
LSREF3 Tiger Aberdeen S.a.r.l., Luxembourg	100.00%	100.00%
LSREF3 Tiger Falkirk I S.a.r.l., Luxembourg	—	100.00%
LSREF3 Tiger Falkirk II S.a.r.l., Luxembourg	—	100.00%
LSREF3 Tiger Gloucester S.a.r.l., Luxembourg	—	100.00%
LSREF3 Tiger Romford S.a.r.l., Luxembourg	—	100.00%
LSREF3 Tiger Southampton S.a.r.l., Luxembourg	100.00%	100.00%
SWBI Stuttgart 1 GmbH, Stuttgart	100.00%	100.00%
Leasing		
BAWAG Leasing & fleet s.r.o., Prague	100.00%	100.00%
BAWAG P.S.K. Kommerzleasing GmbH, Vienna	merged	100.00%
Fides Leasing GmbH, Vienna	50.00%	50.00%
Gara RPK Grundstücksverwaltungsgesellschaft m.b.H., Vienna	100.00%	100.00%
HFE alpha Handels-GmbH, Vienna	50.00%	50.00%
Kommunalleasing GmbH, Vienna	100.00%	100.00%
PT Immobilienleasing GmbH, Vienna	100.00%	100.00%
Other non-credit institutions		
AUSTOST ANSTALT in Liqu., Balzers	—	100.00%
Cedar Lending Services Limited, Dublin	—	97.91%
Depfa Ireland Holding Limited, Dublin	100.00%	100.00%
BAWAG Group Advisors International GmbH, Eschborn	100.00%	100.00%
FlexSi Finanz Vermittlungsgesellschaft m.b.H. in Liqu., Hamburg	—	100.00%
Granite GmbH, Vienna	merged	100.00%
Gyle Holding GmbH, Vienna	100.00%	100.00%
Gyle JVCo Limited, London	50.00%	50.00%
ROMAX Immobilien GmbH, Vienna	100.00%	100.00%
SWB Immowert GmbH, Stuttgart	100.00%	—
Tiger Retail UK RE 1 S.a.r.l., Luxembourg	100.00%	100.00%
Tiger Retail UK RE 2 S.a.r.l., Luxembourg	100.00%	100.00%
US REO Trust, Wilmington	100.00%	100.00%

51 | Associates not accounted for using the equity method due to immateriality

The following table shows key financial indicators for the Bank's unconsolidated associates:

in € million	31.12.2024	31.12.2023
Cumulated assets	81	84
Cumulated equity	(3)	(3)
Cumulated net profit	—	—

The amounts presented in the table above are based on the latest available financial statements of the respective companies that have been prepared in accordance with the applicable accounting standards. At the time the annual financial statements of BAWAG as of 31 December 2024 were being prepared, financial statements as of 31 December 2023 were available for the majority of the respective entities (prior year: 31 December 2022).

From an economic point of view, we would like to note that the table above does not take the economic share invested into consideration. The average economic share is 50% (2023: 50%).

For further details, please refer to Note 36 Related parties.

52 | Involvement with associated companies

Investments in associates disclosed in this note are accounted for using the equity method. BAWAG includes two companies that are accounted for using the equity method: PCT Nominee Owner LLP, Wilmington, and PSA Payment Services Austria GmbH, Vienna (2023: BAWAG P.S.K. Versicherung AG, Vienna, and PSA Payment Services Austria GmbH, Vienna). The table below presents aggregated financial information on the Group's share in associates that are considered to be immaterial compared to the Group's total assets and profit or loss (2023: carrying amounts of all associates excluding BAWAG P.S.K. Versicherung AG due to its IFRS 5 held for sale status).

in € million	31.12.2024	31.12.2023
Carrying amounts of all associates	101	13
Aggregated amount of the Group's share of profit or loss	4.3	2.5
Aggregated amount of the Group's share of other comprehensive income	—	6.9
Aggregated amount of the Group's share of total comprehensive income	4.3	9.4

53 | Non-consolidated structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor for determining control over the entity. This is the case, for example, when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following attributes:

- Restricted activities
- A narrow and well-defined objective
- Insufficient equity
- Financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches)

The entities covered by this disclosure note are not consolidated because the Group does not control them through voting rights, contract, funding agreements or other means. The Group's exposure to unconsolidated structured entities comprises leasing companies engaging in special leasing to which BAWAG provides the financing.

The Group provides a different measure for the size of structured entities depending on their nature. Regarding other structured entities, the total assets of these entities in the amount of € 28 million (2023: € 72 million) best measure their size. For securitizations, this is the notional of notes in issue in the amount of € 1,283 million (2023: € 1,375 million). For other special purpose vehicles, this is the financing amount of € 1,783 million (2023: € 999 million).

The table below shows an analysis of the carrying amounts of assets and liabilities of unconsolidated structured entities recognized by the Group and income from those structured entities. The maximum exposure to loss is the carrying amount of the assets held.

in € million	2024	2023
Carrying amounts of assets in connection with investments in structured entities	3,085	2,415
on the balance sheet shown under At amortized cost	3,085	2,415
Carrying amounts of liabilities in connection with investments in structured entities	7	2
on the balance sheet shown under At amortized cost	7	2
Income	83.9	30.2
Interest income	83.9	30.2
Losses incurred during reporting period	—	—
Maximum exposure to loss	3,078	2,413

BAWAG Group neither provided any financial or other support to an unconsolidated securitization vehicle during the financial year nor does it have any current intention to do so.

RISK REPORT

BAWAG operates a focused, low-risk and transparent business model. We concentrate on developed markets with robust banking and legal infrastructures, primarily the DACH/NL region, Western Europe and the United States. We specialize in retail and SME banking activities and serve customers with comprehensive savings, lending, investment and bank-assurance products. Our liquidity is primarily provided by stable retail deposits. Simplicity and efficiency are the foundation of our operations, enabling us to streamline processes from end to end and deliver clarity, ease and value to our customers.

Our business model aligns with our conservative risk appetite. Risk management and the active steering of risks are integral to the Group's business strategy. We believe our risk management approach is a differentiator in our market and is key to achieving our strategic and financial objectives as well as creating value for our shareholders and protecting our 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
- Focus on mature, developed and sustainable markets
- Conservative and disciplined underwriting with a focus on secured lending
- Disciplined focus on risk-adjusted returns
- Maintaining a fortress balance sheet
- Proactively managing and mitigating non-financial risks including ESG and climate-related risks

2024 summary

- Our primary markets in Austria, Western Europe, and the United States have benefited from resilient employment levels and the healthy financial positions of our customers. As always, downside risks exist including but not limited to ongoing geopolitical tensions, potential for persistent inflation, compounding economic slowdowns. Such risks would expose economic vulnerabilities particularly for entities or customers with high debt levels. We believe our prudent risk management and long-term conservative underwriting practices have positioned BAWAG well to withstand adverse developments. We maintain prudence by holding sufficient reserve levels, high levels of capital and liquidity well above regulatory requirements, and relying on stable funding sources.
- We announced two strategic acquisitions in Knab and Barclays Consumer Bank Europe, which increase our Retail & SME business from approximately 70% to 90%. The acquisitions are fully in line with BAWAG's risk strategy and appetite and will expand BAWAG's footprint in the DACH/NL region. Both portfolios will be integrated into the BAWAG-wide risk management processes ensuring regulatory compliance from the first day after closing of the transactions.
- Our high asset quality is evidenced by the increased high share of 95% (2023: 93%) of the customer book in Stage 1 (performing) and 4% (2023: 5%) 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.
- We maintain a strong credit profile with NPL ratio reduced to 0.8% (2023: 1.0%), increased NPL cash coverage at 47% (2023: 45%) and NPL coverage ratio at 74% (2023: 76%)
- In 2024 risk costs amounted to € 82 million (2023: € 93 million) representing a 12% decrease to 19 basis points in 2024 (2023: 22 basis points), demonstrating consistent structurally low loss levels.
- Robust liquidity with an LCR of 249% (2023: 215%) and an NSFR of 147% (2023: 140%), both of which are well above regulatory requirements.

Development of key risk metrics

IN € MILLION	Total book		
	31.12.2024	31.12.2023	Change (pts)
NPL ratio	0.8%	1.0%	(0.2)
NPL cash coverage ratio	47.2%	44.6%	2.6
NPL coverage ratio	74.3%	75.7%	(1.4)
Impairments	368	395	(27)
Stage 2 asset ratio	4.2%	5.2%	(1.0)
LCR	249%	215%	35
NSFR	147%	140%	6

54 | 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 as negative impacts may 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 joint effort across business units and risk management divisions. We have established a risk-conscious mindset throughout the Group which ensures risk-based decision-making.
- 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 secured business and risk-adjusted returns, a strong capital position, a stable retail-based funding model 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.

Risk appetite

BAWAG has implemented a clear risk strategy, which is fully aligned with the Group's overall business strategy. The Management Board defines and approves the overall risk appetite and risk strategy at least on an annual basis. This allows us to better manage our risks by articulating, both qualitatively and quantitatively, how much and what kind of risk we want to take. The overall risk appetite serves as a constraint and represents the Group's intention to use a defined extent of the available internal capital for risks viewed through regulatory and economic capital availability, liquidity position and profitability expectations. The risk strategy breaks the overall risk appetite down into more detailed risk categories and business level metrics and limits.



Governance framework

The established governance framework ensures the implementation of the Group's risk strategy with the operational and strategic risk management functions and the relevant committees of BAWAG. The Group's approach to risk is founded through a coordinated control framework and administered through a strong risk management culture and structure. Governance is maintained through the delegation of authority from the board to individuals by way of the management hierarchy and supported by a committee-based structure to ensure sound decision-making and communications.

The Management Board is continuously informed of the overall risk situation and potential future developments. The management risk reporting is based on well-defined risk metrics and encompasses all Pillar I- and Pillar II-relevant topics (with Pillar I referring to the minimum regulatory capital requirements and Pillar II to the assessment of internal capital

adequacy as defined by the Basel framework for covering all risks the Group can potentially face beyond the minimum requirements). Quarterly risk reports are submitted to the monitoring and control committees of the Supervisory Board. Risk management policies are regularly and rigorously reviewed to reflect anticipated adjustments to the business strategy, regulatory requirements and market conditions. Particular attention is paid to the need for adjustment following BAWAG's expansion strategy as well as sustainability-related objectives.

Emerging topics, risks and regulatory developments are proactively studied to assess potential impacts on policies and strategy, providing a separate channel of external inputs which continuously require risk management policies and frameworks to be reshaped.

The Chief Risk Officer (CRO) of BAWAG, together with the relevant risk management functions, is responsible for the implementation of and compliance with the defined risk strategy for all types of risk. This forms the independent risk management function.

The following divisions oversee the implementation and execution of risk-related guidelines (as of December 31, 2024):

- Risk Modelling
- Validation
- Commercial Risk Management
- Retail Risk Management
- Group Sustainability Office

In addition, the Credit Risk Reporting department is responsible for the Group's and its subsidiaries' internal, external credit risk portfolio reporting and forecast of risk KPIs including risk costs. The department reports to the head of Commercial Risk and to the head of Retail Risk Management (dual report) as well as to the CRO.

Effective compliance and risk management is a crucial aspect of a bank's success. In addition to the conventional risk types, we highlight that the management of non-financial risks, as well as sustainability-related responsibility is prioritized through our ESG risk framework, which is implemented on a Group-wide basis. Therefore, the respective governance for sustainability-related focus areas and the corresponding strategy was implemented within the Group-wide (risk) organization following regulatory requirements and as a response to the outcome of the risk materiality assessment.

BAWAG promotes a risk culture that considers sustainability-related risks, e.g. climate and environment. For this purpose, the Group has set up a governance structure to ensure that the identification, measurement, assessment, management and monitoring of sustainability-related risks is fully integrated into the Group's risk management framework across all hierarchy levels and is constantly being improved over time:

- Supervisory Board: ESG Committee
- Management Board: In order to align the governance on the sustainability reporting to the extent possible to the financial reporting, the Management Board gets a quarterly update on the sustainability-related impacts, risks and opportunities as part of its regular Board Meeting.
- Group Sustainability Office: In 2024, BAWAG established a central Group Sustainability Office, which coordinates sustainability-related initiatives, strategy etc. across the Group.
- Working groups: various working groups covering specific ESG topics and promoting several ESG initiatives

55 | ICAAP and stress test

The Internal Capital Adequacy Assessment Process (ICAAP) is the central, coordinated procedure of BAWAG's risk management and comprises business, finance and risk processes that assess and ensure at all times that BAWAG is adequately capitalized. This includes the consideration of the risk profile of the Group and the quality of the Group risk management and control environment. In line with the ECB ICAAP Guides, BAWAG has implemented two ICAAP perspectives, normative and economic: the normative view to assess capital adequacy over the long term according to regulatory requirements, and the economic view to assess all risks faced by BAWAG, assuming baseline and adverse stress scenarios in both perspectives. The objectives of BAWAG's ICAAP encompass all processes and actions that assure:

- appropriate identification, assessment, measurement, reporting and management of all risks
- appropriate internal capital proportional to the risk profile
- appropriate liquidity profile
- appropriate internal capital adequacy
- use and further development of suitable risk management systems

The framework is designed to support the Group management in managing the risk profile and capital adequacy of BAWAG.

The Group-wide ICAAP processes run in conjunction with the planning and budgeting processes. Close monitoring of their development is therefore imperative and is integrated into the proactive risk management of BAWAG.

The starting point of the ICAAP yearly review process is the risk self-assessment process (RSA), which provides an overview of the Group's risk situation using quantitative and qualitative evaluation methods, i.e. all potential risks arising in connection with the implementation of the business strategy are evaluated with respect to their relevance, materiality and their impact on BAWAG.

Normative perspective

The normative perspective is a multi-year assessment of the institution's ability to fulfill all of its quantitative regulatory and supervisory requirements and demands, and to cope with other external financial constraints under different macroeconomic scenarios, including severe economic downturns.

In connection with the normative perspective, Pillar I risks (credit risk, market risk, operational risk) as well as all material risks are quantified (and in terms of expected loss alone via P&L some non-material risk types), projected and subsequently considered with regard to capital (RWA) and P&L views over a medium-term horizon on a quarterly basis. The following risk types are considered and quantified:

- Credit risk: The quantification of credit risk is based on the regulatory approach (standardized, advanced and foundation IRB) and is considered under the capital view (RWA). Credit risk losses are also accounted for in the P&L view in the form of expected credit losses. The same applies for FX lending risk.
- Single name concentration risk: Economic borrower groups that are sufficiently relevant and therefore connected in terms of capital consumption which are to be monitored and managed on an individual basis. The most significant consumers of capital are additionally stressed with a higher probability of default in the ICAAP adverse scenario.
- Market risk: The quantification of market risk for the trading book is based on the regulatory approach and is considered under the capital view (RWA). Currently, the Group holds no positions in the trading book. BAWAG has identified interest rate risk in the banking book and credit spread risk as the material market risks and as such they are considered in the P&L under net interest income, gains and losses and other comprehensive income.

- Operational risk: The quantification of operational risk is based on the regulatory approach and is considered under the capital view (RWA). Operational risk losses are also accounted for in the P&L view.

Economic perspective

BAWAG's economic perspective is a multi-year assessment that compares all material and non-material risks with internal capital. Limits are defined for all quantifiable risk categories and portfolios as part of the risk strategy in accordance with the annual budget and strategic planning. Compliance with the limits is monitored on a monthly basis according to the actual utilization.

In the economic perspective, the following risk types are considered and quantified accordingly:

- Credit risk: The quantification of credit risk is based on the statistical models applying IRB and IFRS 9 point-in-time risk parameters (PD and LGD) for all main portfolio segments. Additional capital surcharges are applied for single name concentration risk and for the FX lending credit risk. In order to cover losses stemming from deterioration in the debtor's rating, BAWAG allocated economic capital for migration risk.
- Market risk: The quantification of interest rate risk in the banking book and credit spread risk in the economic perspective are based on value-at-risk models. Other market risks, such as funds risk or foreign currency risk or equity risk in the banking book, are quantified with similar value-at-risk or worst-case valuation models.
- Liquidity risk: Structural liquidity risk quantification is based on current liquidity gaps applying assumed potential deterioration of own funding costs. Quantification methods based on historical worst-case analyses are used for market liquidity risk in the banking book and FX basis spread risk.
- Non-financial risk: Non-financial risk includes operational risk in the narrow sense and further sub-risk types, such as legal risk, compliance risk, model risk, fraud risk, conduct risk, third-party risk, outsourcing risk and information and communication risk. The quantification of operational risk in the economic perspective is based on two components: the business indicator component (simple financial statement proxy of exposure to operational risk, common to all institutions) and the internal loss multiplier (component with bank-specific operational loss data); the two components are multiplied in order to obtain the operational risk capital requirement (standardized measurement approach as prescribed by Basel IV).

- ESG risks: Explicit internal capital limits were allocated to ESG risk stemming from credit, market, liquidity and operational risk based on the assessment of ESG risks on the portfolio and processes. Overall ESG risk is low given low exposures to high transition risk industries such as fossil fuel and natural resource sectors as well as low exposures to restricted and prohibited industries.

- Other risks: This risk category includes reputation risk, participation risk, real estate risk, business risk, pension risk, systemic risk, risk of excessive leverage, macroeconomic risk, capital risk and insurance risk. In general, for all relevant and quantifiable other risks (the first five risk types mentioned) the required economic capital is quantified using a simplified value-at-risk (VaR) model with a 99.9% confidence level, based on the historical yearly losses, the expected average losses for the respective financial year and their expected fluctuation (variability). For reputation risk, the simplified VaR model used for the asset side is combined with a simulation of an outflow of resources and expensive refinancing for the liability side.

Stress testing

Stress testing is a critical risk management tool that provides valuable input for the strategic assessment of the business as well as operational risk management such as risk identification, risk appetite and limit setting.

Stress testing identifies sources of potential vulnerability and assesses whether capital is adequate to cover the risks that the business faces. It ensures that our business planning accounts not only for the base case of our economic projections, but also accounts for more severe economic stresses and potential outcomes. Critically, the levels of capital and liquidity under such stresses are observed and provide guidance in optimizing results and limiting downsides while ensuring capital adequacy.

Regular stress tests supplement the overall risk management framework and are fully integrated into the strategic risk management, capital management and planning processes of BAWAG.

The methodology and results of both ICAAP perspectives as well as the stress test exercises are discussed on a quarterly basis in the ICAAP & Stress Testing Committee (ISTC) and reported to the Enterprise Risk Meeting (ERM). The ERM oversees the assessment of the results of the exercises and defines any corrective action for the risk appetite or business strategy, where necessary. The design and approval of macroeconomic scenarios for internal stress test exercises are delegated to the Macroeconomic Scenario Committee (MSC) that is held on a quarterly basis before the ICAAP & Stress Testing Committee meeting.

The interaction between the ICAAP perspectives, the stress test exercises and capital management is formally defined within the governance framework.

The capital ratios, which are defined within the capital planning process and monitored on a monthly basis by the Capital Management Meeting, are used as a benchmark for the normative perspective and for stress testing. The capital contingency plan is drawn up to account for extreme stress scenarios. As part of the normative perspective and stress test exercises, senior management reviews whether the stressed capital ratios remain above the recovery levels. In case the recovery levels are breached, measures must be taken to improve the capital position sufficiently in order to keep the capital ratios above the recovery levels even under a stressed scenario.

56 | Credit risk

Credit risk includes credit default risk that denotes the risk of total or partial loss of receivables due to inability or unwillingness to pay on the side of a borrower. Besides credit default risk, credit concentration risk, credit migration risk, FX lending risk, residual risk from credit risk mitigation techniques and country risk are also included.

BAWAG is a banking group that sets high standards with regard to credit risk methodologies and processes. The risk organization continuously focuses on enhancements to risk quantification methods. Specific standards are in place for all sub-portfolios that are modeled, monitored, statistically calibrated and validated on a regular basis.

Governance

The operational credit risk divisions are specifically set up to ensure functional risk management expertise for commercial and institutional (Commercial Risk Management) and retail and small business (Retail Risk Management) customers. The Credit Approval Committee (CAC), a specific committee at the Management Board level, is responsible for the approval of loan applications within the authorities defined in the Competence and Power Regulation. The Credit Risk Reporting department is responsible for the consistent calculation and aggregation of the individual credit risk metrics (e.g. NPL ratios, risk costs, coverage ratios etc.) within the defined regular BAWAG credit risk reporting framework.

Core objectives of credit risk management are to

- Steer conservative credit risk taking in line with approved risk appetite
- Maintain a governance and control framework to oversee credit risks across the lifecycle
- Identify, assess, measure and report credit risk in a timely and accurate manner

In operative terms, these objectives translate into the following key credit risk principles:

- Disciplined underwriting in well-established markets predominantly focused on secured or prime rated clients, based on a through-the-cycle lens view of performance.
- Clearly defined organizational units and approach to manage credit risk based on type of exposure. Corporate exposures are managed on a case-by-case basis by experts with deep expertise in the relevant segment and retail exposures are managed at the segment level leveraging data, analytics and proven rating infrastructure.
- Robust early warning, collections, workout framework and credit risk reporting in place to ensure credit risk at the single obligor level is identified at its earliest stage and appropriate mitigating actions are taken to ensure good outcomes for our clients and for the Bank.

Assessing creditworthiness

In addition to clearly defined lending guidelines, creditworthiness for retail and small business customers is assessed via automated scorecards. The scoring is based on statistical models that cover both application scoring as well as behavioral scoring based on the customer's account usage. Furthermore, external data (e.g. credit bureau information) is also factored into the customer scoring. Based on this information, the individual customer credit ratings are updated monthly.

In addition to the credit rating, the loss given default (LGD) and the expected utilization of the off-balance-sheet exposure value at the time of default (credit conversion factor, CCF) are also estimated for retail and small business customers. The estimate, which is based on data from the observed customer behavior, is calculated using various statistical methods and models.

For each commercial loan application, the borrower's credit rating is assessed using an internal rating method specific to each business segment. The rating methods are based on a broad spectrum of quantitative and qualitative factors. Specific rating grades, which represent an individually estimated probability of default, are assigned to each customer using a uniform master scale.

To manage overall concentration risk at the client and group of affiliated customers level, exposure limits are defined, monitored and reported on a monthly basis.

Due to the centralized structure and coordination of risk management processes across BAWAG, new risk regulations or changing market situations are considered and adapted in a timely manner within the risk management strategies.

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.

31.12.2024 in € million	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Corporate Center	Total portfolio
At amortized cost	33,948	13,251	2,553	(345)	49,407
Loans and advances to customers	33,948	11,735	160	(348)	45,495
Loans and advances to banks	—	58	770	2	830
Debt securities	—	1,457	1,623	1	3,081
Financial assets FVPL/FVOCI	151	88	1,768	335	2,342
Other assets	7	—	17,561	36	17,604
On-balance business	34,106	13,339	21,882	27	69,353
Off-balance business	6,884	2,295	30	748	9,958
Total	40,989	15,634	21,912	775	79,311
thereof collateralized	29,953	5,595	438	136	36,122
thereof NPL (gross view)	494	107	—	—	601
Impairments Stage 1	45	9	1	—	55
Impairments Stage 2	61	2	—	—	63
Impairments Stage 3	225	25	—	1	251
Total impairments	330	37	1	1	368
Prudential filter	33	—	—	—	33

31.12.2023 restated, in € million	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Corporate Center	Total portfolio
At amortized cost	21,861	13,125	3,344	(836)	37,494
Loans and advances to customers	21,861	11,941	178	(646)	33,333
Loans and advances to banks	—	75	591	(165)	501
Debt securities	—	1,110	2,575	(25)	3,660
Financial assets FVPL/FVOCI	160	203	2,629	232	3,224
Other assets	—	—	12,786	516	13,301
On-balance business	22,021	13,328	18,758	(87)	54,019
Off-balance business	6,776	2,436	531	322	10,065
Total	28,797	15,764	19,289	235	64,085
thereof collateralized	18,241	5,429	621	105	24,396
thereof NPL (gross view)	477	132	—	—	609
Impairments Stage 1	24	13	2	—	39
Impairments Stage 2	76	44	—	—	120
Impairments Stage 3	208	27	—	—	236
Total impairments	308	85	2	—	395
Prudential filter	22	14	—	—	36

Other assets include start:bausparkasse Germany shifted to the "held for sale" portfolio as of 31.12.2023 and cash positions.

Regulatory view under CRR consolidation

31.12.2024 in € million	Total book		
	Gross carrying amount	Impairments	Net carrying amount
Total	51,601	(349)	51,260
At amortized cost	49,560	(348)	49,212
Stage 1	47,046	(49)	46,997
Stage 2	1,903	(59)	1,844
Stage 3	612	(241)	371
Financial assets at fair value through other comprehensive income	1,762	(1)	1,769
Stage 1	1,762	(1)	1,769
Stage 2	—	—	—
Stage 3	—	—	—
Financial assets at fair value through profit or loss	279	—	279

This table does not include equity instruments (regulatory definition and not in CRR consolidated carrying amounts). The net carrying amount includes the fair value measurement in the FVOCI position.

Regulatory view under CRR consolidation

31.12.2023 in € million	Total book		
	Gross carrying amount	Impairments	Net carrying amount
Total	40,813	(390)	40,338
At amortized cost	37,721	(389)	37,333
Stage 1	35,294	(32)	35,263
Stage 2	1,770	(111)	1,660
Stage 3	657	(246)	410
Financial assets at fair value through other comprehensive income	2,774	(1)	2,688
Stage 1	2,774	(1)	2,688
Stage 2	—	—	—
Stage 3	—	—	—
Financial assets at fair value through profit or loss	318	—	318

This table does not include equity instruments (regulatory definition and not in CRR consolidated carrying amounts). The net carrying amount includes the fair value measurement in the FVOCI position.

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. The risk profile has mostly improved in 2024 in both main customer segments.

31.12.2024 in %	Moody's rating equivalent	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Total portfolio
Rating class 1	Aaa–Aa2	0.1%	24.6%	87.9%	32.8%
Rating class 2	Aa3–A1	11.2%	16.3%	4.1%	9.9%
Rating class 3	A2–A3	19.0%	9.0%	2.5%	11.8%
Rating class 4	Baa1–Baa3	49.5%	37.8%	4.8%	33.0%
Rating class 5	Ba1–B1	13.8%	11.8%	0.4%	9.2%
Rating class 6	B2–Caa2	2.3%	0.4%	—%	1.2%
Rating class 7	Caa3	4.0%	—%	0.3%	2.1%

31.12.2023 in %	Moody's rating equivalent	Retail & SME	Corporates, Real Estate & Public Sector	Treasury	Total portfolio
Rating class 1	Aaa–Aa2	0.2%	19.0%	83.7%	33.9%
Rating class 2	Aa3–A1	9.8%	16.7%	6.0%	10.2%
Rating class 3	A2–A3	11.0%	9.6%	4.8%	8.5%
Rating class 4	Baa1–Baa3	53.1%	37.4%	4.6%	32.3%
Rating class 5	Ba1–B1	20.5%	15.9%	0.6%	12.4%
Rating class 6	B2–Caa2	3.3%	1.4%	—%	1.7%
Rating class 7	Caa3	2.1%	—%	0.3%	1.0%

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 the DACH/NL share increasing to 80% (2023: 73%) in 2024 following the Knab integration. A total of 98% (2023: 97%) of the portfolio is located in Western Europe and North America.

in € million	Book value		in %	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
DACH/NL	55,213	39,372	80%	73%
North America	7,245	6,628	10%	12%
Ireland	2,320	2,889	3%	5%
France	1,562	1,010	2%	2%
United Kingdom	1,111	1,685	2%	3%
Spain	561	812	1%	2%
Others	1,341	1,622	2%	3%
Total	69,353	54,019	100%	100%

Currency distribution of the total credit portfolio

Consistent with BAWAG's overall positioning, the majority of financing remained denominated in EUR. The following table depicts the currency distribution of the total credit portfolio.

in € million	Book value		in %	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
EUR	60,374	45,629	87.1%	84.5%
USD	7,239	6,153	10.4%	11.4%
CHF	697	836	1.0%	1.5%
GBP	538	951	0.8%	1.8%
Others	506	450	0.7%	0.8%
Total	69,353	54,019	100%	100%

Collateral distribution of the total credit portfolio and collateral valuation

The following table contains the overview of collateral types with the residential real estate collateral type share in the total credit portfolio increasing to 84% (2023: 76%) following the Knab integration and therefore remaining the main collateral type in Group's Portfolio.

in € million	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Real estate	29,906	19,562	69.8%	76.4%
thereof residential	24,980	14,850	83.5%	75.9%
thereof commercial	4,926	4,712	16.5%	24.1%
Guarantees	9,682	4,407	22.6%	17.2%
Other collateral	1,499	1,217	3.5%	4.8%
Financial collateral	1,763	418	4.1%	1.6%
Total	42,850	25,604	100%	100%

2023 restated using economic collateral value capped to exposure

BAWAG's strategy is to focus on financing supported by collateral and other credit enhancements whenever possible. Collateral serves as essential support for the lending business and for reducing loss in the event of default of the debtor. However, during the decision-making process the focus prioritizes the affordability of the borrower in addition to the quality and accessibility of the collateral.

All acceptable collateral types are recorded in the Group Collateral Catalog, where the principles for the valuation and revaluation of collateral are also defined. The catalog defines which combinations of goods (characteristics of the economic good/asset) and collateral (to which BAWAG has title) are deemed acceptable and which value (market value, nominal value etc.) has to be applied. The Enterprise Risk Meeting decides if a type of collateral is accepted for credit risk mitigation taking the corresponding haircuts into consideration.

The following types of collateral are accepted:

- Real estate collateral: residential real estate and commercial real estate
- Other collateral: vehicles and other physical collateral (not used for capital mitigation at the moment), pledging or assignment of life insurance policies
- Financial guarantees: financial collateral, securities, cash deposits at own bank
- Credit enhancements: guarantees and co-obligations

In order to serve as credit risk mitigation, collateral must meet the general legal and regulatory requirements and internal requirements defined in Group-wide internal policies. The collateral policies implemented in the subsidiaries are based on the Group-wide internal policies and include country-specific features. These policies are revised at least once a

year. Any exceptions to internal rules must be well-founded, separately requested and explicitly approved.

The centralized Residential Real Estate Appraisal team determines the value of all residential properties in Austria on the basis of a standard methodology and valuation tool. Valuation of real estate properties in other countries is also done by independent experts according to international standards. The periodic review and updating of property values is automated based on the real estate price index published by the Association of Real Estate and Asset Trustees of the Austrian Federal Economic Chamber (Fachverband der Immobilien- und Vermögenstreuhänder der Wirtschaftskammer Österreich) for Austrian residential properties and on the corresponding local real estate price indices in the countries in which BAWAG Group's real estate collateral is located. The real estate properties situated in Germany are periodically checked with the help of the market volatility concept.

The values of commercial properties are appraised individually by experts in the centralized Commercial Real Estate Appraisal team, by selected external appraisers commissioned by BAWAG or by a syndicate partner after an inspection of the property and completion of a full appraisal report.

Forborne loans and forbearance measures and unlikeliness to pay

Measures of forbearance can be granted if borrowers face financial difficulties and are considered to be unable to meet contractual obligations. BAWAG has sound and transparent processes in place across the whole of BAWAG to define the conditions under which concessions, in the form of the modification of terms and conditions, may be granted. Depending on the customer segment, possible measures include the temporary postponement or reduction of interest or principal payments, the restructuring of credit facilities or other forbearance measures. In exceptional cases, a temporary or permanent reduction of interest rates may be granted.

Forbearance or refinancing measures are instruments intended to ultimately reduce the existing risk and avoid default with respect to debt claims if it is expected that a default can thereby be forestalled. However, forbearance measures are by no means used to avoid or postpone the recognition of an unavoidable impairment or disguise the level of credit risk resulting from forborne assets.

By implementing forbearance measures that are appropriate in terms of time and scope, BAWAG supports clients in maintaining financial stability. If the supporting measures are not successful, exposures will be recognized as non-performing and impaired according to regulatory and accounting standards.

For reporting as well as internal risk management purposes, BAWAG implemented processes and methods according to regulatory standards in order to identify exposures for which forbearance measures have been extended. These are classified as forborne.

31.12.2024 in € million	Total forborne book value	Thereof defaulted forborne	% forborne of total portfolio	Forbearance coverage ratio	Forbearance defaulted coverage ratio
Retail & SME	368	74	1.1%	61%	66%
Corporates, Real Estate & Public Sector	395	95	3.0%	72%	68%
Total	763	169	1.1%	67%	67%

31.12.2023 in € million	Total forborne book value	Thereof defaulted forborne	% forborne of total portfolio	Forbearance coverage ratio	Forbearance defaulted coverage ratio
Retail & SME	335	53	1.5%	60%	63%
Corporates, Real Estate & Public Sector	269	109	2.0%	66%	68%
Total	604	162	1.1%	62%	67%

Retail & SME

BAWAG applies the following principles for credit assessment of retail customers. These principles are clearly reflected in the underwriting guidelines considering the approved risk appetite.

- Capacity or affordability measures a borrower's ability to repay a loan by comparing income against recurring expenses and credit commitments. In addition, we apply backstop rules based on the debt service to income ratio (DSTI) to limit borrower leverage.
- Creditworthiness refers to a borrower's reputation or track record of servicing debt as evidenced by previous payment history internally and externally. The Group applies robust statistical scorecards to rate customers at the point of lending and on an ongoing basis. Scorecard cut-offs are set based on risk/reward assessment within the approved risk appetite.
- Conditions refer to how the borrower intends to use the credit and must be aligned to the credit facility's purpose and terms and conditions. We have a clearly defined product construct defining loan amount thresholds, duration and purpose.

- Collateral denotes the ability to recover the exposure via enforcement of the collateral in the event of borrower default. Clearly defined eligibility criteria for collateral are in place and are appraised by internal and external experts.
- Own funds commitment considers the borrower's personal financial contribution to the purpose of the facility. Clearly defined minimum borrower contribution and/or loan to value (LTV) thresholds are applied.

Our strategy has been a continued shift of Retail & SME business mix towards asset-based secured products (primarily residential real estate and leasing), substantiated by the integration of Knab in November which brought the share of the asset-based secured portfolio to 85% of the portfolio at year-end 2024 (2023: 81%). The remaining 15% (2023: 19%) of our portfolio is comprised of unsecured Retail & SME lending. The segment comprises assets across the DACH/NL region as well as the Western Europe and North America portfolios.

Product overview of the Retail & SME portfolio

in € million	Book value		NPL ratio		NPL coverage ratio	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Consumer & SME	7,349	6,649	2.8%	2.5%	66.3%	64.1%
Housing loans	26,757	15,372	0.4%	1.0%	100.0%	100.0%
Total	34,106	22,021	1.2%	1.7%	74.4%	75.8%

The housing loan portfolio is characterized by robust LTVs, a low NPL ratio, a high coverage ratio and good geographic diversification. The weighted average contractual tenor of the housing loan portfolio is less than 23 years (2023: less than 22 years).

The Consumer & SME lending portfolio consists of unsecured private loans, overdrafts and credit cards across different sales channels of the Group. It includes leasing and factoring activities, which are characterized by a mix of leasing assets (car leasing, IT, equipment, real estate leasing) and factoring receivables.

For the Retail & SME segment, the overall NPL and coverage ratios reflect a stable and low-risk, highly collateralized portfolio. BAWAG has continued to apply the strategy of rigorous management of non-performing loans in order to achieve low NPL volumes and to concentrate on the main business focus. In addition, the early detection, collection and

recovery processes were further improved with a view to successfully repaying loans from a technical and risk perspective. The NPL ratio of the Retail & SME portfolio is 1.2% (2023: 1.7%). The NPL coverage ratio is 74% (2023: 76%), which is supportive of the risk profile of this portfolio.

Geographical distribution of the Retail & SME portfolio

in € million	Book value		in %	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
DACH/NL	31,238	19,388	92%	88%
North America	2,478	1,853	7%	9%
France	218	267	1%	1%
United Kingdom	86	474	—%	2%
Others	85	38	—%	—%
Total	34,106	22,021	100%	100%

Currency distribution of the Retail & SME portfolio

in € million	Book value		in %	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
EUR	30,944	18,982	90.7%	86.3%
USD	2,283	1,736	6.7%	7.9%
CHF	599	715	1.8%	3.2%
CAD	194	116	0.6%	0.5%
GBP	84	467	0.2%	2.1%
Others	3	5	—%	—%
Total	34,106	22,021	100%	100%

Days past due overview of the Retail & SME portfolio

The product portfolio is monitored by days past due (i.e. delinquency buckets) on an ongoing basis. The aim is to ensure early identification of negative credit developments within the portfolio and to work with customers on a proactive basis to ensure the full repayment of loans.

The Retail & SME portfolio is 98% (2023: 97%) current (i.e. no days past due). Overall, the low days past due volumes, the stable vintages and the product-specific scorecard results reflect the strong credit quality of the portfolio.

in € million	Consumer & SME		Housing loans		Total	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Total book value	7,349	6,649	26,757	15,372	34,106	22,021
No days past due	93.0%	92.6%	99.3%	98.3%	97.9%	96.6%
1–30 days	1.7%	2.3%	0.2%	0.5%	0.5%	1.0%
31–60 days	0.5%	0.6%	0.1%	0.2%	0.2%	0.3%
61–90 days	0.3%	0.4%	—%	0.1%	0.1%	0.2%

Corporates, Real Estate & Public Sector

	Book value		NPL ratio		NPL coverage ratio		Investment grade	
in € million	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Corporates	2,832	3,543	0.5%	1.2 %	100.0%	100.0 %	94.8%	92.7 %
Real Estate	5,461	5,097	1.5%	1.5 %	66.2%	44.0 %	71.9%	58.2 %
Public Sector	5,047	4,688	—%	— %	—%	— %	99.0%	99.2 %
Total	13,339	13,328	0.7%	0.8 %	72.8%	75.1 %	87.0%	82.5 %

The Corporates, Real Estate & Public portfolios include DACH and selective international assets from stable markets (primarily the US, the UK and Western Europe). This business is based upon a conservative underwriting approach, proactive risk management and disciplined capital allocation. Throughout the business cycle, we maintain a highly disciplined approach to risk-adjusted pricing. The foundation is based on conservative underwriting over the years with a focus on cash flow generating companies, high margins and pricing power with high-quality collateral and solid capital structures with strong lender protection features. The underwriting requirements rarely change and borrower-friendly market conditions and can affect our ability to generate new business. Maintaining our low risk profile is paramount, always maintaining adequate risk-adjusted returns and never compensating through increased credit risk or reduced structural protections.

Management of credit risk and interest rate risk in the Corporates, Real Estate & Public Sector portfolio

BAWAG closely monitors the interest rate-induced risks in its loan portfolios. Leverage, interest expenses and interest rate structure (fixed/variable, hedging agreements, refinancing dates and risks) are analyzed in-depth at origination, during the portfolio review processes and on an ad hoc basis even more often. Stressed assumptions are applied to assess creditworthiness and come to a risk assessment. For

international commercial real estate, most contracts foresee a hedging requirement of variable rate loans once a certain threshold (e.g. Euribor) is reached. In 2024 around 70% (2023: around 70%) of the Corporate, Real Estate & Public Sector portfolio is linked to variable interest rates.

Material credit decisions are made by the Credit Approval Committee (CAC), a special body at the Management Board level. Every credit decision is strictly reviewed, discussed and coordinated in accordance with BAWAG's guidelines. BAWAG's credit risk managers have a diverse and experienced background spanning different asset classes with DACH and international business. For loan applications below a certain threshold, risk managers are granted authority to approve credit applications. An effective monitoring and review process during the lifetime is established.

Concentration risk in the Corporates, Real Estate & Public Sector portfolio

A major focus of risk management in the Corporates, Real Estate & Public Sector segment is centered on managing concentration risk. Concentration risk arises from large exposures in individual customer segments or from large industry/country/foreign currency exposures.

Industry distribution of the Corporates, Real Estate & Public Sector portfolio

	Book value		in %	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
in € million				
Real Estate	5,594	5,380	42%	40%
Public Sector	5,047	4,688	38%	35%
Lender Financing	581	203	4%	2%
Services	416	714	3%	5%
B-2-C Products	250	270	2%	2%
Food & Beverages	234	520	2%	4%
Utilities	193	86	1%	1%
Gaming	190	171	1%	1%
Health Care	150	218	1%	2%
Pharmaceuticals	136	314	1%	2%
Other	549	762	4%	6%
Total	13,339	13,328	100%	100%

Using internal industry segmentation.

Geographical distribution of the Corporates, Real Estate & Public Sector portfolio

	Book value		in %	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
in € million				
DACH/NL	5,706	5,822	43%	44%
North America	4,274	3,989	32%	30%
Ireland	1,107	1,385	8%	10%
France	716	177	5%	1%
United Kingdom	509	432	4%	3%
Others	1,027	1,523	8%	11%
Total	13,339	13,328	100%	100%

Currency distribution of the Corporates, Real Estate & Public Sector portfolio

	Book value		in %	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
in € million				
EUR	8,462	8,897	63.4%	66.8%
USD	4,143	3,672	31.1%	27.6%
GBP	333	324	2.5%	2.4%
AUD	165	170	1.2%	1.3%
SEK	113	116	0.8%	0.9%
Others	124	148	0.9%	1.1%
Total	13,339	13,328	100.0%	100.0%

Corporates portfolio: The Corporates portfolio is composed primarily of loans directly issued to companies. The segment is characterized by moderate (net) debt/EBITDA ratios of <4.0x (2023: <4.0x), strong cash flow profiles and 95% (2023: 93%) in internal rating classes corresponding to investment grade class. We focus on non-cyclical industries, with sustained

margins and stress-resistant business models. In addition, the portfolio is predominantly senior secured, reflecting the prioritized first-out positions in the capital structure. The low NPL ratio of 0.5% (2023: 1.2%) in the Corporates segment reflects of the selective underwriting and resilient portfolio.

Industry distribution of the Corporates portfolio

in € million	Total		in %	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Lender Financing	581	203	21%	5%
Services	416	714	15%	20%
B-2-C Products	250	270	9%	8%
Food & Beverages	234	520	8%	15%
Utilities	193	86	7%	2%
Gaming	190	171	7%	5%
Health Care	150	218	5%	6%
Pharmaceuticals	136	314	5%	9%
Engineering and B-2-B	122	208	4%	6%
Other	560	838	20%	24%
Total	2,832	3,543	100%	100%

Using internal industry segmentation.

Real Estate: Real estate transactions include direct lending against real estate assets/pools of assets or against loan portfolios backed by multiple assets and often different asset classes. The lending portfolio consists of senior secured structures with a LTV/C of <60% (2023: <60%) on average. The cross-collateralized ring-fenced portfolio financings contain strong lender protection features such as significant equity contributions, cash flow sweeps, interest coverage requirements, interest rate hedging requirements, sponsor guarantees and covenant tests. The asset classes of our Real Estate portfolio are well diversified. Residential exposures represent 51% (2023: 43%) of the total book in 2024. New business in 2024 was mainly focused on residential assets, where supply shortages in our markets have continued to support healthy fundamentals. Given the strong impact of the current environment on the real estate markets, we analyzed the relevant markets and asset classes in terms of countries and asset classes to confirm our satisfactory risk assessment and the selective approach.

The assessment is based on the following facts:

- Resilient overall asset quality in high-quality locations/geographies across asset types, in particular industrial/logistics and residential
- Strong underlying sponsors with significant equity at stake and enduring investment history with BAWAG
- Lower net exposures compared to other industries, with high asset value and strong LTV for international real estate
- Residential and industrial/logistics asset classes have performed well through the interest rate increases, supported by strong supply and demand dynamics; office

and retail continues to suffer from a lack of clarity regarding demand and higher borrowing costs

- High interest rates and impacts from the recent high-inflation environment are still putting some pressure on valuations but are mitigated by strong LTVs

The total CRE portfolio increased by 7% in 2024 from € 5.1 billion to € 5.5 billion. New origination has shifted predominantly to industrial/logistics and residential assets since 2020 with positive fundamentals and comprised 72% (2023: 65%) of the total Commercial Real Estate portfolio in 2024, up from 48% in 2020. Conversely, exposures have been materially reduced in Retail from 12% in 2020 to 4% in 2024 (2023: 5%) and in Office from 29% in 2020 to 15% in 2024 (2023: 21%). Impacted by work from home trends and online shopping shift, fundamentals in these asset classes deteriorated, and new business was avoided. This shift in risk appetite was undertaken several years ago, which benefits us with limited exposure to these asset types today.

Our US real estate exposure, which accounts for 61% (€ 3.3 billion) (2023: 48%, € 2.4 billion) of the total Commercial Real Estate portfolio, has grown in residential, industrial and logistics assets, where underlying supply and demand remains strong and cash flows continue to develop as expected. These asset classes account for 85% (2023: 74%) of our US commercial real estate assets. US Office accounts only for 10% (2023: 19%) of commercial real estate assets of € 0.3 billion (2023: € 0.5 billion), where the performing assets of € 0.2 billion (2023: € 0.4 billion) maintain a collateral value cushion (LTV of 69%) (2023: 67%) and stable underlying cash flows. Portfolio and granular deal-level stress tests are conducted regularly.

Underlying asset distribution in the Real Estate portfolio

in € million	Total		in %	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Residential	2,769	2,191	51%	43%
Industrial/Logistics	1,131	1,105	21%	22%
Office	833	1,072	15%	21%
Hospitality	449	379	8%	7%
Shopping/Retail	199	277	4%	5%
Other	80	73	1%	2%
Total	5,461	5,097	100%	100%

Public Sector: The Public Sector portfolio primarily consists of loans and limits directly to public sector entities such as sovereigns, federal states or municipalities or to agencies/companies (partially) owned by such public sector entities. It is customary for an explicit or implicit guarantee to be in place provided by the public sector entity. The main focus of the portfolio is Austria, with secondary exposures in France and Germany. Overall, this portfolio is characterized by low risk

and sovereign, state or municipality guarantees. There is not a significant default history for public sector entities in our portfolio, and sovereign support is strongly assumed for publicly owned entities and agencies, which typically fulfill a public benefit and are therefore systemically important. There are no NPLs in this category, and regulatory requirements for risk-weighted assets are low.

Treasury

in € million	Book value		Investment grade	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Cash and cash equivalent & customer assets	18,491	13,544	99.6%	99.4%
Investment book	3,391	5,214	97.6%	98.0%
Total	21,882	18,758	99.3%	99.0%

Treasury continued to pursue the strategy of balancing the investment portfolio between long-term investment in high-quality securities while still maintaining our hold to collect and sell portfolio to preserve the flexibility of redeployment into customer loans or other balance sheet management activities. The overall composition of the portfolio reflects our strategy of maintaining high credit quality, short/medium duration and strong liquidity in the securities portfolio in order to balance the goals of generating incremental net interest income while also minimizing fair value volatility. Given the significant tightening of credit spreads observed in the fourth quarter of 2023 and a low volatility environment in 2024, resulting in lower risk-adjusted spreads, we were generally underinvested in our securities portfolio.

As of December 2024, the investment portfolio amounted to € 3.4 billion (2023: € 5.2 billion) and the liquidity reserve was € 16.7 billion (2023: € 12.2 billion). The investment portfolio's average maturity was 4 years (2023: 3.5 years), comprised nearly 99% (2023: 100%) of investment grade rated securities, of which 76% (2023: 67%) were rated in the single A category or higher. As of December 2024, as well as 2023, the portfolio had no direct exposure to China, Russia, Ukraine or the Middle East and limited exposure to Central Eastern European countries.

Geographical distribution of the investment book

in € million	Book value		in %	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Western Europe	1,977	2,752	58%	53%
DACH/NL	692	1,132	20%	22%
North America	223	695	7%	13%
Others	499	635	15%	11%
Total	3,391	5,214	100%	100%

Currency distribution of the investment book

in € million	Book value		in %	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
EUR	2,885	4,495	85.1%	86.2%
USD	412	577	12.1%	11.1%
Others	95	142	2.8%	2.7%
Total	3,391	5,214	100%	100%

Corporate Center

The Corporate Center contains central functions for BAWAG. Hence, the P&L comprises the funds transfer pricing (FTP) result as an outcome of the Asset & Liability Management function, one-off and project-related operating expenses and other one-off items. The balance sheet mainly includes non-interest-bearing assets, liabilities and equity.

Non-performing loans portfolio

The default definition aligned with the latest EBA requirements (EBA/GL/2016/07) is fully implemented in BAWAG.

Furthermore, BAWAG is fully compliant with the ECB's "Guidance to banks on non-performing loans: supervisory expectations for prudential provisioning of non-performing exposures" and Regulation (EU) 2019/630 amending CRR Regulation (EU) No 575/2013.

The following table shows the 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 a good provisioning level and collateral coverage across the portfolios. More than 87% (2023: 85%) of the total exposure can be assigned to an investment grade rating, which corresponds to the external rating classes AAA to BBB.

in € million	Book value		in %	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
On-balance business (gross)	69,353	54,019	100.0%	100.0%
Provisions	368	395	0.5%	0.7%
thereof Stage 1	55	39	0.1%	0.1%
thereof Stage 2	63	120	0.1%	0.2%
thereof Stage 3	251	236	0.4%	0.4%
On-balance business (net)	68,985	53,625	99.5%	99.3%
NPL ratio			0.8%	1.0%
NPL cash coverage ratio			47.2%	44.6%
NPL coverage ratio			74.3%	75.7%

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	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Total	34,106	22,021	13,339	13,328
NPL ratio	1.2%	1.7%	0.7%	0.8%
NPL cash coverage ratio	52.1%	48.3%	24.0%	31.3%
NPL coverage ratio	74.4%	75.8%	72.8%	75.1%

Received collateral for the NPL portfolio

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

31.12.2024 in € million	NPL exposure	Real estate collateral	Other collateral	Financial guarantees	Credit enhancements
Retail & SME	494	117	21	7	5
Corporates, Real Estate & Public Sector	107	94	4	0	2
Total portfolio	601	210	25	7	7

The values shown are capped market values.

31.12.2023 in € million	NPL exposure	Real estate collateral	Other collateral	Financial guarantees	Credit enhancements
Retail & SME	477	142	21	5	4
Corporates, Real Estate & Public Sector	132	82	3	16	3
Total portfolio	609	224	25	21	8

The values shown are capped market values.

Impairments

In accordance with IFRS 9, the expected credit loss (ECL) is computed for all performing and loan loss provisions (LLP) for all non-performing financial assets that are recorded at amortized cost (AC) or at fair value through other comprehensive income (FVOCI), including lease receivables, loan commitments and financial guarantees and contract assets according to IFRS 15.

The following section is divided into 5 sub-sections to elaborate the assessment and calculation of impairments within BAWAG:

1. Stage allocation
2. Measuring impairment
3. Development of book values, impairments and stages
4. Assessment of ECL overlay
5. Sensitivity analysis

1. Stage allocation

A key aspect of impairment estimation in accordance with IFRS 9 involves the allocation of financial assets into three stages. Stage 1 and 2 comprise assets that are deemed to be performing, while Stage 3 is designated for non-performing assets. Additionally, financial assets that are purchased or originated as credit-impaired at the time of initial recognition (POCI) fall into a distinct and separate category. BAWAG examines the stage allocation of assets at each reporting date.

Stage 1: Initial recognition

All financial instruments at initial recognition are in Stage 1 (with a few exceptions, e.g. POCI) along with those which do not show a significant increase in credit risk since initial recognition.

Stage 2: Significant increase in credit risk (SICR)

When a financial instrument has been in Stage 1, but a significant increase of credit risk since the initial recognition is observed, the instrument is transferred to Stage 2. The SICR is generally conducted at the individual loan level. Industry impacts are assessed on a group basis and included in potential watch list assessments.

The transfer criteria from Stage 1 to Stage 2 are in three pillars:

- quantitative criteria
- qualitative criteria
- backstop criterion

The quantitative criteria examine the worsening of lifetime and forward-looking PDs since the initial recognition, while the qualitative criteria gather additional information about the assets to assess the SICR. As an additional backstop criterion, payment in arrears is considered in BAWAG. If one of the criteria is satisfied, a financial instrument is transferred from Stage 1 to Stage 2. Hence, if none of the transfer criteria is active, the asset is kept in or reassigned to Stage 1.

Quantitative criteria

A quantitative criterion examines the financial asset's credit risk profile based on two aspects:

- the relative lifetime PD change
- the absolute lifetime PD change

If both indicators surpass the predetermined thresholds and indicate a significant increase in credit risk, then the asset is transferred to Stage 2.

Qualitative criteria

Qualitative staging criteria factors selected by BAWAG are:

- Entry in watch list (non-retail customers)
- Entry in warning list (retail customers)
- Forbearance flag

If one of these factors is flagged as active, the financial asset is transferred to Stage 2.

Backstop criterion

As a backstop criterion, BAWAG employs payment in arrears for more than 30 days. All financial instruments that are more than 30 days past due would be transferred to Stage 2, if not yet in Stage 3.

In cases where no staging factor is active, the exposure is automatically reassigned to Stage 1. Defaulted exposures that are not impaired and with no arrears at either the customer or account level on the reporting date are deemed as cured from default and are assigned to Stage 2 considering the riskiest internal risk class for the purpose of the ECL calculation.

Stage 3: Credit impaired / non-performing

At each reporting date, the Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired.

A financial asset or group of financial assets is impaired, and impairment losses are incurred if:

- there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset and up to the reporting date ("a loss event")
- the loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets

2. Measuring impairment

The impairment calculation for financial instruments is underpinned by three fundamental parameters: probability of default (PD), loss given default (LGD) and exposure at default (EAD). These parameters collectively shape the assessment of expected credit losses and are estimated by internal models. Where applicable, the regulatory internal rating-based (IRB) risk models, which are conceptually through-the-cycle, are the starting point for impairment parameter estimation. For portfolios where no IRB risk models are implemented, i.e. standardized approach or LGDs for F-IRB models, other internal models are applied. Necessary adjustments are made to ensure compliance with the IFRS 9 guideline: increase the forecast horizon from 1 year to lifetime; adjust the through-the-cycle parameters to the point-in-time to reflect recent trends; factor in forward-looking information in the ECL estimation as IFRS 9 requires. The parameters are applied across all three stages, but their application in the final impairment calculation differs based on the stage of the individual financial asset.

Separate models are developed to estimate the lifetime risk parameters across the portfolios with different underlying risks. The accuracy of the models is continuously and rigorously confirmed by the annual internal model validation.

The IFRS 9 lifetime risk parameters consist of a through-the-cycle and a point-in-time component. The through-the-cycle component captures idiosyncratic risks of the financial instruments that are stable over time and are measured by the long-term average of risk parameters. Point-in-time components gauge the systematic risks, typically represented by macroeconomic forecasts and the portfolio credit risk cycle.

Exposure at default (EAD)

Lifetime exposure at default measures the expected exposure amount at the time of default. For loans, the amount is estimated as a sum of discounted future cash flows the Bank expects to receive. For revolving products, EAD is a sum of the expected drawn commitments at the time of default. The expected drawn amounts are approximated by the credit conversion factor (CCF), which is modeled based on the historically observed consumed commitments.

Probability of default (PD)

Lifetime probability of default is the probability of clients' insolvency over the financial instrument's lifetime. The PD is derived by the long-term average migration matrix defined across ratings, where ratings are determined by internal risk models.

Loss given default (LGD)

Lifetime loss given default represents the Bank's expected loss in case the financial assets are in default. It is estimated based on historical recovery rates, considering factors like cures, collateral, cash payments and other sources of recovery. These recoveries are compared to exposure at default at a future point in time over the financial asset's lifetime. This helps to understand the anticipated loss in case of default, considering how recovery factors, e.g. collateral values, change throughout the life of the financial asset.

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, is assessed and projected.

BAWAG employs a set of three scenarios in its macroeconomic forecast: 26% (2023: 30%) pessimistic, 45% (2023: 40%) baseline and 29% (2023: 30%) optimistic. The weights are derived by 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 centered around the baseline scenario defined by the internal macroeconomic scenario committee, which analyzes and approves the macroeconomic forecast combining expert opinions, scenario analyses and economic forecasts. 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, unemployment rate or housing prices in a complementary role. The pessimistic scenario assumes a rapid recession in the beginning of 2025 due to the effects of the energy crisis combined with a rapid tightening of monetary policy, followed by a gradual recovery in the next years.

Eurozone macroeconomic forecast as considered for ECL calculation:

GDP growth 31.12.2024 in %	2024	2025	2026	2027
Optimistic (29% weight)	0.8	3.0	2.3	1.5
Baseline (45% weight)	0.8	1.4	1.7	1.6
Pessimistic (26% weight)	0.8	(2.2)	(0.5)	3.1

GDP growth 31.12.2023 in %	2023	2024	2025	2026
Optimistic (30% weight)	0.4	3.5	1.5	1.6
Baseline (40% weight)	0.4	1.2	1.7	1.8
Pessimistic (30% weight)	0.4	(5.1)	2.3	3.1

Stage 1 & 2: Expected credit loss (ECL)

Expected credit loss is calculated for each deal individually on the basis of the parameters, i.e. PD, LGD and EAD. BAWAG applies a probability-weighted expected outcome under three different macroeconomic scenarios that are aggregated with corresponding weights to constitute a final ECL estimate. The distribution among three scenarios allows the Bank to cover the broad range of future expectations and has been chosen as the most appropriate within the industry standards.

Stage 1: 12-month

The horizon of the expected credit loss calculation for Stage 1 instruments is up to 12 months after the reporting date, considering the forward-looking probability of default, loss given default and exposure structure within this period.

Stage 2: Lifetime

The general ECL calculation for Stage 2 financial assets is in line with Stage 1, but the horizon of the expected credit losses is extended until the end of the instrument's maturity.

Stage 3: Loan loss provision (LLP)

To allow management to determine whether a loss event has occurred on an individual basis, all significant counterparty relationships are reviewed periodically. This evaluation considers current information and events related to the counterparty, such as the counterparty experiencing significant financial difficulty or a breach of contract, for example default or delinquency in interest or principal payments.

The loan loss provision for significant individual counterparty risks is based on expected future recoveries in accordance with the risk analysts' estimates. For counterparty risks that are not individually significant, the Group applies loss rate estimates for Retail and SME portfolios that are based on historically observed default and recovery information, customer time in default and LTV information (for mortgage loan exposures) to calculate the applicable level of loan loss provisioning.

The approval procedures for write-offs and debt waivers are described in the handbook on competencies and authorizations. Receivables are written off in coordination with the respective divisions when all reasonable attempts to collect the debt have failed or when there is no intention to actively continue the collection process.

3. 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

31.12.2024 in € million	Starting balance	Increases due to origination and acquisition	Decreases due to derecogni- tion	Changes on existing assets	Closing balance
Book values for impairments in Stage 1 (without POCI)	48,929	22,394	(4,751)	(3,510)	63,063
Retail & SME	20,052	15,776	(2,015)	(1,875)	31,937
Corporates, Real Estate & Public Sector	12,594	3,564	(2,349)	(1,123)	12,686
Treasury	16,263	3,048	(380)	(510)	18,421
Corporate Center	21	6	(7)	(2)	17
Book values for impairments in Stage 2 (without POCI)	1,803	427	(398)	96	1,928
Retail & SME	1,271	201	(213)	200	1,458
Corporates, Real Estate & Public Sector	532	226	(185)	(104)	469
Treasury	—	—	—	—	—
Corporate Center	—	—	—	—	—
Book values for impairments in Stage 3 (without POCI)	584	21	(222)	188	571
Retail & SME	457	21	(125)	116	468
Corporates, Real Estate & Public Sector	127	—	(96)	72	103
Treasury	—	—	—	—	—
Corporate Center	—	—	—	—	—
Total POCI	52	8	(2)	(5)	54
Retail & SME	48	8	(2)	(4)	50
Corporates, Real Estate & Public Sector	4	—	—	(1)	3
Treasury	—	—	—	—	—
Corporate Center	—	—	—	—	—
Total	51,368	22,851	(5,373)	(3,231)	65,616

Only IFRS 9 ECL-relevant book values are shown.

Development of impairments per stage

31.12.2024 in € million	Starting balance	Increases due to origination and acquisition	Decreases due to derecogni- tion	Changes on existing assets	Closing balance
Impairments Stage 1 (without POCI)	39	19	(5)	2	55
Retail & SME	24	16	(2)	7	45
Corporates, Real Estate & Public Sector	13	3	(3)	(4)	9
Treasury	2	—	—	(1)	1
Corporate Center	—	—	—	—	—
Impairments Stage 2 (without POCI)	120	11	(7)	(60)	63
Retail & SME	76	10	(7)	(18)	61
Corporates, Real Estate & Public Sector	44	1	(1)	(42)	2
Treasury	—	—	—	—	—
Corporate Center	—	—	—	—	—
Impairments Stage 3 (without POCI)	227	15	(48)	49	243
Retail & SME	204	14	(46)	48	220
Corporates, Real Estate & Public Sector	23	1	(2)	1	22
Treasury	—	—	—	—	—
Corporate Center	—	1	—	—	1
Total POCI	9	—	—	—	9
Retail & SME	5	—	—	1	6
Corporates, Real Estate & Public Sector	4	—	—	(1)	3
Treasury	—	—	—	—	—
Corporate Center	—	—	—	—	—
Total	395	45	(61)	(10)	369

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

Stage transfer of impairments

31.12.2024 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	20	37	(11)	21	(2)	(6)
Corporates, Real Estate & Public Sector	—	—	—	(11)	—	—
Treasury	—	—	—	—	—	—
Corporate Center	—	—	—	—	—	—
Total	20	37	(12)	9	(2)	(6)

Stage transfer of impairments

31.12.2023 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	27	35	(13)	17	(2)	(11)
Corporates, Real Estate & Public Sector	27	—	—	1	—	—
Treasury	—	—	—	—	—	—
Corporate Center	—	—	—	—	—	—
Total	54	35	(13)	19	(2)	(11)

Rating distribution of book values by impairment stage

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

31.12.2024 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)	20,705	6,699	7,877	21,655	5,669	365	93	—	63,063
Retail & SME	970	3,705	6,283	16,265	4,258	364	93	—	31,937
Corporates, Real Estate & Public Sector	3,207	2,155	1,170	4,837	1,316	1	—	—	12,686
Treasury	16,529	829	417	552	94	—	—	—	18,421
Corporate Center	—	9	8	—	—	—	—	—	17
Book values for impairments in Stage 2 (without POCI)	—	16	16	452	590	466	387	—	1,928
Retail & SME	—	16	16	286	347	408	385	—	1,458
Corporates, Real Estate & Public Sector	—	—	—	167	243	58	2	—	469
Treasury	—	—	—	—	—	—	—	—	—
Corporate Center	—	—	—	—	—	—	—	—	—
Book values for impairments in Stage 3 (without POCI)	—	—	—	—	—	—	—	571	571
Retail & SME	—	—	—	—	—	—	—	468	468
Corporates, Real Estate & Public Sector	—	—	—	—	—	—	—	103	103
Treasury	—	—	—	—	—	—	—	—	—
Corporate Center	—	—	—	—	—	—	—	—	—
Total POCI	—	18	—	—	1	7	6	22	54
Retail & SME	—	18	—	—	1	7	6	19	50
Corporates, Real Estate & Public Sector	—	—	—	—	—	—	—	3	3
Treasury	—	—	—	—	—	—	—	—	—
Corporate Center	—	—	—	—	—	—	—	—	—
Total	20,705	6,733	7,893	22,107	6,259	838	486	594	65,616

Only IFRS 9 ECL-relevant book values are shown.

31.12.2023 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)	16,219	5,375	4,222	16,835	5,884	325	69	—	48,929
Retail & SME	34	2,055	2,283	11,260	4,027	324	68	—	20,052
Corporates, Real Estate & Public Sector	2,439	2,201	1,270	4,932	1,751	1	—	—	12,594
Treasury	13,746	1,107	661	643	106	—	—	—	16,263
Corporate Center	—	12	8	1	—	—	—	—	21
Book values for impairments in Stage 2 (without POCI)	—	6	7	99	692	564	435	—	1,803
Retail & SME	—	6	7	98	348	379	433	—	1,271
Corporates, Real Estate & Public Sector	—	—	—	1	344	185	3	—	532
Treasury	—	—	—	—	—	—	—	—	—
Corporate Center	—	—	—	—	—	—	—	—	—
Book values for impairments in Stage 3 (without POCI)	—	—	—	—	—	—	—	584	584
Retail & SME	—	—	—	—	—	—	—	457	457
Corporates, Real Estate & Public Sector	—	—	—	—	—	—	—	127	127
Treasury	—	—	—	—	—	—	—	—	—
Corporate Center	—	—	—	—	—	—	—	—	—
Total POCI	—	23	—	—	1	10	2	17	52
Retail & SME	—	23	—	—	1	10	2	13	48
Corporates, Real Estate & Public Sector	—	—	—	—	—	—	—	4	4
Treasury	—	—	—	—	—	—	—	—	—
Corporate Center	—	—	—	—	—	—	—	—	—
Total	16,219	5,404	4,229	16,934	6,577	899	506	601	51,368

Only IFRS 9 ECL-relevant book values are shown.

4. Assessment of ECL overlay

BAWAG's ECL estimation relies on historical data and observed relationships to anticipate future credit risk developments. However, certain risks provide challenges to be fully captured within historical datasets, potentially falling outside the model's scope. This is especially relevant for novel risks such as geopolitical uncertainties, climate-related challenges, supply chain disruptions, pandemics, sudden inflation and interest rate fluctuations. Thus, BAWAG applies a framework to capture such risks proactively.

Over the past year, BAWAG has implemented significant improvements to its ECL provisioning models across several major portfolios. These enhancements integrate the most recent data and insights, ensuring that the models adequately reflect the challenges and complexities of recent years. In particular high inflation, interest rate hikes, the economic aftermath of the COVID-19 pandemic and ongoing geopolitical crises have been accounted for in these updates.

BAWAG is dedicated to persistently enhancing and updating its ECL models to ensure they incorporate relevant developments and remain accurate in reflecting the ever-changing economic and market conditions mentioned above. These changes are comprised of updated PD and LGD models for Retail portfolios, sovereign PD adjustments and an overall remodeling of the incorporation of forward-looking information into the parameters. The total effect amounts to around € 37 million of which around € 25 million is attributed to updated PD models for Retail.

An additional area of focus has been the inclusion of new and emerging portfolios that are still in the early stages of growth. Due to the limited availability of historical data for these portfolios, BAWAG has proactively evaluated the appropriate risk level based on all available information. This proactive approach ensures that provisions are aligned with portfolio growth, maintaining a strong and resilient risk management framework. This assessment led to additional ECL provision of around € 8 million distributed among several emerging portfolios.

Furthermore, BAWAG has established a systematic procedure to identify aforementioned novel risks and evaluate their possible effects on various portfolios. This process is continuously applied to determine if measures such as post-model adjustments or collective staging are necessary.

These improvements have enhanced the precision and reliability of BAWAG's ECL models and overall framework, enabling the Bank to address uncertainties effectively. As a result, reserves were strengthened by approximately € 45 million through 2024. These additional reserves are attributable to PD and LGD parameter models for the Retail & SME portfolio. During the 4th quarter, Management Overlay was utilized to support ECL reserve strengthening in the quarter, and partial usage for reserves in the Corporate and Real Estate segment for updated valuations. The remainder of the management overlay, which had been held as post model adjustments and additional reserves for unmodeled economic uncertainties, was released as excess (€ 35 million). The Group also applies a framework that recognizes new risks such as geopolitical uncertainties, climate-related challenges, supply

chain disruptions, and abrupt fluctuations in inflation and interest rates at an early stage and takes them into account effectively.

5. 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 € 118 million as starting point.

The impact of the sensitivity analysis varies from an ECL release of € 15 million when the optimistic scenario is weighted at 100% to an ECL increase of € 27 million when the pessimistic scenario is weighted at 100%.

The sensitivity analysis of a +/-10% change in the value of CRE/RRE collateral on ECL results in a € (1.2) million/+€ 0.7 million impact on ECL. The analysis was performed for the first time in 2024, therefore no numbers for 2023 are presented.

31.12.2024

in € million	ECL incl. management overlay	ECL excl. management overlay	ECL scenario change		
			100% optimistic	100% baseline	100% pessimistic
Stage 1 & Stage 2 impairments	118	118	(15)	(6)	27

31.12.2023

in € million	ECL incl. management overlay	ECL excl. management overlay	ECL scenario change		
			100% optimistic	100% baseline	100% pessimistic
Stage 1 & Stage 2 impairments	159	79	(6)	(3)	11

57 | Market risk

Market risk is defined as the risk of losses caused by open risk positions in the market and the adverse development of market risk factors (interest rates, foreign exchange rates, equity prices, volatilities, credit spreads). Market risk can arise in conjunction with trading and non-trading activities.

BAWAG has a clearly defined market risk appetite. All related risks (from an economic perspective as well as regarding IFRS fair value and OCI risks) are strategically managed at the Group level. All subsidiaries of the Group basically run no open market risk positions, as the customer business (e.g. loans and deposits), investment books and own issues are fully hedged according to the ALM hedging policy. Knab N.V., which was acquired on November 1, 2024, was also integrated in line with BAWAG's risk strategy. All outright risk positions are subject to approval by the Strategic Asset Liability Committee and are measured and reported separately.

The primary market risk components for BAWAG are interest rate and credit spread risk. Both risk categories are measured and monitored via sensitivity, value-at-risk (VaR) and scenario-based approaches. In addition, the financial treatment of the positions is considered in the risk reporting.

The primary body for dealing with market risks is the Strategic Asset Liability Committee (S-ALCO). In the monthly S-ALCO, all strategic interest, FX- and liquidity-risk-related business opportunities along with their impact on risk, earnings and balance sheet targets are discussed and the desired balance sheet and risk structure is generally specified, thereby taking into consideration interest rate, FX and liquidity limits for the banking book.

Market risk in the trading book

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

Market risk in the banking book

The primary components of market risk for BAWAG are interest rate risk and credit spread risk.

Interest rate risk in the banking book

Interest rate risk in the banking book is the potential loss resulting from net asset value changes and the future development of net interest income due to adverse interest rate shifts.

The Strategic Asset Liability Committee (S-ALCO) has assigned interest rate risk limits to the Treasury & Markets division in order to manage the interest rate risk in terms of an optimal risk/return ratio at the BAWAG level. Risk Modelling reports to the S-ALCO on a daily basis as well as monthly at the BAWAG level on limit utilization and the distribution of risk.

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 2024, approximately 39% (2023: 43%) 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 December 31 2024, on the basis of the PVBP concept:

Interest rate sensitivity – total economic risk position

31.12.2024 in € thousand	<1Y	1Y–3Y	3Y–5Y	5Y–7Y	7Y–10Y	>10Y	Total
EUR	(459)	23	225	(177)	305	(272)	(355)
USD	14	(14)	(11)	16	32	(22)	15
CHF	(26)	6	(1)	(7)	(10)	(2)	(40)
GBP	(9)	(3)	(1)	—	—	—	(13)
Other currencies	3	(22)	8	(2)	(1)	—	(14)
Total	(477)	(10)	220	(170)	326	(296)	(407)

Interest rate sensitivity – total economic risk position31.12.2023
in € thousand

	<1Y	1Y–3Y	3Y–5Y	5Y–7Y	7Y–10y	>10Y	Total
EUR	(351)	244	183	315	(31)	(229)	131
USD	(8)	(5)	(19)	(7)	43	(23)	(19)
CHF	(31)	6	5	(1)	(4)	(2)	(27)
GBP	(5)	2	(1)	1	1	—	(2)
Other currencies	2	(11)	(21)	—	(2)	—	(32)
Total	(393)	236	147	308	7	(254)	51

The impact upon the profit or loss statement and other comprehensive income of fair value changes arising from interest rate changes is calculated and monitored separately. The sensitivity of financial positions designated at fair value through profit or loss amounted to minus € 275 thousand on December 31, 2024 (average 2024: minus € 55 thousand, average 2023: minus € 185 thousand). For the fair value through other comprehensive income assets, the sensitivity amounted to plus € 35 thousand (2023: plus € 10 thousand).

Furthermore, a value-at-risk calculation for BAWAG is conducted within the framework of the Internal Capital Adequacy Assessment Process (ICAAP) on a monthly basis.

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)31.12.2024
in € million

	-200bp	-100bp	-50bp	-25bp	+25bp	+50bp	+100bp	+200bp
EUR	53	36	19	10	(10)	(20)	(40)	(85)
USD	(4)	(2)	(1)	(1)	1	1	2	4
CHF	22	7	3	1	(1)	(2)	(3)	(5)
GBP	3	1	1	—	—	(1)	(1)	(2)
Others	1	—	—	—	—	—	—	(1)
Total	75	42	22	10	(10)	(22)	(42)	(89)

Interest rate risk sensitivity (+/- 200 basis points shift)31.12.2023
in € million

	-200bp	-100bp	-50bp	-25bp	+25bp	+50bp	+100bp	+200bp
EUR	(43)	(11)	(4)	(2)	2	3	5	7
USD	5	2	1	—	—	(1)	(2)	(3)
CHF	14	4	2	1	(1)	(1)	(2)	(4)
GBP	1	—	—	—	—	—	—	—
Others	4	2	1	—	—	(1)	(2)	(4)
Total	(19)	(3)	—	(1)	1	—	(1)	(4)

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 € 11 million and minus € 106 million, respectively, in 2024 applying an instantaneous parallel interest rate shift of +/- 200 basis points (2023: plus € 36 million/minus € 132 million).

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 along with the breakdown by accounting categories impacting the profit or loss statement and other comprehensive income:

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

Credit spread sensitivity

in € thousand	31.12.2024	31.12.2023
Total portfolio	(952)	(2,446)
Financial positions at fair value through profit or loss	155	(65)
Financial positions at fair value through other comprehensive income	(450)	(670)
Financial positions at amortized cost	(657)	(1,711)

The risk indicators “value-at-risk” and “expected shortfall” are also calculated and scenario calculations are run, both on a monthly basis.

Credit spread risk is also taken into account and limited for BAWAG as a whole in the ICAAP and is part of the Bank-wide stress tests.

All employed models are calibrated regularly and validated at least once per year by assessing the assumptions and by back testing.

FX risk in the banking book

The extent of open foreign exchange positions in BAWAG’s banking book is managed by conservative limits in order to ensure that only marginal FX risks are carried in the banking book. Compliance with these limits is observed on a daily basis.

The following table shows sensitivities of foreign currencies due to the open currency positions. None of the currencies poses a significant valuation risk.

31.12.2024 in € thousand	USD		GBP		CHF		Other FX	
FX change (in %)	(10)	10	(10)	10	(10)	10	(10)	10
Impact	149	(149)	(798)	798	1,506	(1,506)	(864)	864

31.12.2023 in Thousand €	USD		GBP		CHF		Other FX	
FX change (in %)	(1)	1	(1)	1	(1)	1	(1)	1
Impact	16	(16)	38	(38)	153	(153)	(42)	42

For managing FX risks, BAWAG also applies hedge accounting pursuant to IAS 39.

Cash flow hedge

FX risk from the future credit spread income of BAWAG’s foreign currency portfolios is mitigated by the implementation of a cash flow hedge for FX margins. BAWAG applies a bottom layer approach designating defined amounts of cash flows for a defined period of time as the hedged item. Currently, cash flows resulting from margin income denominated in GBP, USD and CHF are hedged via FX forwards. The following target hedge ratios for future FX credit spread income apply:

- USD: 90% of USD credit spread income for next 60 months
- GBP: 70% of GBP credit spread income for next 36 months
- CHF: 70% of CHF credit spread income for next 36 months

BAWAG also applies the cash flow hedge for cross-currency risk. The hedged risk is the FX risk of future cash flows of notional and indicator-based payments (“reference rate”; for example, cash flows based on LIBOR rates) of BAWAG’s foreign currency portfolios. BAWAG has implemented a bottom layer

approach in regard to the notional/tenor of the hedged item. Therefore, the amounts of hedged risk and hedging instruments (cross-currency swaps) must be adjusted and rolled over continuously in regard to replaced/new business up to the dedicated bottom layers in order to meet the Bank’s hedging requirements. At the end of 2024, approximately 85% and 69% (2023: 90% and 75%) of the total notional available have been designated to cash flow hedge accounting for USD and GBP, respectively.

Net investment hedge

A foreign currency exposure also arises from the Group’s net investment in a subsidiary that has CHF as its functional currency and in a subsidiary that has USD as its functional currency. The risk arises from the fluctuation in spot exchange rates between the CHF and the EUR and between the USD and the EUR, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedge is the risk of a weakening CHF against the EUR or the USD against the EUR that will result in a reduction in the carrying amount of the Group’s net investment in the CHF functional currency

subsidiary or in the USD functional currency subsidiary, respectively.

The full amount of the Group's net investment in its CHF functional currency subsidiary is hedged by a foreign exchange swap between EUR and CHF (notional amount: CHF 45 million; 2023: CHF 45 million), which mitigates the foreign currency risk arising from the subsidiary's net assets. Part of the Group's net investment in its USD functional currency subsidiary is hedged by a foreign exchange swap between EUR and USD (notional amount USD: 180 million; 2023: USD 161 million), which mitigates the foreign currency risk arising from the subsidiary's net assets. The foreign exchange swaps are designated as hedging instruments for the changes in the value of the net investment that is attributable to changes in the EUR/CHF and EUR/USD spot rates.

The Group's policy is to hedge the net investment up to 100% of the net investment amount.

Concentration risk

All essential risk factors are incorporated within VaR models/ scenario analyses and stress test calculations, which are applied to all trading and banking book positions. Instabilities of correlations which could result in an overestimation of diversification are taken into consideration by the fact that only correlations within a specific risk factor (interest, FX, volatilities) and (after a comprehensive analysis of empirical coefficients) between interest rate risk in the banking book and credit spread risk are employed, whereas no diversification beyond these is assumed. Stress test results are also broken down, calculated, reported and limited by risk factor category in order to identify any correlations within a single risk factor.

58 | Liquidity risk

Liquidity risk is the risk of not being able to fulfill payment obligations when they become due (dispositive liquidity risk) or only being able to meet these obligations at higher refinancing costs (structural liquidity risk). Furthermore, liquidity risk includes the risk that transactions cannot be closed or sold or that doing so is only achievable at a loss because of insufficient market depth or due to market interruptions (market liquidity risk). The objective of BAWAG's liquidity risk management framework is to ensure that BAWAG can fulfill its obligations at all times and to manage liquidity risk within the risk appetite.

Liquidity risk management framework

In accordance with the ECB's Supervisory Review and Evaluation Process (SREP), BAWAG has implemented an annual Internal Liquidity Adequacy Assessment Process (ILAAP), which forms the basis for the Group-wide assessment, management and monitoring of liquidity risks.

The Management Board defines the liquidity and funding risk strategy as well as the overall liquidity risk appetite. At least once per year, the Management Board reviews the ILAAP and approves the Group-wide limit framework and funding plans.

The main decision-making body for liquidity risk is the Strategic Asset Liability Committee (S-ALCO), in which all board members are represented. The S-ALCO is informed at least once a month about the performance compared to the risk metrics.

Treasury is responsible for managing the overall liquidity and funding position. Risk Controlling acts as an independent risk control function and is responsible for reviewing the ILAAP framework.

Liquidity strategy

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.

Liquidity management

Liquidity management is performed on a Group-wide basis.

For managing short-term liquidity, a 30-day liquidity forecast is prepared daily, which allows for the close tracking and management of the short-term liquidity position.

For a mid-term perspective, a liquidity forecast for the next 15 months is prepared and reported monthly to the S-ALCO. As part of the forecast process, which takes scenario analyses for planned measures and assumptions about customer behavior into account, the development of all major liquidity risk metrics is projected based on the underlying business plans to ensure compliance with the overall risk appetite.

Long-term liquidity management is conducted as part of the annual planning process for the coming five years. Strategic measures are also analyzed during the course of the year.

Liquidity stress testing

Liquidity stress testing and scenario analyses are applied to evaluate BAWAG's liquidity position, determine the limit framework and calibrate the liquidity buffers. They complement the operational liquidity management and the mid- to long-term liquidity strategy.

Stress testing is conducted at the BAWAG level and the subsidiaries level and covers scenarios that differ in length and severity (systemic stress, idiosyncratic stress, combined

stress). The results of the stress tests are reported to the S-ALCO monthly.

Liquidity buffer

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	31.12.2024	31.12.2023
Balances at central banks	16,701	12,212
Securities eligible for Eurosystem operations	3,676	1,937
Other assets eligible for Eurosystem operations	1,134	1,499
Short-term liquidity buffer	21,511	15,648
Other marketable securities	1,194	2,387
Total	22,705	18,035

Maturity analysis of contractual undiscounted cash flows of financial liabilities

31.12.2024 in € million	Contractual cash flows	Less than 1 month	1–3 months	3 months to 1 year	1–5 years	More than 5 years
Liabilities						
Deposits from banks	(1,387)	(564)	(14)	(47)	(195)	(566)
Deposits from customers	(50,029)	(39,811)	(938)	(2,838)	(1,731)	(4,711)
Debt securities issued	(19,523)	(256)	(309)	(1,159)	(9,836)	(7,963)
Subtotal	(70,938)	(40,631)	(1,262)	(4,044)	(11,763)	(13,240)
Derivative liabilities	(1,216)	(24)	(34)	(217)	(646)	(295)
Other off-balance-sheet financial obligations	(1,756)	(1,756)	—	—	—	—
Total	(73,910)	(42,411)	(1,296)	(4,260)	(12,409)	(13,535)

Maturity analysis of contractual undiscounted cash flows of financial liabilities

31.12.2023 in € million	Contractual cash flows	Less than 1 month	1–3 months	3 months to 1 year	1–5 years	More than 5 years
Liabilities						
Deposits from banks	(2,339)	(472)	(599)	(469)	(208)	(590)
Deposits from customers	(33,969)	(29,536)	(621)	(1,961)	(1,373)	(479)
Debt securities issued	(15,853)	(137)	(195)	(210)	(7,486)	(7,825)
Subtotal	(52,160)	(30,144)	(1,416)	(2,640)	(9,067)	(8,894)
Derivative liabilities	(2,813)	(74)	(241)	(519)	(1,215)	(763)
Other off-balance-sheet financial obligations	(1,907)	(1,907)	—	—	—	—
Total	(56,880)	(32,125)	(1,657)	(3,159)	(10,282)	(9,658)

The table above shows the consolidated nominal (not discounted) cash flows including interest payments on financial liabilities. They are assigned to time buckets on the basis of their contractual maturities. Deposits with non-defined maturity profiles are presented in the shortest time bucket. In the case of call or put options, the end of the term equals the next day on which the option can be exercised.

BAWAG maintains a conservative liquidity management strategy, which is reflected in a strong liquidity coverage ratio (LCR) of 249% at the end of 2024 (2023: 215%). BAWAG thus significantly exceeds the regulatory LCR requirement.

The year 2024 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. Considering the stability of retail deposits that was proved during the COVID-19 crisis and the outbreak of the Russian-Ukrainian crisis, the funding strategy continues to be focused on this funding source. In line with this strategy, the acquisition of Knab bank further strengthens the focus on retail deposits as a cornerstone of the funding model.

As of December 31, 2024, BAWAG has no funding under the ECB's TLTRO III facility (after the last repayment of € 0.6 billion in March 2024 and repayment of € 4.8 billion in the course of

2023). In addition to the stable deposit base, in 2024 the Bank successfully placed € 1.3 billion in public and mortgage covered bonds (€ 750 million in February, € 20 million in March, € 500 million in May), € 500 million in AT1 notes and € 500 million in senior unsecured debt (2023: € 2.2 billion in mortgage and public covered bonds, € 400 million in subordinated debt and € 710 million in senior unsecured debt), which proved BAWAG's good capital market access and the positive perception among investors.

Concentration risk

As a predominantly retail-funded bank, BAWAG Group does not face significant concentration risk on the funding side. Our funding base is well-diversified, with no material dependencies on individual counterparties.

On the asset side, the majority of our liquidity buffer is maintained with the Central Bank, ensuring a high level of stability and accessibility. While we do hold share of the buffer in the form of securities, concentration limits apply to our exposure in HQLA securities.

On the liability side, we actively manage concentration risk by limiting term concentrations of our own issuances through three distinct limit types. Additionally, we monitor our largest depositors across different categories, specifically observing the top 10 depositors, though no strict limits are applied in this regard.

To further diversify our funding structure, we have established a soft target to ensure that funding from the money market (MM) does not exceed 10% of our balance sheet. This measure helps prevent excessive reliance on this funding source.

All concentration risk metrics are monitored at least on a monthly basis, with some being reviewed weekly to ensure proactive risk management and alignment with our risk appetite framework.

59 | Operational risk

Operational risk is present in virtually all company transactions and activities and is defined as the risk of loss resulting from inadequacy or failure of internal processes, people, systems or external events. The definition of operational risk explicitly includes legal risk, compliance risk, model risk, fraud risk, conduct risk, third-party risk, outsourcing risk and information and communication risk. Information/cyber security and the protection – including the appropriate use – of customer data remain important factors in retaining customer trust.

Governance

A clear organizational structure and authorization levels form the basis of operational risk governance. Operational risks are managed by established Group-wide processes for loss data collection via OpRisk Monitor (ORM), a yearly risk control self-

assessment (RCSA) process for all divisions and subsidiaries, uniform materiality and risk assessment of outsourcing activities, and a sound product implementation process (PIP) including ESG statement and monthly key risk indicators. If defined thresholds (e.g. red KRI, high risks identified) are exceeded, mandatory measures for risk mitigation are agreed and monitored. In addition, BAWAG works continuously to bolster its defenses against cyberattacks. The selected security approach is based on regulatory requirements and the security policy set. A consistent guideline and a risk-adequate internal control system (including automated controls embedded in the IT infrastructure) as well as a security control set including a variety of organizational and technological measures are in place to manage and mitigate BAWAG's operational risk.

Risk identification, assessment and mitigation

The losses resulting from operational risk are collected in a centrally administrated, web-based database within clearly defined regulations and processes. The collected data are analyzed to identify patterns/clusters and faulty processes.

Using the RCSA framework, all organizational units and subsidiaries identify and assess their material processes, operational risks, the risk of disregarding regulatory requirements and the effectiveness of their control measures on a yearly basis via a uniform framework. This includes the estimation of probabilities and the extent of losses arising from individual risks. If the risk potential exceeds a defined limit, the implementation of appropriate measures must be determined.

Key risk indicators (KRI) are implemented as additional steering instruments to identify and forecast negative trends or a changed risk profile in company workflows and divisions/subsidiaries in a timely manner. Each KRI is monitored via a traffic light system (green/yellow/red). For KRIs with a red status, the definition and implementation of appropriate countermeasures is mandatory.

According to section 39 paragraph 6 BWG (Austrian Banking Act), credit institutions must define appropriate criteria and procedures in writing taking into consideration the nature, scale and complexity of their business activities. In addition, a regular update is necessary to avoid the risk of disregarding guidelines as well as to reveal the associated risks and to keep such risks to a minimum.

The identification and assessment of potential risks and measures in the case of ad hoc issues is realized through clearly defined processes, especially for outsourcing and the implementation of new products.

BAWAG continues to invest in the awareness of staff and the resilience and security of systems, ensuring that customer data remains safe despite the significant pace of change in technological trends.

The Management Board receives regular reports about current OpRisk developments, as well as activities to protect and assess cybersecurity in the Non-Financial Risk Committee (NFRC).

Risk quantification

BAWAG applies the standardized approach for the calculation of the regulatory own fund requirements according to Article 317 CRR to assess operational risk. However, the realized operational risk losses over the last few years were significantly lower than the regulatory own funds requirements under the standardized approach. The operational risk RWAs are assigned to the segments based on revenues. From 2025, BAWAG will apply the new standardized measurement approach (SMA) according to Basel IV to calculate the own funds requirements for operational risk.

For the purpose of ICAAP, a standardized approach is used to calculate the normative and economic perspective for OpRisk. The quantification in the economic perspective is based on the standardized approach for OpRisk (SMA) as defined in Basel III "Finalizing post-crisis reforms." The SMA is calculated based on the business indicator, business indicator component and internal loss multiplier. The method of calculation used is based exactly on the guidelines and covers the expected and unexpected loss.

The normative perspective is based on the P&L impact and qualitative scenarios based on the historic OpRisk losses and the consideration of the business strategy. From 2025, BAWAG will apply the new standardized measurement approach (SMA) according to Basel IV in the normative perspective as well.

60 | Sustainability-related risk

The interaction of sustainability-related risks and other material risk types is evaluated as part of the overarching risk self-assessment (RSA) as well as the annual risk materiality assessment. Within BAWAG's portfolio steering framework, both high-ESG-risk sectors and countries are limited accordingly due to low-risk appetite for industries exposed to high transition risk (for example oil and gas industries for which there is de minimis exposure on book, and political or social risk). Due to the currently low exposures to high ESG risks, the impact on the year 2024 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. This includes restricted and prohibited sectors which are part of the due diligence process and loan origination process. The biggest challenge remains the availability and accuracy of related data. For the largest GHG emitting portfolios, we developed decarbonization pathways. 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.

The regulatory environment related to ESG is extensive and developing rapidly. 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 the relevant chapter of the Corporate Sustainability Report.

61 | Other risks

The other risks for which economic capital has been allocated within the risk self-assessment process are described below.

Reputation risk

Reputation risk is defined as the potential damage or harm to the Bank's image in the eyes of the interested public (capital investors/lenders, employees, customers, press etc.) regarding competence, integrity and reliability. For the quantification of the reputation risk, the Group follows a combined approach – in a first step, a simplified VaR model is applied for the calculation of a potential risk on the asset side. In a second step, in order to cover the potential overall risk stemming from reputational risk, an outflow of savings deposits and an associated higher refinancing requirement and consequently increasing refinancing costs are taken into account (liability side). As the Group believes that the liability side reacts much more sensitively to reputation risk, a corresponding weighting of the quantification results was carried out.

The Group actively avoids occurrence of reputation risks with a sound risk management culture, ongoing improvement of risk management and compliance with internal and external regulations. Furthermore, the Group has established a sound complaint management system, and closely follows potential fraud and other operational risk events which might affect public perception.

Participation risk

Participation risk includes potential losses in the fair value of non-consolidated equity investments, potential write-offs on the carrying amount of investments and low profitability of non-consolidated equity investments. Participation risk does not include consolidated operating subsidiaries because their risks are assessed separately according to the specific risk types and accounted for as such. Participation risk is considered non-material.

Impairment tests are conducted every year to validate the values of the equity investments in BAWAG's portfolio. These impairment tests are predominantly completed on the basis of

the planning projections (budgeted financial statements – i.e. P&L, balance sheet and cash flow) prepared for future periods by the management of each entity. The results indicated in the projections are discounted using risk-adjusted rates. The proportionate value of the entity based on BAWAG's shareholding is then compared with the carrying amount of the investment.

In addition to the procedure described above, there are simplified procedures for very small investments or if the book value is covered by the proportionate equity or other value indicators, such as the net asset value in the case of real estate companies. The overall results of the impairment tests are reviewed and confirmed by the Credit Risk Management team.

Business risk

Business risk refers to the risk that the Bank's business strategy does not adequately reflect trends in external factors, is not effectively executed or fails to respond in a timely manner to external environments or changes in stakeholder behaviors and expectations. The Group faces significant risks due to the changing regulatory and competitive environments in the financial services sector. The Bank strives to play an active role in the current transformation of the European banking industry. Austria as our core market forms the basis for further organic and inorganic growth in the DACH/NL region, Western Europe and the United States. The multi-brand and multi-channel distribution approach together with targeted use of analytics ensures the capability to adapt product offerings to changes in customer behavior and needs at an early stage. The Group assesses and monitors the impact of the business risk implications of new business, product entries and other business initiatives as part of the business planning processes and stress testing scenarios.

Real estate risk

Real estate risk results from a negative change in value and/or proceeds from proprietary real estate for BAWAG. Regarding the risk self-assessment process, the Group's real estate portfolio is analyzed in detail regarding its assets as well as investment and held for sale properties.

Pension risk

Pension risk refers to the risk that the provisions for pensions are not sufficiently high to cover potential losses arising from differences between actual pensions and a specific target, which could be related to a specific replacement rate, pension pay or life expectancy. Pension provisions of the Group are calculated by an external actuary according to the projected unit credit method. All actuarial assumptions used are based on past experience and are adjusted for expected changes.

The discount factor is based on current interest rates. Risks related to movements in the discount factor are considered in the calculation of market risk.

Main risks for the Group relating to pension obligations apart from interest rate risk include higher than expected salary increases and changes in demographic assumptions.

The majority of new pension plans are defined contribution plans where the final risk is with a pension fund. Obligations from defined benefit plans relate primarily to pension plans implemented in the past and the majority of beneficiaries is already in retirement. As such, there is limited risk that salary increases for active employees will have an impact on the provision.

ADDITIONAL DISCLOSURES REQUIRED BY AUSTRIAN LAW

62 | Fiduciary assets

in € million	31.12.2024	31.12.2023
Fiduciary assets	153	159
Receivables from credit institutions	—	—
Receivables from customers	153	159
Fiduciary liabilities	153	159
Deposits from credit institutions	—	—
Deposits from customers	153	159

63 | Breakdown of securities pursuant to the Austrian Banking Act (BWG)

The following tables break down securities in accordance with section 64 paragraph 1 line 10 and line 11 BWG as of 31 December 2024 and as of 31 December 2023 (IFRS figures):

in € million	Not listed	Listed			Total 2024
		Total	At amortized cost	Other measurements	
Bonds and other fixed income securities	2,711	2,291	824	1,467	5,002
Shares and other variable income securities	204	12	—	12	216
Shares in associates and other shares	185	—	—	—	185
Shares in non-consolidated subsidiaries	9	—	—	—	9
Total securities	3,109	2,303	824	1,479	5,412

in € million	Not listed	Listed			Total 2023
		Total	At amortized cost	Other measurements	
Bonds and other fixed income securities	2,774	3,626	1,460	2,166	6,400
Shares and other variable income securities	207	11	—	11	218
Shares in associates and other shares	179	—	—	—	179
Shares in non-consolidated subsidiaries	16	—	—	—	16
Total securities	3,176	3,637	1,460	2,177	6,813

The securities shown in the tables are mainly non-current assets.

The difference between carrying amounts and lower repayment amounts for the purposes of section 56 paragraph 2 BWG amounted to € 7 million (2023: € 18 million). The difference between carrying amounts and higher repayment amounts for the purposes of section 56 paragraph 3 BWG amounted to € 104 million (2023: € 57 million). The difference between carrying amounts and higher market values for the purposes of section 56 paragraph 4 BWG amounted to € 0 million (2023: € 0 million).

Own issues amounting to a repayment amount of € 1,443 million and bonds and other fixed-income securities amounting to a repayment amount of € 549 million will come due in 2025 under the corresponding contracts. Own issues amounting to a repayment amount of € 132 million and bonds and other fixed-income securities amounting to a repayment amount of € 546 million came due in 2024 under the corresponding contracts.

Subordinated and supplementary capital liabilities are primarily issued in the form of securities. These securities are bullet bonds and some include issuer call options. Supplementary and subordinated capital bonds are primarily sold to major domestic and international investors. In the past, there have also been placements to private investors.

As of 31 December 2024, the average weighted nominal interest rate on supplementary and subordinated capital bonds issued by BAWAG P.S.K. AG was 5.21% (2023: 4.87%), and the average remaining term to maturity was 7.9 years (2023: 8.3 years). BAWAG Group AG issued the following supplementary capital bonds (Tier II):

- Fixed coupon of 1.875%, maturity 2030
- Fixed coupon of 6.750%, maturity 2034

64 | Collateral received

Different types of collateral have been pledged to BAWAG as part of its business transactions. To reduce credit risk for derivative instruments, the Bank received consideration (collateral deals) in the amount of € 680 million (2023: € 287 million) and paid consideration (collateral deals) in the amount of € 652 million (2023: € 621 million). The table below does not include collateral for derivative instruments.

in € million	Total 2024
Financial collateral	
Stocks	67
Cash deposits	1,192
Bonds	—
Real estate	
Commercial properties	543
Private properties	15,842
Personal collateral	
Guarantees	9,434
Credit derivatives	412
Other forms of collateral	
Life insurance policies	8
Collateral received	27,498

65 | Human resources

Headcount – salaried employees

	31.12.2024	31.12.2023
Number of employees on reporting date	3,625	3,174
Average number of employees	3,190	3,183

Full-time equivalents – salaried employees

	31.12.2024	31.12.2023
Number of employees on reporting date	3,232	2,776
Average number of employees	2,808	2,759
Active employees ¹	3,068	2,553

¹ Excluding employees on any form of temporary leave or who have entered into an agreement under a social compensation scheme.

66 | Country-by-country reporting

2024	Revenues from third party sales in € million	Revenues from intra-group transactions with other tax jurisdictions in € million	Profit/loss before tax in € million	Tangible assets other than cash and cash equivalents in € million	Corporate income tax paid on a cash basis in € million	Corporate income tax accrued on profit/loss in € million	Effective tax rate excluding deferred taxes	Number of employees in FTE
Austria	1,341.7	17.8	776.2	218	(276.0)	(205.7)	26.5%	2,314
France	41.0	(31.4)	15.4	—	—	—	—%	—
Germany	108.7	(6.1)	41.5	31	(1.5)	(2.2)	5.3%	244
Great Britain	27.9	(1.2)	6.9	38	(1.9)	(1.0)	14.5%	25
Ireland	—	—	(2.4)	—	—	—	—%	13
Netherlands	30.4	35.4	38.5	6	—	(7.6)	19.7%	502
Switzerland	15.0	(0.1)	5.0	2	(0.1)	(1.2)	24.0%	30
United States	57.0	(2.9)	18.8	9	(2.8)	(4.1)	21.8%	104
Subtotal	1,621.7	11.5	899.9	304	(282.3)	(221.8)	24.6%	3,232
Reconciliation	—	—	90.0	—	—	—	—	—
Total	1,621.7	11.5	989.9	304	(282.3)	(221.8)	22.4%	3,232

2023	Revenues from third party sales in € million	Revenues from intra-group transactions with other tax jurisdictions in € million	Profit/loss before tax in € million	Tangible assets other than cash and cash equivalents in € million	Corporate income tax paid on a cash basis in € million	Corporate income tax accrued on profit/loss in € million	Effective tax rate excluding deferred taxes	Number of employees in FTE
Austria	1,349.5	8.8	847.0	247	(42.9)	(181.8)	21.5%	2,327
France	15.7	(10.1)	9.8	—	—	—	—%	—
Germany	101.6	14.4	47.3	18	(12.2)	(14.4)	30.3%	291
Great Britain	28.2	(1.7)	3.0	57	(1.5)	(1.1)	37.4%	27
Ireland	—	—	(0.8)	—	—	—	—%	12
Netherlands	0.7	—	—	—	—	—	79.9%	2
Switzerland	14.2	—	4.8	2	(0.9)	(0.8)	16.4%	29
United States	27.4	(2.0)	6.9	9	(10.3)	(2.5)	35.8%	88
Subtotal	1,537.4	9.4	918.2	334	(67.8)	(200.5)	21.8%	2,776
Reconciliation	—	—	(7.9)	—	—	—	—	—
Total	1,537.4	9.4	910.3	334	(67.8)	(200.5)	22.0%	2,776

The names of the resident companies can be found in Note 49. The primary activities of the organization can be found in Note 1 and the Segment Reporting. The number of employees is calculated as the number of full-time equivalents as at 31 December 2024 and 31 December 2023, respectively.

The differences between nominal and effective tax rates of the respective countries result mainly from Austrian group taxation, tax loss utilizations, effects of accounting as well as deferred taxes and taxes from former periods.

In the current and the previous reporting period, BAWAG did not have any offshore jurisdictions as defined in the EU list: www.consilium.europa.eu/media/52208/st12519-en21.pdf Annex I.

67 | Trading book

in € million	31.12.2024	31.12.2023
Derivative financial instruments in the trading book (nominal value)	—	18
Trading book by volume	—	18

68 | Geographical regions

Gross income of BAWAG relates to the following geographical regions according to IFRS 8:

in € million	Austria	Western Europe ¹	North America	Rest of the world	Total 2024
Interest and similar income	1,793.9	692.0	528.5	82.9	3,097.3
Income from securities and equity interests	3.8	—	—	—	3.8
Fee and commission income	367.2	48.5	1.8	2.3	419.8
Gains and losses on financial instruments	(24.4)	(1.6)	2.1	—	(23.9)
Other operating income	135.5	14.2	—	—	149.7

¹ Includes Germany.

in € million	Austria	Western Europe ¹	North America	Rest of the world	Total 2023
Interest and similar income	1,457.3	578.1	449.9	80.1	2,565.4
Income from securities and equity interests	1.8	—	0.6	—	2.4
Fee and commission income	346.3	44.5	0.4	1.8	393.0
Gains and losses on financial instruments	(9.6)	(18.9)	11.9	—	(16.6)
Other operating income	29.0	40.2	—	—	69.2

¹ Includes Germany.

69 | Other disclosures required by BWG and Austrian GAAP (UGB)

The Statement of Financial Position entry for Land and buildings includes land with a carrying amount of € 5 million (2023: € 5 million).

The Statement of Financial Position as of 31 December 2024 contains accrued interest on supplementary capital bonds in the amount of € 24 million (2023: € 5 million).

Expenses for subordinated liabilities amounted to € 63.5 million (2023: € 35.4 million).

Expenses for BAWAG's group auditor in the current financial year amount to € 2.2 million (2023: € 1.9 million) and comprise audit fees in the amount of € 2.1 million (2023: € 1.7 million), tax advisory fees of € 0.1 million (2023: € 0.1 million) as well as other advisory fees in the amount of € 0.0 million (2023: € 0.1 million).

As of 31 December 2024, the return on total assets in accordance with section 64 paragraph 1 item 19 BWG amounts to 1.07% (2023: 1.23%).

BAWAG uses the Internet as the medium for publishing disclosures under section 65 BWG and the Disclosure Regulation. Details are available on the website of BAWAG at <https://www.bawaggroup.com/financial-results>.

70 | Date of release for publication

The Group financial statements were approved by the Management Board for submission to the Supervisory Board on 27 February 2025. The Supervisory Board is responsible for reviewing and acknowledging the Group financial statements.

71 | Events after the reporting date

Acquisition of Barclays Consumer Bank Europe

Following the receipt of regulatory approvals, BAWAG has successfully acquired the business operations of the Hamburg-based Barclays Consumer Bank Europe from Barclays Bank Ireland PLC on 1 February 2025.

Barclays Consumer Bank Europe has been active in Germany for more than 30 years and offers credit cards with a genuine credit function. The company's other business areas include installment loans, installment purchase financing via the online retailer Amazon and overnight deposits.

The acquisition is a business combination within the meaning of IFRS 3. Further information on the acquired assets and liabilities and the purchase price cannot yet be disclosed, as the acquisition was carried out on the basis of expected values and the provisional initial consolidation had not yet been completed at the time of approval for publication of these consolidated financial statements.

27 February 2025

A stylized blue ink signature in cursive script.

Anas Abuzaakouk
Chief Executive Officer

A blue ink signature in cursive script.

Enver Sirucic
Member of the Management Board

A blue ink signature in cursive script.

Sat Shah
Member of the Management Board

A blue ink signature in cursive script.

David O'Leary
Member of the Management Board

A blue ink signature in cursive script.

Andrew Wise
Member of the Management Board

A blue ink signature in cursive script.

Guido Jestädt
Member of the Management Board

STATEMENT OF ALL LEGAL REPRESENTATIVES

“We confirm to the best of our knowledge that the consolidated 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 group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.”

27 February 2025



Anas Abuzaakouk
Chief Executive Officer



Enver Sirucic
Member of the Management Board



Sat Shah
Member of the Management Board



David O'Leary
Member of the Management Board



Andrew Wise
Member of the Management Board



Guido Jestädt
Member of the Management Board

BOARDS AND OFFICERS OF BAWAG GROUP AG

MANAGEMENT BOARD OF BAWAG GROUP AG AS 31 DECEMBER 2024

Anas ABUZAAKOUK

Chairperson of the Management Board of BAWAG Group AG from 19 August 2017

David O'LEARY

Member of the Management Board of BAWAG Group AG from 19 August 2017

Sat SHAH

Member of the Management Board of BAWAG Group AG from 19 August 2017

Enver SIRUCIC

Member of the Management Board of BAWAG Group AG from 19 August 2017

Andrew WISE

Member of the Management Board of BAWAG Group AG from 19 August 2017

Guido JESTÄDT

Member of the Management Board of BAWAG Group AG from 1 July 2021

SUPERVISORY BOARD OF BAWAG GROUP AG AS OF 31 DECEMBER 2024

Chairperson

Egbert FLEISCHER

(from 12 December 2019, Deputy Chairperson of the Supervisory Board of BAWAG Group AG from 15 September 2017 until 12 December 2019, Member from 15 September 2017 until the end of the Annual General Meeting adopting the Annual Financial Statements for 2024)

Deputy Chairperson

Kim FENNEBRESQUE

(from 12 December 2019, Member of the Supervisory Board of BAWAG Group AG from 15 September 2017 until the end of the Annual General Meeting adopting the Annual Financial Statements for 2024)

Members

Frederick HADDAD

(Member of the Supervisory Board of BAWAG Group AG from 19 August 2017 until revoked)

Adam ROSMARIN

(Member of the Supervisory Board of BAWAG Group AG from 15 September 2017 until the end of the Annual General Meeting adopting the Annual Financial Statements for 2024)

Tamara KAPELLER

(Member of the Supervisory Board of BAWAG Group AG from 14 September 2021 until the end of the Annual General Meeting adopting the Annual Financial Statements for 2024)

Gerrit SCHNEIDER

(Member of the Supervisory Board of BAWAG Group AG from 14 September 2021 until the end of the Annual General Meeting adopting the Annual Financial Statements for 2024)

Works Council Delegates

Verena SPITZ

(from 25 October 2017)

Konstantin LATSUNAS

(from 1 March 2021)

Beatrix PRÖLL

(from 14 September 2021)

COMMITTEES OF BAWAG GROUP AG AS OF
31 DECEMBER 2024

Risk and Credit Committee

- Frederick HADDAD
Chairperson
- Kim FENNEBRESQUE
- Tamara KAPELLER
- Adam ROSMARIN
- Verena SPITZ
Works Council Delegate
- Beatrix PRÖLL
Works Council Delegate

Audit and Compliance Committee

- Tamara KAPELLER
Chairperson
- Egbert FLEISCHER
- Frederick HADDAD
- Adam ROSMARIN
- Gerrit SCHNEIDER
- Verena SPITZ
Works Council Delegate
- Konstantin LATSUNAS
Works Council Delegate

Nomination Committee

- Egbert FLEISCHER
Chairperson
- Kim FENNEBRESQUE
- Tamara KAPELLER
- Adam ROSMARIN
- Verena SPITZ
Works Council Delegate
- Konstantin LATSUNAS
Works Council Delegate

Remuneration Committee

- Kim FENNEBRESQUE
Chairperson
- Egbert FLEISCHER
- Frederick HADDAD
- Gerrit SCHNEIDER
- Verena SPITZ
Works Council Delegate
- Beatrix PRÖLL
Works Council Delegate

ESG Committee

- Tamara KAPELLER
Chairperson
- Egbert FLEISCHER
- Gerrit SCHNEIDER
- Verena SPITZ
Works Council Delegate
- Beatrix PRÖLL
Works Council Delegate

AUDITOR'S OPINION

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Audit Opinion

We have audited the consolidated financial statements of **BAWAG Group AG, Vienna, Austria** and its subsidiaries ("the Group"), which comprise the consolidated Statement of Financial Position as at December 31, 2024, and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the Austrian commercial and banking law as well as the International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB and Section 59a BWG.

Basis for our Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 („AP Regulation”) and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the „Auditor's Responsibilities” section of our report. We are independent of the audited Group, in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were

addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

Recoverability of Receivables from Customers Measured at Amortized Cost

The Management Board describes the procedure for recognizing loan loss provisions in the notes to the consolidated financial statements in the risk report.

Risk to the Consolidated Financial Statements

Receivables from customers at amortized cost („receivables from customers”) amount to EUR 45.5 bn. in the consolidated statement of financial position and relate mainly to the segments „Retail & SME” and „Corporates, Real Estate & Public Sector”.

As part of credit risk management, the Group evaluates whether individual loan loss provisions need to be recognized. This includes evaluating whether customers are able to meet the contractual repayment obligation in full.

The calculation of loan loss provisions for individually significant defaulted receivables from customers is based on an individual analysis of the expected and scenario weighted future repayments. This analysis is subject to the assessment of the economic condition and performance of the respective customer, the evaluation of collateral and an estimate of the amount and timing of the repayments derived therefrom.

For defaulted receivables from customers not individually significant, the calculation of the individual loan loss provisions is based on statistically determined common risk attributes. These loan loss provisions are calculated, among other things, based on the default days or the occurrence of a legal case using statistical loss given default rates.

For non-defaulted receivables from customers, a loan loss provision is recognized for the expected credit loss („ECL”) according to IFRS 9 as well. Generally, the 12 month ECL (Stage 1) is used. If the credit risk increases significantly, the ECL is calculated based on the lifetime expected credit loss (Stage 2). The determination of ECL requires estimation and assumptions. These comprise rating-based probabilities of default and loss given default, which take information about current conditions and forecasts of future economic conditions into account.

This results in the risk for the consolidated financial statements that the calculation of loan loss provision is subject to significant estimation and assumptions, resulting in room for discretion as well as estimation uncertainty in respect of the amount of the loan loss provisions.

Our Audit Approach

In testing the recoverability of receivables from customers we performed the following significant procedures:

- We analyzed the existing documentation for monitoring and recognition of loan loss provisions for receivables from customers and assessed whether these are suitable to identify events of default and to adequately determine the recoverability of these receivables from customers. Additionally, we compiled the relevant key controls relevant to our audit of the consolidated financial statements, assessed their design and implementation, and tested their effectiveness on a sample basis.
- Based on a sample of receivables from customers, we examined whether indicators of default exist. Sampling was performed both random and risk-oriented, taking in particular rating levels and industries with an increased risk of default into account.
- We assessed the valuation of real estate collaterals based on a sample basis with the involvement of valuation specialists.
- In case of default of individually significant receivables from customers, we assessed the Group's assumptions for conclusiveness, consistency as well as timing and amount of the expected repayments on a sample basis.
- For individually non-significant defaulted and non-defaulted receivables from customers for which the loan loss provision was determined statistically, we analyzed the documentation of the applied method for consistency with the requirements of IFRS 9. Additionally, we evaluated, based on the internal validation, the models and their mathematical functionalities as well as the parameters used therein as to whether they are suitable to determine loan loss provisions in adequate amounts. In particular, we assessed the effects of the current economic environment on the method used to determine the default probabilities by analyzing the selection and measurement of estimates and scenarios concerning the future and verifying their use in the estimation of parameters. We verified the mathematical accuracy by recalculating the loan loss provisions on a sample basis. For this purpose, we involved our financial risk management specialists.

Initial Recognition of Assets and Liabilities from the Acquisition of Knab N.V.

The Management Board describes this transaction and its accounting effects in the notes to the consolidated financial statements in Note 37 „Changes in the Group's holdings“. In addition, the procedure for determining the fair values is

described in Note 1 „Accounting Policies“ section „Latitude of judgment and estimation uncertainties“. The procedure for the initial recognition of assets and liabilities in the course of a business combination is described in Note 1 to the consolidated financial statements.

Risk to the Consolidated Financial Statements

On November 1, 2024 (date of acquisition) the group acquired 100 % of the shares of Knab N.V., Amsterdam. This results in the first-time inclusion of the acquired assets and liabilities in the consolidated financial statements. The group recognized a gain on bargain purchase amounting to 73.7 million EUR as a result of the purchase price allocation and consequently analyzed and assessed the reasons for the gain on bargain purchase.

Assets acquired and liabilities assumed identified as part of the purchase price allocation are initially recognized at fair value at the acquisition date. The fair values are based on the assumptions made by management, such as expected cash flows and discount rates, taking into account the valuation models used. Management's estimates and judgement include, in particular, valuation parameters that are not observable in the market, such as the credit spread, and valuation models applied. The risk for the consolidated financial statements arises from the initial recognition and valuation of the identified acquired assets based on estimates and judgments as well as the resulting gain on bargain purchase.

Our Audit Approach

In testing the initial recognition of assets and liabilities from the acquisition of Knab N.V. including the determination of the bargain purchase gain we performed the following significant audit procedures:

- By analysing the purchase agreement, we assessed whether the criteria for control Knab N.V. were met at the date of acquisition and therefore a business combination had occurred.
- We assessed the valuation models used by the group and the assumptions made therein, which also include unobservable input factors in the market, to determine the fair values of the most significant items. We analyzed whether the underlying assumptions, in particular the unobservable input factors in the market, are consistent and conclusive and whether the discount rates used are within an appropriate range of publicly available information and market data. Moreover, we have verified the mathematical accuracy of the model used to determine the fair values on a sample basis. For this purpose, we involved our valuation specialists.

- We verified the mathematical accuracy and recognition of the gain on bargain purchase. Additionally, as part of our audit of the purchase price allocation, we obtained the analysis and assessment regarding the causes for the occurrence of a gain on bargain purchase and critically reviewed the consistency and traceability.
- Finally, we assessed whether the disclosures in the notes to the consolidated financial statements regarding this acquisition are appropriate.

Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact. If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the additional requirements pursuant to Section 245a UGB and Section 59a BWG and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatements in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the Group to cease to continue as a going concern

- We plan and conduct the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence on the financial information of the components within the Group, in order to form an audit opinion. We are responsible for directing, supervising and reviewing the audit activities carried out for the purposes of auditing the consolidated financial statements. We remain solely responsible for our audit opinion
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on Other Legal Requirements

Group Management Report

n accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management report

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Additional Information in accordance with Article 10 AP Regulation

We were elected as auditors at the Annual General Meeting on March 31, 2023, and were appointed by the supervisory board on May 16, 2023 to audit the consolidated financial statements of the Company for the financial year ending December 31, 2024.

We have been auditors of the Company, without interruption, since the consolidated financial statements at December 31, 2015.

We declare that our opinion expressed in the „Report on the Consolidated Financial Statements“ section of our report is consistent with our additional report to the audit committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Company.

Engagement Partner

The engagement partner is Mr Georg Blazek.

Vienna

February 27, 2025

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Mag. Georg Blazek

signed by:
Georg Blazek
Wirtschaftsprüfer
(Austrian Chartered Accountant)

The consolidated financial statements, together with our auditor's opinion, may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Para. 2 UGB (Austrian Commercial Code) applies.

CORPORATE GOVERNANCE

BAWAG'S DECLARATION OF COMMITMENT

In 2006, BAWAG made a (voluntary) commitment to apply the applicable provisions of the Austrian Code of Corporate Governance ("Code," accessible under <http://www.corporate-governance.at>). Following the listing of BAWAG in 2017, BAWAG declared its commitment to comply with the rules of the Code.

This is the (consolidated) Corporate Governance Report prepared in accordance with sections 243c and 267b of the Austrian Commercial Code (UGB).

Generally speaking, the Code is a set of self-regulation rules for listed Austrian companies and it contains rules based on compulsory legal requirements (L rules); rules that should be complied with, where deviations must be explained and justified in order for the company's conduct to conform with the Code (C rules, comply or explain); and rules that are recommendations, where non-compliance must not be disclosed or justified (R rules).

NO DEVIATIONS

BAWAG fully complies with all L rules and C rules of the Austrian Code of Corporate Governance.

MANAGEMENT BOARD

Management Board Members and Allocation of Responsibilities

As of the date hereof, the Management Board of BAWAG Group and BAWAG P.S.K. was composed of the following members:

Management Board of BAWAG Group and BAWAG P.S.K. as of the date hereof

Name	Function	Year of birth	Date of first appointment ¹	End of current tenure ²
Anas ABUZAAKOUK	Chairperson	1977	19.08.2017	31.12.2029
Guido JESTÄDT	Member	1975	01.07.2021	31.12.2029
David O'LEARY	Member	1975	19.08.2017	31.12.2029
Sat SHAH	Member	1978	19.08.2017	31.12.2029
Enver SIRUCIC	Member	1982	19.08.2017	31.12.2029
Andrew WISE	Member	1971	19.08.2017	31.12.2029

¹ Regarding BAWAG Group AG.

² In January 2025 the mandates of the Management Board Members were extended through the end of December 2029.

As of the date hereof, responsibilities among the Management Board members were allocated as follows:

Name	Responsibilities
Anas ABUZAAKOUK (CEO)	Technology Operations, Procurement, Real Estate & Facilities
Sat SHAH (Retail & SME, Deputy CEO)	DACH Branch Sales, Specialty Finance & SME Lending, Mortgages & Consumer Loans, Payment Solutions, Retail Operations, Digital Sales
Enver SIRUCIC (CFO, Deputy CEO)	Finance, Treasury, M&A, Austrian Corporates & Public Sector, Group Data Warehouse, Investor Relations, Public Affairs, HR & Corporate Affairs, DACH Enterprise Sales
Andrew WISE (CIO)	International Corporate Lending, Real Estate Lending, USA Business
David O'LEARY (CRO)	Commercial & Retail Risk Management, Risk Modelling, Validation, Group Sustainability Office
Guido JESTÄDT (CAO)	Group Legal, Regulatory Affairs
Entire Management Board	Internal Audit, Compliance, KYC & AML Office, Ethics

The following describes the Supervisory Board mandates and comparable functions of Management Board members as of the date hereof at other Austrian or foreign stock corporations, which are not fully consolidated in the consolidated financial statements. Members not listed in the following do not have any comparable functions:

Guido JESTÄDT	
Name of company	Function
Einlagensicherung AUSTRIA Ges.m.b.H.	Member of the Supervisory Board

Management Board Meetings and Committees

Management Board Meetings / Extended Management Board Meetings

The Management Board of BAWAG meets on a weekly basis. BAWAG has also introduced Extended Management Board Meetings, which are held approximately eight times per year. In these all-day sessions, the Management Board and executive leaders of BAWAG discuss a variety of topics such as BAWAG's group strategy, the organizational design, M&A and integration, financial updates, technology developments, retail partnerships, the platform business, ESG-related topics, talent assessment and development, regulatory developments and key risk topics, amongst other things.

The following committees exist at the level of BAWAG's Management Board:

- Strategic Asset Liability Committee (S-ALCO)
- Enterprise Risk Meeting (ERM)
- Credit Approval Committee (CAC)
- Non-Financial Risk Committee (NFRC)

The Management Board committees consist of all members of the Management Board and further voting and non-voting members of BAWAG's senior leadership team (e.g. BAWAG's ESG Officers). They are chaired by the CEO or the CRO. The following section describes the main responsibilities of these Management Board committees.

Strategic Asset Liability Committee (S-ALCO)

The Strategic Asset Liability Committee (S-ALCO) is in charge of strategic capital and liquidity planning as well as operational aspects of asset and liability management. In this capacity, the S-ALCO approves interest and FX limits for trading and managed bank books. With respect to liquidity, capital and interest, the S-ALCO approves liquidity costs, capital costs and internal reference rates. It further determines parameters for measuring interest risk, liquidity risk and foreign exchange risk and monitors risk metrics by way of regular reports. The S-ALCO is chaired by the CEO and meets on a monthly basis.

Enterprise Risk Meeting (ERM)

The main duties of the Enterprise Risk Meeting (ERM) are risk limit setting for the overall bank, approval of the risk strategy and determination of the risk appetite and approval of capital allocation within the ICAAP framework. The committee is further responsible for credit guidelines, strategies and reviews and approves policies, procedures and underwriting guidelines/models. The ERM is chaired by the CEO and meets on a monthly basis.

Credit Approval Committee (CAC)

The Credit Approval Committee (CAC) decides on financing transactions above a certain threshold and on the approval of loan applications within the authorities defined in the Competence and Power Regulation. The committee is chaired by the CRO and meets weekly.

Non-Financial Risk Committee (NFRC)

The Non-Financial Risk Committee (NFRC) is in charge of non-financial risk topics. In particular, it discusses the bank-wide non-financial risk assessment (as part of the Group Risk Strategy), significant outcomes of sub risk self-assessments, large-scale marketing campaigns, changes in regulatory requirements and topics with regards to cybersecurity and data privacy.

Furthermore, the NFRC reviews and acknowledges reports on inter alia, operational risk, conducted product implementation processes, complaint management reports and regular reports on cybersecurity and data privacy matters. The NFRC is chaired by the CRO and meets on a quarterly basis.

COMPLIANCE

As a listed company, BAWAG Group AG is obliged to ensure the highest compliance standards.

The Compliance Office reports directly to the entire Management Board and the Audit and Compliance Committee. The key responsibilities of the Compliance Office are the prevention of insider dealing and market manipulation and the management of conflicts of interest. The Compliance Policy ensures observation of legal and proper conduct obligations, as well as the identification and prevention of conflicts of interest.

In accordance with the Austrian Stock Exchange Act, personal trades in shares of BAWAG Group AG by members of the Management Board and Supervisory Board as well as their related persons are published on BAWAG Group's website.

SUPERVISORY BOARD

Supervisory Board Members

As of 31 December 2024, the Supervisory Board was composed of the following members:

Supervisory Board of BAWAG Group as of 31. December 2024

Name	Function	Year of birth	Date of first appointment	Gender	End of current tenure
Egbert FLEISCHER	Chairperson	1957	15.09.2017	male	²
Kim FENNEBRESQUE	Deputy chairperson	1950	15.09.2017	male	²
Frederick S. HADDAD	Member	1948	15.09.2017	male	¹
Adam ROSMARIN	Member	1963	15.09.2017	male	²
Tamara KAPELLER	Member	1978	14.09.2021	female	²
Gerrit SCHNEIDER	Member	1973	14.09.2021	female	²
Verena SPITZ	Delegated by the Works Council	1970	25.10.2017	female	
Konstantin LATSUNAS	Delegated by the Works Council	1963	14.09.2021	male	
Beatrix PRÖLL	Delegated by the Works Council	1958	14.09.2021	female	

¹ until revoked

² until the end of the Annual General Meeting in 2025

Independence of Supervisory Board Members

According to the company's "Independency criteria for members of the Supervisory Board of BAWAG Group AG," a member of the Supervisory Board shall be deemed independent if said member does not have any business or personal relations to the company or its Management Board that constitute a material conflict of interests and are therefore suited to influence the behavior of the member. The Supervisory Board shall also follow the guidelines below when defining the criteria for the assessment of the independence of a member of the Supervisory Board:

- The Supervisory Board member has not been a member of the Management Board or managing director in the past five years or a management-level staff of BAWAG or a subsidiary within the last three years.
- The Supervisory Board member does not maintain or has not maintained in the past year any business relations with the company or one of its subsidiaries to an extent of significance for the member of the Supervisory Board. This shall also apply to relationships with companies in which a member of the Supervisory Board has a considerable economic interest, but not for exercising functions in the bodies of the Group. The approval of individual transactions by the Supervisory Board pursuant to L Rule 48 does not automatically mean the person is qualified as not independent.
- The Supervisory Board member has not acted as auditor of the company or owned a share in the auditing company or worked there as an employee in the past three years.
- The Supervisory Board member is not a member of the Management Board of another company in which a member of the Management Board of the company is a Supervisory Board member.
- The Supervisory Board member has not belonged to the Supervisory Board of the company for more than 15 years. This shall not apply to Supervisory Board members who are shareholders with an entrepreneurial investment in the company or who represent the interests of such a shareholder.
- The Supervisory Board member is not a close family member (direct descendants, spouses, companions, parents, uncles, aunts, siblings, nieces, nephews) of a member of the Management Board of the company or of persons who are in a position described in the points above.

The following members are regarded as independent pursuant to C Rule 53:

Independence of Supervisory Board members

Name	Independent
Egbert FLEISCHER	YES
Kim FENNEBRESQUE	YES
Frederick S. HADDAD	YES
Adam ROSMARIN	YES
Tamara KAPPELLER	YES
Gerrit SCHNEIDER	YES

Supervisory Board Mandates and Comparable Functions at Listed Companies

The following describes the Supervisory Board mandates and comparable functions of Supervisory Board members at listed companies in Austria and abroad as at the date hereof.

Members not listed in the following do not have any functions at listed companies.

Kim FENNEBRESQUE	
Name of listed company	Function
Albertsons Companies, Inc.	Member
Ally Financial	Member
BlueLinX Holdings	Chairperson

Attendance of Meetings of the Supervisory Board and Its Committees

The Supervisory Board members attended the meetings of the Supervisory Board with an attendance rate of 84.13% and the meetings of its committees with attendance rates ranging from 92% to 100%.

Supervisory Board Activity Report

In 2024, the Supervisory Board convened for seven meetings and adopted two resolutions via circulars. With respect to the activities of the Supervisory Board, reference is made to the respective paragraph in the report of the Chairperson included in this report.

The Supervisory Board has the following committees:

- Audit and Compliance Committee
- Risk and Credit Committee
- Nomination Committee
- Remuneration Committee
- ESG Committee

Audit and Compliance Committee

Name	Function
Tamara KAPPELLER	Chairperson
Gerrit SCHNEIDER	Member
Egbert FLEISCHER	Member
Frederick S. HADDAD	Member
Adam ROSMARIN	Member
Verena SPITZ	Delegated by the Works Council
Konstantin LATSUNAS	Delegated by the Works Council

Decision Making Powers and Activity Report

The Audit and Compliance Committee reviews the company's accounts and the annual financial statements and monitors the company's internal control system as well as the independence and work of the external auditor. The Audit and Compliance Committee prepares the auditor selection process, receives regular reports on compliance/AML/cybersecurity/ethics and data security and data privacy topics and approves the annual audit plans of Internal Audit and the Compliance Office. The Head of Internal Audit, the Compliance Officer and the external auditor have direct access to the Chairperson and members of the Audit and Compliance Committee and, once a year, the external auditor holds a private session with the members of the Audit and Compliance Committee.

The Audit and Compliance Committee held four meetings. With respect to the activities of the Audit and Compliance Committee, reference is made to the respective paragraph in the report of the Chairperson included in this report.

Risk and Credit Committee

Name	Function
Frederick S. HADDAD	Chairperson
Kim FENNEBRESQUE	Member
Adam ROSMARIN	Member
Tamara KAPPELLER	Member
Verena SPITZ	Delegated by the Works Council
Beatrix PRÖLL	Delegated by the Works Council

Decision Making Powers and Activity Report

The committee advises the Supervisory Board on the current and future risk-bearing ability of the Group and monitors the effectiveness and efficiency of the risk management systems and compliance with the legal provisions and regulatory requirements. It receives quarterly risk reports (including reports on credit, market, liquidity and operational risks and complaint management) and prepares, on an annual basis, the risk planning guidelines and the risk strategy, which are subsequently approved by the entire Supervisory Board.

The Risk and Credit Committee held four meetings. With respect to the activities of the Risk and Credit Committee, reference is made to the respective paragraph in the report of the Chairperson included in this report.

Nomination Committee

Name	Function
Egbert FLEISCHER	Chairperson
Kim FENNEBRESQUE	Member
Tamara KAPPELLER	Member
Adam ROSMARIN	Member
Verena SPITZ	Delegated by the Works Council
Konstantin LATSUNAS	Delegated by the Works Council

Decision Making Powers and Activity Report

The Nomination Committee deals with Management Board succession planning and the regular Fit & Proper evaluation of Management Board and Supervisory Board members. It also supports the Supervisory Board in preparing recommendations to the General Meeting with respect to new Supervisory Board candidates. In the course of the assignment of tasks for new Management Board and Supervisory Board members, it stipulates a target quota for the underrepresented gender in the Management Board and the Supervisory Board and develops a strategy to meet this goal.

The Nomination Committee held three meetings.

Remuneration Committee

Name	Function
Kim FENNEBRESQUE	Chairperson
Egbert FLEISCHER	Member
Frederick S. HADDAD	Member
Gerrit SCHNEIDER	Member
Verena SPITZ	Delegated by the Works Council
Beatrix PRÖLL	Delegated by the Works Council

Decision Making Powers and Activity Report

The Remuneration Committee deals with the general principles of the company's remuneration policy. It also monitors the remuneration policy pursuant to the Austrian Banking Act, remuneration practices and remuneration-based incentive structures pursuant to section 39c of the Austrian Banking Act. It also supports the Supervisory Board in preparing recommendations to the General Meeting with respect to the remuneration policies/reports pursuant to the Austrian Stock Corporation Act.

The Remuneration Committee held four meetings. With respect to the activities of the Remuneration Committee, reference is made to the respective paragraph in the report of the Chairperson included in this report.

ESG Committee

Name	Function
Tamara KAPPELLER	Chairperson
Egbert FLEISCHER	Member
Gerrit SCHNEIDER	Member
Verena SPITZ	Delegated by the Works Council
Beatrix PRÖLL	Delegated by the Works Council

Decision Making Powers and Activity Report

The ESG Committee deals with the review of the group-wide ESG strategy and ESG targets and monitoring of their implementation and reviews regular updates on ESG-related topics. Furthermore, the committee advises the Supervisory Board regarding the current and future risk appetite and risk strategy relating to ESG risks. It also monitors the effectiveness and the efficiency of the management of ESG risks (including risk control, risk policies and management reporting on ESG risks) as well as the compliance with legal and regulatory requirements with regards to ESG topics.

The ESG Committee held four meetings. With respect to the activities of the ESG Committee, reference is made to the respective paragraph in the report of the Chairperson included in this report.

REPORT FROM THE CHAIR OF THE SUPERVISORY BOARD

The Supervisory Board of BAWAG Group AG properly fulfilled all duties incumbent upon it by law, its Articles of Association and its Rules of Procedure. The Management Board informed the Supervisory Board of all material issues in a timely and comprehensive manner either in writing or verbally. In addition to periodic meetings, the Chairpersons of the Supervisory Board and the committees of the Supervisory Board discussed current business matters with the Management Board members. Further details regarding the composition of the Supervisory Board and its committees as well as their working procedures are disclosed further below.

SUPERVISORY BOARD

As of 31 December 2024, the Supervisory Board consisted of four female and five male members, resulting in a 44.4% quota in terms of female representation on the Supervisory Board. The Supervisory Board focused on the annual financial statements and the consolidated financial statements for 2023 and discussed the appointment of the external auditor for 2025.

Other material topics which the Supervisory Board dealt with were BAWAG Group's strategy and budget, the risk strategy and the mid-term plan. The Supervisory Board also dealt with M&A-related topics and received updates on regulatory topics and the Recovery Plan.

SUPERVISORY BOARD COMMITTEE MEETINGS

Audit and Compliance Committee

The Audit and Compliance Committee discussed the quarterly reports by Internal Audit and the Compliance Office as well as the 2025 audit plans of Internal Audit and of Compliance. The annual audit process for 2024 was also presented. Furthermore, regular updates on compliance/conduct including ethics and AML topics were given, including updates on cybersecurity, data security and data privacy. The external auditor as well as the Head of Internal Audit attended all meetings.

Risk and Credit Committee

The Risk and Credit Committee discussed the Group Risk Report, which includes the calculation of the risk-bearing capacity and reports on credit, market and operational risk. In addition, the risk planning guidelines were presented to the committee.

Nomination Committee

The Nomination Committee performed the annual Fit & Proper assessment of the Supervisory Board and the Management Board members. In addition, the committee discussed the process as well as the criteria for the selection of new Supervisory Board candidates.

Remuneration Committee

The Remuneration Committee approved amendments of the remuneration policy pursuant to the Austrian Banking Act and also prepared the remuneration report for the Supervisory Board and the Management Board, which was presented to and ultimately approved by the General Meeting. In addition, the committee set 2024 targets for the Management Board and received updates on gender diversity.

ESG Committee

The ESG Committee discussed broad ESG updates, which also included details on BAWAG's ESG strategy, its ESG risk portfolio split and social initiatives.

All committees also reported their discussions and decisions to the entire Supervisory Board.

ANNUAL FINANCIALS STATEMENTS

The annual financial statements and the consolidated annual financial statements for 2024 were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft headquartered in Vienna. The audit revealed no reason for objections.

The legal regulations were complied with in full, and an unqualified auditor's opinion was issued. After an in-depth discussion, the Supervisory Board approved and adopted the annual financial statements in accordance with Section 96 Para 4 Stock Corporation Act. In addition, the Supervisory Board reviewed the consolidated non-financial report. The consolidated financial statements were noted by the Supervisory Board.

In conclusion, I would like to express my sincere thanks to the Management Board as well as all employees within BAWAG Group on behalf of the entire Supervisory Board for their performance and sustained commitment in 2024.

February 2025

Egbert Fleischer
Chairperson of the Supervisory Board of BAWAG Group AG

CONSOLIDATED NON - FINANCIAL REPORT

ESRS 2 General Disclosures

This non-financial report was prepared in accordance with § 267a of the Austrian Commercial Code (UGB) in line with the requirements of the Austrian Nachhaltigkeits- und Diversitätsverbesserungsgesetzes (NaDiVeG) and included in the (consolidated) non-financial report in the annual report. The non-financial report was prepared in accordance with the European Sustainability Reporting Standards (ESRS) in preparation for the reporting obligation under the CSRD. As the report contains ESRS datapoints for the first time, comparative information is not reported according to ESRS 1.136 for all metrics. BAWAG includes further information and key figures on the basis of the Taxonomy Regulation (EU) 2020/852 financial report.

ESRS 2-BP-1 – General basis for preparation of the sustainability statement

ESRS 2-BP-1.5a: Consolidated or individual sustainability statement

The sustainability statement of BAWAG Group for the financial year 2024 was prepared on a consolidated basis.

ESRS 2-BP-1.5b: Scope

The non-financial report incorporates the same scope of consolidation as the financial statements. The report was structured in alignment with the European Sustainability Reporting Standards and as relevant, additional data points have been added. ESRS 2 describes general principles and contains information on the double materiality assessment. The management of the respective impacts, risks and opportunities is described in the respective topical standards.

ESRS 2-BP-1.5c: Upstream and downstream value chain

BAWAG Group's value creation encompasses the upstream value chain required to support its operations and provide its products and services. A detailed description of the value chain can be found in Chapter SBM-1. When assessing sustainability-related matters, we differentiate between our own operations and those relating to our value chain.

BAWAG Group's non-financial report addresses both the upstream and downstream value chains, based on materiality and reflecting the Group's commitment and responsibility towards environmental and social impacts, risks, and opportunities. Policies, actions, and targets are applied across the value chain where applicable, meaningful and available. Given that information and data availability are limited or partially contain high uncertainty due to the use of estimates, the information of the value chains cannot be fully considered in all required reporting standards. We aim for transparency regarding these limitations when reporting on the respective sustainability topics.

On November 1, 2024, BAWAG Group completed the acquisition of Knab, a bank based in the Netherlands. The sustainability-linked information considers therefore two months where profit & loss-related information is reported, and the year-end position with references on balance sheet. This is described at the respective metrics.

ESRS 2-BP-1.5d: Specific intellectual property, know-how, or innovation results

BAWAG Group aims for transparency and, as such, has not excluded any information related to intellectual property, know-how, or innovations from its sustainability-linked disclosure.

ESRS 2-BP-2 – Disclosures in relation to specific circumstances

ESRS 2-BP-2.9: Time horizons

ESRS 2-BP-2.9a: Definitions of time horizons

The time horizons are aligned to the definition as outlined by the European Sustainability Reporting Standards, applying following time horizons:

- Short-term: Reporting period, therefore one year
- Mid-term: From the end of the short-term period up to five years
- Long-term: Greater than five years

A time frame of greater than five years also encompasses a longer-term perspective, of particular relevance for climate and environmental standards. This includes accounting for physical risks as well as transition risks which may become more relevant in years beyond that time frame.

ESRS 2-BP-2.10: Estimated upstream and/or downstream value chain data from indirect sources

BAWAG Group has diligently used the available information to assess its impact, risks, and opportunities related to sustainability-linked matters. However, due to the partially limited nature of the information and the inherent uncertainty arising from estimates, actual impacts may vary from current projections. This remains true even as data accuracy is expected to improve over time.

ESRS 2-BP-2.10a, b, c: Metrics, basis of its preparation and level of accuracy

Most metrics in the upstream and downstream value chains are estimated due to various reasons, including limited reporting obligations from suppliers or service providers, as

well as restrictions in detailed data processing. BAWAG Group's client portfolio contains a very limited number of clients subject to sustainability reporting; therefore, we use sector averages based on international frameworks to determine our footprint. This is also applied for our retail portfolio, where in the case that energy performance certificates are not available, a country average for housing is used. In the topical standards, we define the data source or methodology applied.

Metrics are the GHG calculations of the upstream as well as downstream value chain and the related targets. The physical risk data is based on a third-party data provider and biodiversity and ecosystem impacts were assessed with third-party tools.

ESRS 2-BP-2.10d: Planned actions to improve the accuracy in the future

The data used in the non-financial report is expected to continuously improve. Depending on the underlying data of each respective standard, initiatives for improvement will be undertaken by us or supported by sustainability-related regulations. A key aspect of these regulations and efforts is to provide more standardized information, especially for our client portfolio, which will drive meaningful comparisons when describing sustainability-related performance. The efforts will primarily focus on:

- **Mortgage portfolio:** Achieving a greater coverage of energy performance certificates in the Austrian mortgage portfolio has been in focus over the past year. We will continue our efforts to increase the coverage in the new business origination as well as drive initiatives for existing mortgages. Apart from GHG emissions, developing reliable information on the extent of soil sealing will be part of our endeavors.
- **Commercial Real Estate:** We aim to increase the energy performance certificates for the assets in our Commercial Real Estate portfolio. Given the deal structures and the country-specific requirements there may be limitations.
- **Corporate customers:** It is expected that the share of actual data from companies will increase over time.
- **Suppliers:** In 2024, we conducted a survey among our supplier to assess the status of reporting on GHG emissions. We will continue to maintain the dialogue with our suppliers, however are aware of that it will take time until reporting on supplier level or even product level will cover a greater share of reporting.

ESRS 2-BP-2.11a: Identification of the disclosed quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty

The accuracy of the provided greenhouse gas emissions are based on different levels of uncertainty. The highest uncertainty relates to following:

Financed emissions:

There is significant uncertainty in the calculation of the GHG footprint of BAWAG Group's portfolio due to limited actual data availability. For our largest asset class, mortgages, we have limited energy performance certificates, particularly for properties in Austria, while central databases are accessible in the Netherlands and Ireland. This also implies that, even if energy performance certificates are available, they may be outdated if potential home improvements have been carried out in the meantime. For corporate clients, only a limited number are subject to sustainability reporting. For commercial real estate portfolios we apply a similar approach as for mortgages. Consequently, we refer to industry or country averages when client-specific data is not available.

Remaining GHG categories:

Scope 1 and 2 emissions are based on actual consumption data to the extent that it is available at the time of reporting. If specific data is not available for the reporting period, we use proxies from available reporting periods or similar locations.

The GHG equivalent for purchased goods and services is calculated based on expenses. During 2024, we conducted a survey among the suppliers with the highest spend. Details are disclosed under ESRS 2-BP-2.10d.

Employee commuting data is restricted from a data processing perspective and was collected through a survey among employees regarding their usual means of transport to the office.

Business travel is also calculated based on expenditure. While we plan to enhance the underlying data to capture more details about the travel itself, we anticipate that this will require more detailed disclosures from respective service providers to accurately calculate GHG emissions.

We use a third-party vendor for physical risk data. Although this data is anticipated to be as accurate as possible, the long-term nature of climate risks inherently maintains a certain level of uncertainty.

ESRS 2-BP-2.11b: Disclosure of details in relation to each quantitative metric and monetary amount identified
The details are disclosed along with the respective datapoints.

ESRS 2-BP-2.12: Forward-looking information
Climate and environmental data are long-term in nature. The assessment of transition plans, the alignment of major GHG portfolios as well as our own operations to the 1.5 degree global warming scenario, as well as physical risk are based on forward-looking information which therefore contain uncertainty. The actual developments can in consequence deviate from the current expectations.

ESRS 2-BP-2.13: Changes in the preparation and presentation of sustainability information
BAWAG Group prepared the non-financial report based on the European Sustainability Reporting Standards for the first time for the financial year 2024. Consequently, the structure of the sustainability statement has been newly set up with certain data and metrics disclosed the first time.

ESRS 2-BP-2.16: Disclosure by reference
Following datapoints are referred to outside of the scope of the sustainability statement:

1.21a: Corporate Governance report	Page 212
1.21c: Corporate Governance report	Page 212
SBM-1.40g: Segment reporting Notes	Page 119

Governance

GOV-1: The role of the administrative, management and supervisory bodies

ESRS 2-GOV-1.21: Composition and diversity of the administrative, management, and supervisory bodies

ESRS 2-GOV-1.21a: Number of executive and non-executive members

BAWAG has a two-tier board structure comprising a Supervisory Board with nine members and a Management Board with six members. Details are disclosed in the Corporate Governance report.

ESRS 2-GOV-1.21b: representation of employees and other workers

In compliance with legal requirements, employee representatives on the Supervisory Board maintain one-third parity with shareholder representatives. Consequently, three members of the Works Council are delegated to the Supervisory Board.

ESRS 2-GOV-1.21c: Experience to the sectors, products and geographic locations of the undertaking

The individual and collective expertise is evaluated during the selection of Board members and the annual suitability assessment. The expertise is based on the assessment of the Fit & Proper Office derived from collected information. All members of the BAWAG Management Board and Supervisory Board are well experienced, possess extensive knowledge in and of the banking industry, and the skills necessary to fulfill their respective roles and duties.

ESRS 2-GOV-1.21d: Percentage by gender and other aspects of diversity that are considered

The Management Board consists of six male representatives, which corresponds to a female quote of 0%. Their age ranges from 42 and 53, with an average age of 47.6 and a median age of 48. Nationalities within the Management Board include United States (4), Austria (1) and Germany (1).

The Supervisory Board consists of nine members, including four women and five men, which corresponds to a female quota of 44%. When not considering the representatives from the Works Council, the female quota is 33%. Further details are disclosed in the Corporate Governance report.

ESRS 2-GOV-1.21e: Percentage of independent board members

100% of the members of the Supervisory Board are independent as defined in the Austrian Banking Act (BWG) and the Austrian Corporate Governance Code (ÖCGK).

ESRS 2-GOV-1.22a: Administrative, management and supervisory bodies or individual(s) responsible for oversight of impacts, risks, and opportunities

The Environmental, Social, and Governance Committee (ESGC) is the highest governance body at BAWAG on Supervisory Board level to address sustainability topics. The ESGC has the following members:

- Tamara Kapeller
- Egbert Fleischer
- Gerrit Schneider
- Verena Spitz
- Beatrix Pröll

It oversees the development and implementation of the Group's sustainability strategy and initiatives, and monitors progress against the targets set. In 2024, the ESGC convened four times to receive updates on developments in sustainability matters. Additionally, the Audit and Compliance Committee was involved in reviewing sustainability topics in preparation for the annual statements.

In the second half of 2024, BAWAG Group revised its sustainability-related governance structure on Management Board level. The previous Non-Financial Reporting & ESG Committee was redefined and sustainability reporting was since then included as a quarterly agenda item in regular Management Board meetings. This marks a step towards embedding a governance structure for sustainability reporting and monitoring that is similar to that of financial reporting. Sustainability topics were addressed in 10 Management Board meetings throughout 2024, with updates focusing on the progress towards targets, reporting changes and initiatives undertaken during the year.

In alignment with their initial responsibilities as described in the Corporate Governance report, the Management Board members have the following sustainability-related responsibilities:

- Full Management Board: The responsibility includes the execution, monitoring, and regular review of the sustainability strategy, as well as initiatives to embed our corporate culture, particularly in the context of acquisitions.
- CEO: Aligning our own operations with net-zero targets for Scope 1 and 2 emissions, incorporating sustainability into the supply chain, as well as ensuring robust IT security.
- The CFO is responsible for our human resources. Additionally, he oversees the corporate and public

sector business in the DACH region and is therefore accountable for managing the progress towards our decarbonization target for power generation.

- The Head of Retail & SME is in charge of the decarbonization initiatives in order to achieve the alignment of our mortgage portfolio to the 1.5 degree global warming scenario. He is also measuring and setting initiatives to managing customer satisfaction in the Retail business. Additionally, he focuses on the social inclusion of customers by enhancing access to finance through various channels.
- The CRO oversees the monitoring and management of climate and environmental risks, including the decarbonization of businesses, conduct of sustainability risk assessments.
- The Chief Investment Officer or Head of non-retail lending is responsible for the appropriate governance in regards to the non-retail lending outside of DACH-region.
- The Chief Administrative Officer defines the business conduct ensuring we operate with integrity and in compliance with relevant regulations and ethical standards, including data protection and maintaining the privacy of our customers' information.

ESRS 2-GOV-1.22b: Responsibilities reflected in the terms of reference, board mandates and other related policies

The responsibilities of the Management Board, the Supervisory Board and its committees are defined in the articles of association, the respective rules of procedure or terms of reference as well as in the applicable policies, in particular the governance policy.

ESRS 2-GOV-1.22c: Management's role in governance processes, controls, and oversight

BAWAG Group aims to embed sustainability-related requirements and monitoring in its existing governance frameworks.

i. delegation to specific management-level position or committees and oversight methods

Respective committees on Supervisory Board as well as Management Board level are described in the Corporate Governance report.

ii. reporting lines to administrative, management, and supervisory bodies

In addition to the Board functions, BAWAG established - instead of the previously ESG officers - a Sustainability Office in 2024, which is responsible for developing and coordinating the sustainability strategy of the Group together with the

respective business functions, the regular reporting to BAWAG's management functions in regards to the effectiveness of the initiatives and the coordination of the external reporting. In addition, it coordinates the implementation of upcoming regulations focusing on sustainability and works closely with the business and control functions.

iii. integration of dedicated controls and procedures with internal functions

Sustainability-related controls and procedures are primarily embedded in the existing teams and procedures, while ESG risk is currently managed in a separate team.

ESRS 2-GOV-1.22d: Overseeing target setting and monitoring progress on material impacts, risks, and opportunities
The process is described in GOV-1.22a.

ESRS 2-GOV-1.23: Assessment of the availability or development of skills and expertise to oversee sustainability matters, including:

ESRS 2-GOV-1.23a: Sustainability-related expertise

Over the years, BAWAG has integrated the management of sustainability-related matters into its operations. Consequently, both Management and Supervisory Board Members possess dedicated expertise in this area. If impacts or risks are identified that relate to a relatively new topic, we develop the required expertise through specialized training provided by internal or external subject-matter experts.

The individual and collective expertise of Management and Supervisory members is evaluated during both the selection process and the annual suitability assessment. The Fit & Proper Office conducts these assessments, following procedures outlined in the Fit & Proper Policy.

In addition to training for management functions, sustainability training programs are implemented across the broader organization. These programs are customized to meet the needs of specific business areas or functions, ensuring that the training is aligned with the skillsets required for their daily operations.

ESRS 2-GOV-1.23b: Skills and expertise relating to material impacts, risks and opportunities

All Members of the Management Board and Supervisory Board of BAWAG have many years of experience and therefore the relevant skill set for managing the financial as well as sustainability-related impacts, risks and opportunities. They are embedded in their already existing functional areas as outlined in GOV-1.22a.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

ESRS 2-GOV-2.24, 26a: Function and frequency of the administrative, management and supervisory bodies, are informed about material impacts, risks and opportunities, the implementation of due diligence, and the results and effectiveness of policies, actions, metrics and targets adopted to address them

The Management Board members are updated annually on the materiality assessment. In addition to the regular reporting outlined in ESRS 2-GOV-1.22a, the Management Board receives specific analyses related to sustainability-linked information in case of dedicated events. Depending on the topic, updates are provided by the Sustainability Office, risk management, human resources or the business function.

ESRS 2-GOV-2.26b: Consideration of impacts, risks and opportunities when overseeing strategy, decisions on major transactions and risk management process

Our business strategy focuses on long-term sustainable and profitable growth. A profitable franchise is the foundation that enables us to support our stakeholders through all economic cycles. Sustainability has therefore been an integral part of our strategy, as those can ultimately affect the financial performance of the bank. Therefore, we are proactively managing our impacts, risks and opportunities. The integration of sustainability into the business strategy is detailed in SBM-1. Sustainability matters are considered during transactions, which already starts at the countries we are operating in or deciding to expand to. Sustainability linked factors can have a financial impact on our franchise, and therefore we consider these as integral part of our decision-making. BAWAG Group closed one strategic acquisition in the Netherlands during 2024 and signed one further in Germany during 2024, which closed early 2025. The dedicated teams, e.g. human resources, risk management, are participating during due diligence processes and we align closely with our newly acquired businesses from Day 1.

ESRS 2-GOV-2.26c: Material impacts, risks and opportunities addressed during the reporting period

The Management as well as Supervisory Board received quarterly updates on performance indicators and initiatives related to climate change, business conduct, data protection and IT security. In addition, performance indicators on our employees, customer satisfaction and the double materiality assessment were reported during 2024.

GOV-3 – Integration of sustainability-related performance incentive schemes

ESRS 2-GOV-3.29: Incentive schemes and remuneration policies linked to sustainability matters for members of the undertaking's administrative, management and supervisory bodies, where they exist:

ESRS 2-GOV-3.29a: a description of the key characteristics of the incentive schemes

The main principles of the remuneration scheme are:

- Sustainability by conducting a long-term, risk adjusted assessment of the performance;
- Adequacy of remuneration with a focus on a balanced ratio between fixed and variable remuneration;
- Risk adequacy in the sense that variable remuneration may not induce the taking of inappropriate risks by defining measurable performance criteria as well as maximum limits;
- Performance-driven variable remuneration linked to target achievement.

The remuneration of BAWAG's Management Board consists of fixed and variable compensation components. The structure of the remuneration is set in a way that it gives the Management Board members motivation to achieve their targets both on a group level as well as on an individual level without incentivizing them to enter into any inappropriate risks. While fixed remuneration is not linked to performance, variable remuneration is performance-related and designed to create suitable incentives for the achievement of key corporate targets. The fixed remuneration includes the base salary, pensions and fringe benefits in form of insurance benefits. Variable compensation consists of short-term incentives (STI) and long-term incentive programs (LTIP), at present an LTIP originally measuring a multi-year performance period from 2022 through 2025. The variable portion of remuneration is composed of cash payments and share-based awards.

The variable (short-term) remuneration is paid based on performance targets. Whereas targets for each Management Board member are set by the Remuneration Committee for the respective financial year, while considering the scope and complexity of the respective Management Board member's functional responsibilities as well as BAWAG's financial situation. Of these performance targets, 80% comprise financial targets (tied to externally communicated KPIs) and 20% non-financial/ESG targets.

If the nature of the risk management and compliance roles of Management Board members require so, different scorecards will apply which will be weighted with up to 100% on non-financial metrics. This currently applies to the Chief Risk Officer (CRO) and the Chief Administrative Officer (CAO).

Further details on variable remuneration can be found on page 10 et seq. of the Remuneration Policy.

All Management Board members participate in the BAWAG LTIP 2025, as well as approximately 80 selected key leaders of BAWAG. The overall program size amounts to approximately 800,000 shares for all participants of the BAWAG LTIP 2025, including Management Board members, whereas approximately 50% of the BAWAG LTIP 2025 has been allocated to the Management Board and the remaining approximately 50% has been allocated to selected key leaders. The awards under the BAWAG LTIP 2025 will, subject to all vesting conditions being met, be delivered in the form of ordinary shares of BAWAG Group AG (no phantom shares) in 2026 and 2027. In order to effectively align the interests of participants of the BAWAG LTIP 2025 with the long-term performance of BAWAG Group, the performance conditions are tied to the multi-year performance targets until 2025. They consist of financial targets (70%) and non-financial/ESG targets (30%).

Supervisory Board Members receive a fixed remuneration which depends on the actual function performed (Chairman of the Supervisory Board, deputy chairman of the Supervisory Board or (ordinary) member of the supervisory board). Supervisory Board members being also a member of a committee may receive additional remuneration which depends on the respective committee (Audit and Compliance Committee or other committee) in which a Supervisory Board Member participates and furthermore, the specific function performed in the committee (Chairman or other (ordinary) seat in the committee). Supervisory Board Members do not receive any additional attendance fees. Supervisory Board members do not participate in performance-based awards and are not entitled to receive pension contributions. Any changes to the above remuneration framework of the Supervisory Board require that a respective resolution is adopted by the Annual General Meeting.

ESRS 2-GOV-3.29b: Performance assessment against specific sustainability-related targets and/or impacts

The Remuneration Committee is responsible for setting the targets for the annual bonus of Management Board members and to assess them ex post. The assessment is conducted based on a comprehensive set of assessment guidelines, with ratchets and caps for all financial and non-financial targets, which are set at the beginning of the bonus cycle and are disclosed in the remuneration report of the following year. The non-financial/ESG targets are set individually for each fiscal year. The non-financial/ESG targets for 2024 (weighted with 20% in total) comprised the following:

The non-financial/ ESG targets for 2024 (weighted with 20% in total) comprised environment targets (weighted with 10%) and social/ leadership targets (weighted with 10%). The environmental targets are related to the development of a transition plan, the issuance of green bonds in the amount of €

500 million and to have 100% electric cars in BAWAG's active fleet by end of 2024. The social & leadership targets include promoting values of BAWAG Group, creating a meritocratic environment, implement HR initiatives and actions based on the results of the employee survey and improve customer and employee satisfaction.

Supervisory Board members receive a fixed remuneration which depends on the actual function performed and do not participate in performance-based awards.

ESRS 2-GOV-3.29c: whether and how sustainability-related performance metrics are considered as performance benchmarks or included in remuneration policies

Sustainability-related performance metrics are considered as performance benchmarks and included in the remuneration policy based on an annually newly defined set of non-financial/ESG-linked targets including an individual leadership component and other non-financial/ESG-linked targets as taken into consideration as key focus topics of BAWAG Group within environmental/climate, social and governance-related areas for the specific year.

Each metric will be tied to a target goal, with the target bonus amount paid out only if the respective goals for each metric are achieved. The financial metrics include "ratchets" within a specific range from the target, which further determine the extent to which final bonus payouts will be above or below the target amount for each participant. Non-financial targets are assessed on a similar - but often more qualitatively-determined - basis.

ESRS 2-GOV-3.29d: Proportion of variable remuneration dependent on sustainability-related targets and/or impacts

The variable remuneration each Management Board member may receive annually from the bonus plan is determined by a scorecard weighted 80% on group financial metrics and 20% on non-financial/ESG-linked metrics.

Exceptions currently apply to the Chief Risk Officer (CRO) and Chief Administrative Officer (CAO) who, due to their role and functions, do not have any financial targets set (i.e., 100% on non-financial metrics. See in detail 3.29a regarding variable (short-term) remuneration and long-term incentive programs (LTIP).

ESRS 2-GOV-3.29e: Level at which the terms of incentive schemes are approved and updated

The terms of the incentive schemes are approved and updated by the Remuneration Committee of the Supervisory Board. The annual Remuneration Report as well as the Remuneration policy are also presented to the Annual General Meeting for approval.

E1-GOV-3.13: Climate-related considerations in relation to the remuneration of administrative, management and supervisory bodies

For 2023 the targets included specific targets in the areas of Compliance & Conduct, Social Engagement and Leadership. For 2024, a greater focus was put on environmental/climate-related targets.

E1 - Climate change

In 2021, BAWAG Group set long-term sustainability-related targets for 2025, which are reflected in the ongoing long-term incentive program. 20% of the long-term incentive program established in 2022 relates to the achievement of sustainability-related targets, whereof following are tied to environmental achievements:

→ >50% reduction of scope 1 & 2 emissions by 2025 versus the baseline of 2020

→ >€ 1.6 billion green new business generation in 2025

The scope 1 & 2 emission reduction targets are aligned with the 2025 targets disclosed under E1-4. All Management Board members participate in this long-term incentive program, as well as approximately 80 selected key leaders of BAWAG.

Regarding the variable remuneration for BAWAG's Management Board, sustainability-linked targets have been established, accounting for 20% of the overall targets. For 2024, these included the development of a transition plan as a climate-related objective. BAWAG's Remuneration Committee has determined that this climate-related target has been fully met, as BAWAG developed a transition plan with decarbonization priorities, principles, and levers to provide transparency on how transition risk is mitigated and impacts reduced.

GOV-4 – Due diligence**ESRS 2-GOV-4.30; 32: Due diligence process**

BAWAG Group conducts due diligence on the impacts, risks, and opportunities within its own operations and throughout the value chain. To effectively monitor and implement counteractive measures against adverse developments, this due diligence is performed not only at the initiation of a business relationship but also on an ongoing basis, where meaningful. For customers, due diligence for climate and environmental topics is based on a differentiated approach. The respective processes are described in the following chapters.

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2-GOV2 ESRS 2-GOV3 ESRS2 - SBM3
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 - GOV2 ESRS 2 - SBM2 ESRS 2 - IRO1 E1 - E1.2 S1 - S1.1 S1 - S1.2 S4 - S4.1 S4 - S4.2 G1 - G1.1 G1 - G1.2
c) Identifying and assessing adverse impacts	ESRS 2 - SBM3 ESRS - IRO1 E1 - E1.1 E1 - E1.3 S1 - S1.4 S4 - S4.4 G1
d) Taking actions to address those adverse impacts	E1 - E1.6 S1 - S1.4 S4 - S4.6 G1
e) Tracking the effectiveness of these efforts and communicating	

GOV-5 – Risk management and internal controls over sustainability reporting**ESRS 2-GOV-5.36a: Scope, main features and components of the risk management and internal control processes and systems in relation to sustainability reporting**

The maturity of sustainability reporting varies across the different standards and metrics. Data related to business conduct, human resources, and customers are at advanced levels of maturity, while climate and environmental data are longer-term in nature and sometimes only available as estimates or proxies based on industry or country averages. Consequently, the related controls and risk identification processes are also maturing. Responsibility for the data in the sustainability report is decentralized and lies with dedicated functional reporting units. Climate-related data calculations have partially been transferred to the data warehouse, the development towards an end-to-end processing will be a key focus in the coming years as data and methodologies continue to mature.

ESRS 2-GOV-5.36b: Risk assessment approach

BAWAG Group's internal control and risk management systems contain instructions and processes for the workflow to ensure the correct and appropriate documentation, to collect information required for the preparation of the period-end financial statements. However, especially climate and environmental as well as value chain data are currently of limited availability. The customer-related and transaction data are generally collected in the market and operating units, and

supplementary information is entered by the risk units, either on a customer-level or where data is not available, data from third-party providers or from developed heatmaps in the form of estimates are used. The preparation of the datapoints is performed either in the data warehouse or with calculations performed using Excel.

Risks are prioritized based on the materiality of the risk assessment.

ESRS 2-GOV-5.36c: Disclosure of the main risks identified and their mitigation strategies including related controls

Sustainability-linked data varies in maturity, and therefore risks may occur at different stages of sustainability reporting:

- Climate and environmental data, being longer-term in nature and sometimes only available as estimates or proxies based on industry or country, carry the risk of inadequate assessment. This also applies to data from the value chain, where very limited primary information is available. Consequently, this can lead to an incomplete sustainability statement. Aiming to use industry-common data sources as well as enhancing the engagement with stakeholders provides a more comprehensive understanding of our sustainability-related impacts, risks and opportunities. In addition, we have an audit on the identified information.
- For the same reason there is the risk that information or data provided in the sustainability statement are not accurate. This especially holds true for forward-looking information as well as data in relation to climate-related targets, initiatives or metrics.
- We perform controls for data reported under the sustainability statement.

ESRS 2-GOV-5.36d: Findings of its risk assessment and internal controls integrated into relevant internal functions and processes

We are aware of our responsibility of sustainability-related information and it is therefore integrated across internal control functions. The outcome of the risk assessment is integrated in the respective control functions and the implementation thereof is monitored on a regular basis. BAWAG Group's internal audit conducts regular audits on sustainability-related focus areas.

ESRS 2-GOV-5.36e: Periodic reporting

Internal audit reports on a quarterly basis to the Supervisory Board.

Strategy

SBM-1 – Strategy, business model and value chain

ESRS 2-SBM-1.38, 40a: Elements of strategy

Sustainability has been an integral part of BAWAG's business strategy fostering a sustainable and long-term profitable franchise.

i: significant groups of products and/or services offered, including changes in the reporting period

BAWAG's business model is centered around providing customers with simple, transparent, and affordable financial products and services with a focus on Retail & SME. The segment descriptions in the Group Management report provides a detailed overview about the business activities.

ii: significant markets and/or customer groups served, including changes in the reporting period

BAWAG Group's strategy focuses on growth in developed and mature markets. Our core markets are Austria, Germany, Switzerland, the Netherlands (DACH/NL region), Western Europe and the United States. At year-end 2024, the Group served approximately 2.5 million customers with focus on retail, small business, corporate, real estate, and public sector customers across various brands and channels.

We focus on regions and countries with strong fiscal positions, represented by a sovereign rating of at least single A, reliable legal systems and a stable geopolitical environment. The past few years, which have been dominated by the pandemic, elevated inflation and geopolitical conflicts, have demonstrated the fiscal strength and capabilities of the countries we operate in. Governments have put in place extensive stimulus packages and measures to support their citizens and economies.

The DACH/NL region accounts for 80% of our customer business and forms the foundation of the Group. With the acquisition of Knab in the Netherlands in 2024, the exposure to this region has grown. The foundations that we have built in the German, Dutch and Swiss markets, provide us with a significant opportunity to accelerate our growth without sacrificing profitability.

iii: headcount of employees by geographical areas

Our workforce is a reflection of our geographic focus, with over 90% of our 3,625 employees based in the DACH/NL region. Austria serves as our foundation and constitutes the largest portion of this region. Beyond the DACH/NL region, we have 145 employees, with a presence in the United States,

United Kingdom, and Ireland. Details are available in S1 - own workforce.

ESRS 2-SBM-1.40d: Activity in:

Exposure, in € Mio.	Own operations	Lending/ investment activities
Fossil fuel	€ —	0.1%
Chemicals production	€ —	0.1%
Controversial weapons	€ —	— %
tobacco	€ —	— %

ESRS 2-SBM-1.40e: Sustainability-related goals in terms of products and services, customer categories, geographical areas, and relationships with stakeholders

The countries we are operating in have established targets and measures to combat climate change and already operate today with high legal, environmental and social standards. We are committed to enhancing the management of our major product lines with respect to climate, environmental, and social risks, as detailed in the chapters below. BAWAG's sustainability strategy is and has always been an integral part of its business strategy, with mortgages representing BAWAG's largest asset class, aligning with our strategic emphasis on Retail & SME and secured lending. This asset class accounts for approximately 50% of our assets excluding cash. Given its longer-term maturities and strategic significance, we have developed a transition plan for this asset class (see E1.1).

In addition, while the exposure is limited, customers active in power generation represent 60% of our GHG emissions of our lending and investment portfolio (Scope 3.15, scope 1 & 2). Therefore, we aim to manage this portfolio based on the 1.5 degree maximum global warming scenario.

ESRS 2-SBM-1.40f: Current significant products and/or services, and significant markets and customer groups, in relation to its sustainability-related goals

See standard SBM-1.40e.

ESRS 2-SBM-1.40g: Elements of strategy relating to or impacting sustainability matters

Initiatives set to mitigate or reduce identified impacts or risks and foster opportunities will be accompanying our strategy, but not trigger a change of our strategy. The specific impacts are described topic-specific standards. The challenge we see is the dependencies on the transition plan on our clients. These are outlined in the section E1.1. We have control on the risks and opportunities within our own operations. The segment reporting is in the notes section. The impacts, risks and opportunities are reflected across segments. In case it's only relevant to specific segments, the scope is defined in the topical standard.

ESRS 2-SBM-1.42: Business model and value chain, including:

ESRS 2-SBM-1.42a: Inputs and approach to gathering, developing and securing those inputs

Our employees are one of our key assets, not only for running our business but also for proactively developing new ideas and guiding the bank. To retain talent, we have implemented measures as described in S1.4. Tech/Ops is key for our daily operations and a core element of our strategy.

ESRS 2-SBM-1.42b: its outputs and outcomes in terms of current and expected benefits for customers, investors and other stakeholders

BAWAG is dedicated to sustainable value creation to remain a reliable long-term partner for all stakeholders. This focus enables us to address the cost and profitability challenges faced by the financial services industry over the past decade. BAWAG's primary value creation lies in providing access to finance. We are building a multi-channel and multi-brand Retail & SME franchise from branches-to-partners-to-brokers-to-platforms leveraging digital products and technology across our entire customer value chain. We operate approximately 80 branches in Austria, Germany, and the United States. BAWAG offers comprehensive savings, payment, lending, leasing, investment, building society, factoring and insurance products and services. We also give back to the communities we are operating in through engaging in corporate volunteering.

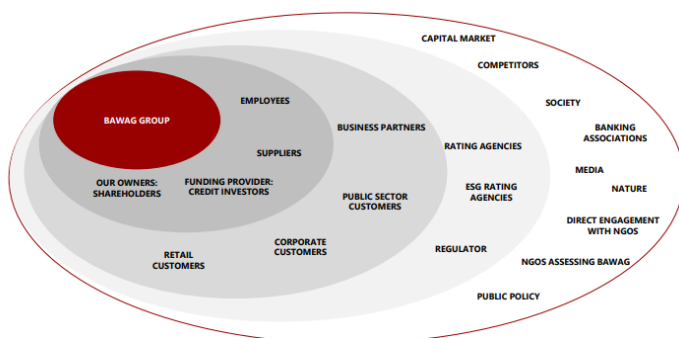
ESRS 2-SBM-1.42c: Upstream and downstream value chain and position in the value chain

Upstream activities of BAWAG include procurement, logistics and supply chain management. For its daily operations, BAWAG has strong relationships to its core suppliers, e.g. including IT systems. BAWAG also collects deposits of its retail, corporate and public sector customers and issues bonds as means of financing. Downstream activities refer to activities that take place after products or services have been delivered to the customers. These include on one hand side the operations of self-service instruments, but also the financing activities. We provide products and services that promote the financial health of our customers. These activities therefore contribute to economic growth and development in society.

SBM-2 – Interests and views of stakeholders

ESRS 2-SBM-2.45a: Stakeholder engagement

Continuous improvement is a core aspect of our corporate culture. BAWAG engages with its stakeholders through a variety of methods and touchpoints, tailored to the specific types of stakeholders involved. The bank maintains an active dialogue with diverse stakeholders to ensure ongoing and meaningful engagement.



We engage most frequently with the following stakeholders:

- **Customers:** Our relationship managers maintain continuous personal contact with our customers through advisory sessions, service calls or other types of engagement. In order to monitor our customer satisfaction, we gather feedback across distribution channels as described by the standard S4.
- **Employees:** Besides a regular engagement with our employees through networking events, inhouse communication channels, newsletters etc., we conduct employee surveys to identify areas which go well and areas where we can improve.
- **Investors:** We engage with investors and analysts through quarterly earnings releases, webcasts, roadshows, one-on-one meetings and conferences as well as the annual general meeting.
- **Regulators:** We maintain a proactive, ongoing dialogue with national and European supervisory and regulatory authorities.
- **Public and media:** BAWAG offers various channels where different stakeholders can inform themselves about our activities, e.g. through the various websites of our brands or our company websites.

The feedback obtained from these conversations is evaluated to identify potential improvements in the respective areas and, when relevant, integrated into our daily operations. As part of our double materiality assessment, we engaged with a broader set of stakeholders through a tailored survey to gather feedback on specific impacts. Additionally, feedback from other forms of engagement was included in our decision-making process.

ESRS 2-SBM-2.45b: Understanding of interests and views of stakeholders

As part of the materiality assessment, BAWAG conducted a stakeholder outreach to receive an outside view of the

impacts, risks and opportunities. The questionnaire was based on an assessment of scale as well as a feedback possibility in order to receive any potential topics not covered by the bank. The results were analyzed as part of the assessment.

ESRS 2-SBM-2.45d: Administrative, management and supervisory bodies that are informed about the views and interests of affected stakeholders with regard to sustainability-related impacts

The feedback from ongoing engagements is reported to the respective Management Board member. The outcomes of the engagement, conducted as part of the double materiality assessment, are communicated to both the Management Board and the Supervisory Board.

S1.12: Interests and views of own workforce

An open feedback culture is of central importance to BAWAG Group. Ideas, new opportunities, and feedback on how we can improve are not only essential for the further development of our organization but also serve as a channel to enhance teamwork and better serve our stakeholders. Engagement with our own workforce occurs both directly with employees and through regular dialogue across hierarchies with representatives of the Works Council. We incorporate feedback received by working on initiatives to address areas of improvement or increase our potential on positive impact for our employees and have set up a dedicated Human Resources strategy. The various touchpoints of employee feedback is outlined in S1.2.

S4.8: Interests and views of consumers and/or end-users

We engage with our customers through various formats as outlined in S4.2 and monitor customer satisfaction to track the effectiveness of our engagement. The engagement with our consumers and/or end-users supports us to improve our products and services. Customers are looking for a more rewarding and engaging experience with targeted products and services while having 24/7 access to manage their financial lives. We aim to fulfill these needs and to better leverage new and existing network, while shifting more straightforward administrative tasks to our digital/online channels technologies to enhance the overall customer experience. With the shift towards more digital engagement, we have adjusted our business towards advisory services in our branches.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2-SBM-3.48a: Material impacts, risks and opportunities resulting from the materiality assessment, including the concentration of these impacts within its business model

For the assessment we involved external advisory as well as had a comprehensive stakeholder outreach. The identification of impacts, risks, and opportunities related to the ESRS topics has followed the methodology for double materiality assessment. However, it also accounts for the fact that there is a lack of data throughout the value chain. As part of the materiality assessment, a number of topics were assessed to be not material in terms of reporting.

Following material impacts, risks and opportunities were identified:

E1: CLIMATE CHANGE:

• GENERATION OF GHG EMISSIONS

Actual negative impact:

We contribute to climate change through our GHG emissions and therefore have a negative impact on the environment. As financial institution, the largest share of GHG emissions is caused by our lending activities. Our own operations generate emissions through operating our branches and offices, maintaining our fleet, business travel, and purchasing goods and services for our operations.

Value chain position: Own operations and lending/investment portfolio

Time horizon: short-, medium- and long-term

• ENERGY

Actual negative impact:

Through the source of energy for operating our branches and headquarters, we cause GHG emissions. While nearly all of the electricity is already green today, our heating sources still depend on fossil fuels, causing an impact on the environment.

Value chain position: Own operations

Time horizon: short-, medium- and long-term

• CLIMATE CHANGE ADAPTION

Potential positive impact:

Driving measures to adapt to climate change within our own operations supports our adaption to irreversible consequences from climate change and consequently reduce the impact on the environment.

Value chain position: Own operations

Time horizon: medium- and long-term

E4: BIODIVERSITY

• SOIL SEALING

Actual negative impact:

BAWAG's largest asset class are mortgages. While a large part of the portfolio refers to already existing houses or apartments, new buildings have an impact on sealing soil, impacting the environment.

Value chain position: Value chain

Time horizon: short-, medium- and long-term

S1: OWN WORKFORCE

• WORK-LIFE BALANCE

Actual positive impact:

Ensuring compatibility of career and family and work-life balance, including offering home office to provide more flexibility has a positive impact on our employees.

Value chain position: Own operations

Time horizon: short-, medium- and long-term

• ADEQUATE WAGES

Actual positive impact:

Ensuring fair wages combined with additional benefits to promote the well-being of the employees and also support our employees during exceptional events, such as the pandemic or in times of high inflation has a positive impact on our employees financial well-being.

Value chain position: Own operations

Time horizon: short-, medium- and long-term

• SOCIAL DIALOGUE

Actual positive impact:

Increased employee involvement through corporate actions supports the team-building and as well as the interaction among our employees. This is also key to build our culture and values.

Value chain position: Own operations

Time horizon: short-, medium- and long-term

• HEALTH & SAFETY

Actual positive impact:

Providing health & insurance coverage across jurisdictions may have a positive impact on our employees' health.

Value chain position: Own operations

Time horizon: short-, medium- and long-term

• TRAINING & SKILLS DEVELOPMENT

Actual positive impact:

Providing training and the framework that our employees can develop their skills is aligned to our continuous improvement mindset. We aim to invest in our employees and their personal development.

Value chain position: Own operations
Time horizon: medium- and long-term

- **DIVERSITY**

Actual negative impact:

While BAWAG recruits more than 50% female, the female representation in management positions is low.

Value chain position: Own operations
Time horizon: medium- and long-term

- **GENDER EQUALITY AND EQUAL PAY**

Actual negative impact:

Aiming to address a gap on pay is of importance. While for BAWAG the gender pay gap is a reflection of the lower female representation in management functions, it has a negative impact, which needs to be assessed.

Value chain position: Own operations
Time horizon: medium- and long-term

S4: Consumers and end-users

- **PRIVACY/SECURITY**

Potential negative impact and risk:

As financial institution, BAWAG deals with sensitive data from customers and is therefore exposed to the risk of databreaches or IT security. Setting high standards is therefore a priority of BAWAG.

Value chain position: Own operations
Time horizon: short-, medium- and long-term

- **PROTECTION OF CHILDREN**

Actual positive impact:

Providing financial education supports a responsible dealing with financials in the future. Therefore we are committed to support financial education for children as part of our corporate volunteering.

Value chain position: Own operations
Time horizon: short-, medium- and long-term

- **RESPONSIBLE MARKETING PRACTICES**

Actual positive impact:

Responsible Marketing practices supports our interaction and building trust to our customers

Value chain position: Own operations, customers
Time horizon: short-, medium- and long-term

- **ACCESS TO PRODUCTS & SERVICES**

Actual positive impact:

Enabling (barrier-free) access to products and services enhances the access to finance. It has a positive impact on the

society, as financing is made available through various channels.

Value chain position: Own operations
Time horizon: short-, medium- and long-term

G1: BUSINESS CONDUCT

- **CORPORATE CULTURE**

Actual positive impact:

We create and implement shared values, how we want to conduct business, act with our stakeholders and set our priorities. Our corporate culture has a high priority, as this is what defines and drives our bank.

Value chain position: Own operations
Time horizon: short-, medium- and long-term

Actual positive impact:

Engaging with our stakeholders and the communities is important to build relationships, gauge feedback and see it as channel of improvement

Value chain position: Own operations
Time horizon: short-, medium- and long-term

- **BRIBERY AND CORRUPTION PREVENTION**

Potential positive or negative impact:

In case of failing to maintain fair business practices, and adhere to ethical standards, this can undermine trust in the industry, damage public confidence, and contribute to an unfair and unequal society. This can impact BAWAG's reputation and the society.

Value chain position: Own operations, customers
Time horizon: short-, medium- and long-term

- **PROTECTION OF WHISTLEBLOWER**

Potential positive and/or negative impact:

The protection for whistleblowers is essential to create a safe and ethical environment in which individuals feel encouraged to report misconduct without fear of retaliation.

Value chain position: Employees
Time horizon: short-, medium- and long-term

- **ANTI-MONEY LAUNDERING**

Potential negative impact and risk:

As financial institutions can be misused for money laundering purposes, there is a risk of contributing to the resulting negative impact on society.

Value chain position: Society
Time horizon: short-, medium- and long-term

ESRS 2-SBM-3.48b: Effects of material IROs on its business model, value chain, strategy and decision-making, and how the undertaking has responded or plans to respond to these effects

BAWAG Group has defined respective strategies or set initiatives in order to respond to these measures. These are described in the respective standards.

ESRS 2-SBM-3.48d: Disclosure of current financial effects of material risks and opportunities

There have been no material financial effects during the reporting year.

ESRS 2-SBM-3.48f: Resilience of the strategy and business model regarding its capacity to address its material impacts and risks and to take advantage of its material opportunities

BAWAG Group developed sub-strategies for the respective impacts and risks to define the initiatives as well as the governance to manage those. The details are disclosed in the respective topical standards. In regards to the lending portfolio, BAWAG Group performs stresstesting and regular monitoring for its lending portfolio as part of its overall risk management.

ESRS 2-SBM-3.48g: Changes to material impacts, risks and opportunities compared to previous reporting periods

BAWAG Group has applied the double materiality assessment the first time under the ESRS. In prior years we applied the assessment according to the Global Reporting Initiative standard.

ESRS 2-SBM-3.48h: Specification of impacts, risks and opportunities that are covered by ESRS Disclosure Requirements as opposed to those covered by additional entity-specific disclosures

All topics are covered by topical ESRS disclosure. The anti-money laundering topic is added as additional disclosure.

E1 – Climate change

BAWAG conducts, in alignment with the ECB guide on climate-related and environmental risks, a comprehensive business environment scan in which developments for all of BAWAG's segments and core markets are analyzed, primarily for the lending portfolio but also for all our own sites. These include developments in upcoming regulations, technological innovations, demographic changes, social developments, the economy, biodiversity as well as physical and transition risks.

BAWAG has integrated environmental risks into its risk inventory process. ESG risks were therefore measured in each existing risk category, credit/ market/ liquidity and operational risk. In none of the risk categories is the result of the risk

quantification above the materiality threshold and therefore sustainability-related risk is not material.

Climate and environmental risks were analyzed in the regularly conducted materiality analysis.

For example the risk drivers tropical cyclone, river flood, storm surge, heat stress, precipitation stress, fire weather stress, drought stress, cold stress, sea level rise and landslide were explicitly examined for the physical risk in the credit portfolio on a short, medium and long-term risk horizon for different RCP scenarios to understand the risk categories for each risk driver in the lending portfolio for different scenarios and time horizons.

Based on several defined key risk indicators (KRI) per risk category for physical/ transition and environmental risk BAWAG estimated credit risk as a "medium" risk for physical and transition risks in the short, medium, and long term. For other risk categories (market, operating and other risks) based on the KRIs the resulting risk category is "low".

E1-SBM-3.18: Categorisation of identified climate-related risks

No material sustainability risks, in particular no material financial climate and environmental risks, can be identified from the analyses of the risk inventory. From a further in-depth analysis, a "medium" risk for physical and transition risks can be identified for credit risks in the short, medium and long term. Accordingly, the development is monitored overall and specifically for credit risk.

E1-SBM-3.19: Description of resilience of strategy and business model in relation to climate change, including:

In addition to the risk inventory and the in-depth materiality analysis, the stress test program also plays a role in obtaining an overall view of risks. Stress testing constitutes an integral part of the risk management process. It is performed at Group level and hence includes all risk exposures of all consolidated subsidiaries, excluding intra-Group receivables and liabilities. The exercise is conducted on quarterly basis.

The basis for the stress testing exercise is a set of macroeconomic scenarios for which the Group's resilience is evaluated. In this context a macroeconomic scenario is represented by a projection of future values of a set of well defined macroeconomic variables, such as real GDP growth rate year over year, consumer price index, etc. in a specific set of geographies. The set of macroeconomic scenarios always consists of one baseline scenario and one or a set of adverse scenarios. Each adverse scenario considers a severe but plausible, i.e. not unrealistic, economic downturn. Additionally, some idiosyncratic shocks are applied. The identification, assessment and approval is the main task of a macroeconomic scenario committee. The further steps are the consideration of volume and margin plan for scenarios, the calculation of stress impacts, the result assessment including definition of action / mitigation plans as well as the approval

by the ICAAP & Stress Test Committee and the approval on board level as the final step.

Risk category for RCP 8.5 in 2050	Percipitation stress	River flood	Heat Stress	Cold stress
no hazard	—%	—%	—%	—%
very low	—%	77%	6%	2%
low	70%	8%	63%	73%
medium	22%	2%	27%	3%
high	6%	4%	3%	—%
very high	—%	—%	—%	—%
no information	1%	10%	1%	1%

Over time (current, 2030 and 2050), measured in terms of total exposure in combination with risk classes, the overall physical risk profile is falling. This is mainly due to the mortgage portfolio and, in particular, the exposure in the Netherlands.

Transition risks for policy changes in relation with GHG-emissions were analysed using data from ECB, EIB and PCAF-database to assign risk classes. The findings show that only 2.6% of the Corporate portfolio fall into the "high", "very high" or "critical" risk categories, meaning overall risk is low. As a result, no significant risk for the corporate portfolio can be expected from a higher pricing of greenhouse gas emissions in the future, for example on the basis of Network for Greening the financial system (NGFS) scenarios scenario Net Zero 2050. This was also confirmed by an analysis of the change in risk-weighted assets for credit risks for corporate customers with a high CO2 intensity.

Similarly, for the Retail & SME portfolios, the increase in risk weighted assets is also minimal (2.1%) for financially weaker customers who may be affected by higher inflation and energy costs, indicating a low risk.

Regarding housing loans, the Energy Performance of Buildings Directive (EPBD) will require residential buildings to have an efficiency class of at least E from 2030 and an energy efficiency class of D from 2033. Based on this directive and the available energy performance certificates, a low risk can also be identified for the housing loan portfolio, with 18% of housing loans having an energy efficiency class of E or worse.

For Commercial Real Estate (CRE), the EPBD mandates that commercial buildings must meet at least energy efficiency class E from 2027 and class D from 2030. Based on the available energy performance certificates, a "medium" risk can be identified, as some CRE customers must improve the energy efficiency of the buildings, even though the term of the loans is only 7% over 5 years.

Efforts continue to improve the availability of EPC label data for both housing loans and CRE loans, as current coverage is at a low level.

In addition, BAWAG Group participated in the supervisory climate stress test, in which the supervisor examines the resilience of the banking sector with regard to the European Union's Fit-for-55 package.

Further developments in the internal stress test program for climate and environmental risks and a further improvement in the internal data situation are planned for 2025.

E1-SBM-3.19a.; AR 6: Description of scope of resilience analysis
Please see explanations in previous paragraphs.

E1-SBM-3.19b.; AR 7: Disclosure of how and when the resilience analysis has been conducted
Please see explanations in previous paragraphs.

E1-SBM-3.19c.; AR 8: Description of results of the resilience analysis
Please see explanations in previous paragraphs.

E1-SBM-3 AR 8b: Description of ability to adjust to or adapt strategy and business model to climate change
Disclosure requirement related to ESRs 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Impact, risk and opportunity management

IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

ESRS 2-IRO-1.53a: Methodologies and assumptions applied in the described process
The materiality assessment disclosed in the 2024 sustainability statement is based on the principle of double materiality, evaluating both impact and financial materiality. Following the acquisition of Knab, which closed on November 1, 2024, the materiality assessment was updated in the fourth quarter of 2024 to account for the expanded group.

To continuously enhance our assessments, we focused on improving the underlying data for climate-related and value chain information throughout 2024. Despite these efforts, most of the climate, environmental (risk), and social data in the value chain relies on estimates and proxies. Given our limited customer base subject to reporting obligations, and

our primary focus on Retail & SME, obtaining more precise data on these topics remains a challenge.

For our impact assessment, we applied the following:

- **Own operations:** For the assessment of climate change, actual consumption data were used where available, and estimates were applied for the remaining categories. Physical and other environmental risks were assessed using a tool that bases its evaluations on location or business activity. Social standards were assessed using actual data, except for workers in the value chain. For the latter, the assessment relied on our social risk heatmap, as actual data were not available or were only available to a limited extent.
- **Portfolio analysis:** We utilized the UNEP FI impact tool as an initial framework, complemented by portfolio data to refine the assessment with additional data points. Additionally, we conducted an analysis with an external provider for impact evaluation beyond climate change in 2024.

Once the topics have been assessed, a threshold is applied to select the material ones. We work with heatmaps for the assessment of the financial risks we referred to our internal calculations.

ESRS 2-IRO-1.53b: Process to identify potential and actual impacts on people and the environment

The analysis takes into account all aspects of BAWAG's business and underlying activities and considers both own operations as well as the upstream and downstream value chain. During the materiality assessment BAWAG performed an outreach via questionnaire to its identified stakeholders in order to receive their view on how they assess BAWAG's impact on them. The questionnaire was tailored to the respective stakeholder groups to ensure that the questions can be answered based on the needs of the respective stakeholder group. In addition, we also included existing surveys or stress test results to assess whether any additional impacts or risks need to be assessed.

ESRS 2-IRO-1.53b i-iii,iv: Prioritization of negative impacts based on their relative severity and likelihood, and, if applicable, positive impacts on their relative scale, scope and likelihood

To assess the materiality of impacts, each identified impact was qualitatively evaluated based on its scale, scope, and irremediable nature. This approach enables the prioritization of the extensive list of identified impacts. Positive impacts were not assessed for irremediable nature.

ESRS 2-IRO-1.53c: Process to identify, assess, prioritise and monitor risks and opportunities that may have financial effects, including:

To determine financial materiality, thresholds were set for evaluating the magnitude of financial effects and the likelihood of occurrence. Potential risks and opportunities

associated with sustainability impacts are assessed based on these criteria. Both the magnitude of the financial effect and the likelihood of occurrence adhere to existing quantification of these risks. Sustainability-related risks are treated in the established risk management frameworks.

ESRS 2-IRO-1.53d: Decision-making process and the related internal control procedures

The double materiality assessment has been discussed as well as approved by the Management Board. The Supervisory Board with the respective sub-committee approved the list. The final list of sub-topics was The decision-making process spans various hierarchical levels. Assessments are conducted with the participation of representatives from business functions as well as from subsidiaries to capture the comprehensive group perspective. Once stakeholder perspectives have been integrated, a decision was made involving the Management Board.

ESRS 2-IRO-1.53e: Integration of the process to identify, assess and manage impacts and risks into the risk management

The identification, assessment, and management of sustainability-linked risks are integrated within the risk management framework and the dedicated functions at different levels and evaluated over various time horizons. Annually, BAWAG conducts a materiality assessment. Based on the materiality of the risks identified, key risk indicators and, where relevant, limits are established, which are then monitored and reported to both the Management Board and the Supervisory Board.

To identify material topics on an ongoing basis, we also carry out due diligence processes. For the lending portfolio, a staggered due diligence approach is applied, which varies depending on the size of the counterpart and the amount granted. Additionally, loan applications are reviewed against a defined prohibited and restricted list. Governance processes for our own operations have been established in accordance with dedicated standards.

Regular monitoring is ensured through reporting to both the Management Board and the Supervisory Board. The frequency of these reports depends on the volatility of the topics and ranges from monthly monitoring to an annual update.

ESRS 2-IRO-1.53f: Integration of the process to identify, assess and manage opportunities into the management process

The identification, assessment, and management of opportunities are handled within the respective business units or central functions. Initiatives developed from the identified topics are coordinated within these functions and reviewed within an appropriate timeframe in alignment with the relevant topic.

ESRS 2-IRO-1.53g: Input parameters used

The materiality assessment was conducted for the entire group, with varying scope depending on the size of the

business and the products offered. BAWAG utilizes various data sources when conducting the assessments in accordance with ESRS 1, aiming to further develop these sources as more precise inputs become available. The specific data sources used are detailed within the respective standards that describe the materiality assessment, with variations in source as well as accuracy based on the particular impact, risk, or opportunity being evaluated.

ESRS 2-IRO-1.53h: Change in process compared to the prior reporting period

In the fourth quarter of 2024, BAWAG updated its double materiality assessment following the acquisition of Knab in the Netherlands. Given the strategic importance of this acquisition, we evaluated whether any additional topics arose due to the integration into the group. Subsequently, with the completion of the Barclays Consumer Bank Europe acquisition in February 2025, we will again update the materiality assessment in 2025 to ensure that the material impacts, risks, and opportunities reflect the current state of the group.

E1-IRO-1.20a: Process to identify and assess impacts on climate change, in particular GHG emissions

BAWAG reported GHG emissions for its own operations as well as its lending portfolio in past years. As bank, the largest share of emissions is caused by the lending portfolio. The remaining scopes of the GHG-Protocol were assessed based on estimates or GHG-equivalent calculations. Based on its materiality, four categories were assessed to be reported in addition to the own operations as well as financed emissions.

E1-IRO-1.20b: Process to identify and assess climate-related physical risks in own operations and along the value chain

Physical risks are for both, own operations as well as the lending portfolio assessed based on an external data provider. We perform the analysis both, for our own branches and headquarters as well as our lending portfolio.

E1-IRO-1.AR 11a: Explanation of identification of climate-related hazards over short-, medium- and long-term time horizons

Physical risks are assessed using a physical risk tool from a data provider. This tool provides also several scenarios for the assessment of climate-related hazards over various risk horizons covering short-, medium and long-term.

E1-IRO-1.AR 11b: Definition of short-, medium and long-term time horizons

BAWAG applies the time horizons defined by the ESRS for the materiality assessment.

E1-IRO-1.AR 11c: Assessment of exposure of assets and activities considering the listed factors

Exposures sensitive to physical risk (by industry)

	Geographical area subject to climate change physical risk - acute and chronic events	Total gross carrying amount (in € million)	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events
1	A - Agriculture, forestry and fishing	15	10	5	5
2	B - Mining and quarrying	1	—	—	—
3	C - Manufacturing	555	81	25	1
4	D - Electricity, gas, steam and air conditioning supply	261	3	1	—
5	E - Water supply; sewerage, waste management and remediation activities	339	45	49	23
6	F - Construction	294	74	32	12
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	388	25	16	3
8	H - Transportation and storage	188	10	6	1
9	L - Real estate activities	2,952	1,195	223	190
10	Loans collateralised by residential immovable property	24,159	970	908	50
11	Loans collateralised by commercial immovable property	2,145	551	38	3
12	Reposessed collaterals	—	—	—	—
13	Other relevant sectors (breakdown below where relevant)	—	—	—	—

We included both, the locations of our branches and headquarters of the Group as well as the lending portfolio in our assessment. Chronic as well as acute climate-related hazards are included in the assessment of physical risks. The analysis of the risk driver, and their possible effect on the lending portfolio is assessed with the consideration of the book values relevant for the analysis. Therefore for all assets and on aggregated level on various portfolio splits the leading physical risk drivers can be analyzed.

E1-IRO-1.AR 11d: Assessment of exposure is informed by high emission climate scenarios

BAWAG considers climate-related scenarios on various stages, as for example in the business environment scan, but also in the risk assessment of physical risks. For this analysis multiple scenarios (Current, SSP126, RCP26, SSP245, RCP45, SSP370, SSP585, RCP85) over various risk horizons are considered, to assess the exposure to the risk drivers but also to assess the development of certain physical risks over time.

E1-IRO-1.21: Explanation of how climate-related scenario analysis has been used to inform the identification and assessment of physical risks

BAWAG conducts, in alignment with the ECB guide on climate-related and environmental risks, a comprehensive business environment scan in which developments for all of BAWAG's segments and core markets are analyzed. These include developments in upcoming regulations, technological innovations, demographic changes, social developments, the economy, biodiversity as well as physical and transition risks.

BAWAG has integrated environmental risks into its risk inventory process. ESG risks were therefore measured in each existing risk category, credit/ market/ liquidity and operational risk. In none of the risk categories is the result of the risk quantification above the materiality threshold and therefore ESG is not material.

Climate and environmental risks were analyzed in the regularly conducted materiality analysis. For example the risk drivers tropical cyclone, river flood, storm surge, heat stress, precipitation stress, fire weather stress, drought stress, cold stress, sea level rise and landslide were explicitly examined for the physical risk in the credit portfolio. This was conducted on a short, medium and long-term risk horizon for different scenarios (Current, SSP126, RCP26, SSP245, RCP45, SSP370, SSP585, RCP85) to understand the risk categories for each risk driver in the lending portfolio for different scenarios and time horizons.

E1-IRO-1.20c: Description of the process to identify and assess climate-related transition risks and opportunities in own operations and along the value chain, including the explanations in AR 12

E1-IRO-1.AR 12a: Identification of transition events over short-, medium- and long-term

Transition risk occurs in connection with the development towards a low-carbon economy. Political measures may lead to fossil fuels or emission certificates becoming more expensive and/ or scarce, or result in high investment costs due to the required clean-up of buildings and plants. New technologies may replace existing ones, and changes in consumer preferences may jeopardize entities that have failed to adapt.

31.12.2024

Sector/subsector	Gross carrying amount (in € million)	GHG financed emissions (scope 1, 2 and 3 emissions of the counterparty) (in tons of CO ₂ e)	of which scope 3 financed emissions
Exposures towards sectors that highly contribute to climate change			
A - Agriculture, forestry and fishing	15	224	86
B - Mining and quarrying	1	4,311	12
C - Manufacturing	555	144,649	111,967
D - Electricity, gas, steam and air conditioning supply	261	944,640	306,736
E - Water supply; sewerage, waste management and remediation activities	339	2,456	2,059
F - Construction	294	13,696	12,650
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	388	13,023	11,109
H - Transportation and storage	188	4,445	3,445
L - Real estate activities	2,952	11,417	9,506
Total	4,993	1,138,861	457,570

BAWAG Group's business model is primarily focused on Retail & SME. Residential mortgages represent a substantial portion of the loan portfolio. The transition towards stricter environmental regulations and the ambition for energy-efficient homes could have implications on property values, borrower affordability, and overall credit risk.

Residential real estate also has usually long maturities and mid-term could be impacted by regulation changes to improve the energy performance. At the same time, the countries we are operating in also consider a fair transition. Given the size of the portfolio, BAWAG has set decarbonization targets and initiatives in order to prepare for the transition. Beside decarbonization targets we set specific KRIs to track transition risk for the residential mortgage portfolio.

Power generation is the highest emitting sector within our portfolio. The exposure is related to primarily public-sector related entities. Power generation needs to undergo a transition, but the transition risk on client level is limited, given the public sector relation. Nevertheless, we have set up a transition plan.

Overall, the transition risk is mainly driven by policy and legal transition events and is assessed via a comprehensive business environment scan as well as with the materiality analysis.

E1-IRO-1.AR 12b: Assessment of exposure considering the likelihood, magnitude and duration of the transition events

As one example of a policy and transition event is the introduction of the Energy Performance of Buildings Directive (EPBD), which requires, that residential buildings must be upgraded to at least efficiency class E by 2030 and to efficiency class D by 2033. Commercial buildings must achieve at least efficiency class E by 2027 and efficiency class D by 2030. Therefore it is necessary to assess the portfolio in relation with the minimum requirements set by the EPBD. The mortgage and CRE portfolio is affected by this directive. The risk is currently assessed as low for housing loans and medium for CRE, given the data availability. Therefore, upcoming transition risks, as described in the EPBD, are considered in the business environment scan and are assessed in the materiality assessment.

E1-IRO-1.AR 12c: Identification of transition events and assessment of exposure is informed by climate-related scenario analysis

BAWAG considers in the business environment scan various scenarios for the core markets and taking the results into consideration in the following steps of materiality assessment and setting of the sustainability strategy.

E1-IRO-1.AR 12d: Assets that are incompatible with a transition to a climate-neutral economy

As of today, we don't assume locked-in assets for our financed portfolio. Given that BAWAG rents its buildings, we retain the flexibility to relocate to more energy-efficient premises if our

transition pathway deviates from the current plan. Most of our rental contracts are designed to allow for cancellation within short notice, if necessary to achieve our 2030 as well as 2050 goals. The locations with long-term contracts already have a low carbon footprint today.

E1-IRO-1.21: Explanation of how climate-related scenario analysis has been used to inform the identification and assessment of transition risks and opportunities

Climate-related scenarios were considered on various stages, e.g. in the business environment scan. There, the NGFS-scenario narratives provide risk implications for such areas as policy reactions or technology change. Additionally, we analyze NGFS-scenario pathways (Network for Greening the Financial System scenarios) for all of our core markets separately.

E1-IRO-1.AR 15: Explanation of how climate scenarios used are compatible with the critical climate-related assumptions made in the financial statements

The assessment is in alignment with the climate-related assumptions integrated in the overall risk management processes.

E2-IRO-1.11a: Information about methodologies, assumptions and tools used to screen sites and business activities for pollution-related IROs in its own operations and in the value chain

Impact on pollution from own operations was assessed as part of the materiality assessment. Given that BAWAG operates branches and headquarters for its lending activities, the impact on pollution is not material. The assessment of the portfolio, BAWAG uses ENCORE, which provides estimates for different industries. In addition, all customers are based in the DACH/NL region, Western Europe or United States, which have high regulations on air pollution as well as close monitoring in place.

E2-IRO-1.11b: Disclosure of whether and how consultations (in particular with affected communities) have been part of this process

We did not involve actively engage with affected communities of our branches and headquarters. However, we reviewed any complaints over the past few years. No complaint regarding our branches or headquarters in relation to pollution was received.

E2-IRO-1.AR 9: Disclosure of a list of site locations and business activities associated with material IROs

E3-IRO-1.8a: Assets and activities have been screened in order to identify water and marine resources-related IROs in own operations and value chain, including methodologies, assumptions and tools used in screening

Impact on marine and water resources from own operations was assessed in our materiality assessment.

Given our business model, we do not have a material impact on water and marine resources from our own operations. The portfolio was assessed with the ENCORE methodology.

E3-IRO-1.8b: Consultations have been conducted on that matter, in particular with affected communities

BAWAG conducted a stakeholder survey as part of its materiality assessment.

E4-IRO-1.17: Description of the process to identify material IROs, including whether and how the undertaking:

E4-IRO 1.17a: identified and assessed actual and potential impacts on biodiversity and ecosystems at own site locations and in the value chain

Own site locations and the supply chain were assessed in terms of biosensitive areas and zones with support of a consultancy company specialized in climate and biodiversity-related risk analysis, with the result that the locations have no impact on biodiversity or ecosystems.

E4-IRO 1.17b: identified and assessed dependencies on biodiversity and ecosystems at own site locations and in the value chain

Dependencies on biodiversity and ecosystems were assessed with the ENCORE tool. In addition, an external consultant company assessed the dependencies resulting from the business activities as well as from our locations.

E4-IRO 1.17c: identified and assessed transition and physical risks and opportunities related to biodiversity and ecosystems

BAWAG Group applied the ENCORE tool to understand and manage their dependencies and impacts on biodiversity and ecosystems. Based on that analysis, the portfolio shows for the majority a low dependency and a portion of a very high dependency. The majority of the very high dependent customers are active in the real estate sector. Additionally, an analysis was performed using the WWF Biodiversity Risk Filter (BRF).

E4-IRO 1.17d: considered systemic risks

Systemic risks are considered as within ENCORE and WWF BRF.

E4-IRO 1.17e: conducted consultations with affected communities, in particular in the situations described in E4-IRO 1.17e.i-iii

We did not involve actively engage with affected communities of our branches and headquarters. However, we reviewed any

complaints over the past few years. No complaint regarding our branches or headquarters in relation to biodiversity and ecosystems was received.

E4-IRO-1.19a: Sites located in or near biodiversity-sensitive areas and whether it has activities which negatively affect these sites

During 2024 we performed an assessment with a third party which derived that our branches are not located in biodiversity-sensitive areas.

E4-IRO-1.19b: Conclusion whether it is necessary to implement biodiversity mitigation measures

BAWAG Group has an impact on soil sealing due to its lending activities. Given the data and methodologies are very limited, we work on improving the data availability in the future.

E5-IRO-1.11: Description of the process to identify material IROs related to resource use and circular economy, including information on:

E5-IRO 1.11a: Screening of assets and activities to identify its IROs in its own operations and its value chain, including the methodologies, assumptions and tools used in the screening

For own operations BAWAG conducted a materiality assessment. For the lending portfolio, the assessment was done using the UNEP FI tool and refined its assessment with portfolio-specific characteristics, e.g. new built versus financing an existing property. Therefore, we generally assess circular economy not to be material, but we will assess it on a regular basis. For our own operations, we reviewed any complaints from affected communities in regards to our branches or headquarters over the past to involve this feedback in our assessment.

G1-IRO-1.6: Disclosure of relevant criteria used in the process to identify material IROs related to business conduct matters

The criteria for the identification of material IROs includes all given ESRS sub-topics like corporate culture, protection of whistleblowers, animal welfare, political engagement and lobbying activities, management of relationships with suppliers including payment practices, corruption and bribery (incl. the sub-sub-topics prevention and detection including training and incidents). Additionally BAWAG assessed bank-related topics based on other standards as well as relevant topics related in the past. For the assessment, BAWAG considered all locations as well as business activities.

IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

ESRS 2-IRO-2.56: Disclosure of a list of the Disclosure Requirements complied with the sustainability statement, following the outcome of the materiality assessment, including a table of the data points that derive from other EU legislation

Disclosure requirement		
BP-1	General basis for preparation of sustainability statements	223
BP-2	Disclosures in relation to specific circumstances	223
GOV-1	The roles of the administrative, management and supervisory bodies	226
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	228
GOV-3	Integration of sustainability-related performance in incentive schemes	228
GOV-4	Statement on due diligence	230
GOV-5	Risk management and internal controls over sustainability reporting	230
SBM-1	Strategy, business model and value chain	231
SBM-2	Interests and views of stakeholders	232
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	234
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	237
IRO-2	Disclosure requirements in the ESRS covered by the undertaking's sustainability statement	243
Taxonomy reporting		252
E1 Climate change		293
ESRS 2, GOV 3	Integration of sustainability-related performance in incentive schemes	228
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	234
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	237
E1-1	Transition plan for climate change mitigation	293
E1-2	Policies related to climate change mitigation and adaptation	295
E1-3	Actions and resources in relation to climate change policies	298
E1-4	Policies related to climate change mitigation and adaptation	303
E1-5	Energy consumption and mix	305
E1-6	Gross Scope 1, 2, 3 and total GHG emissions	306
E1-7	GHG removals and carbon credits	Not material
E1-8	Internal carbon pricing	Not material
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in
E2 Pollution		Not material
E3 Water and marine resources		Not material
E4 Biodiversity & ecosystems		310
E4-1	Transition plan	No transition plan
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	313
E4-2	Policies	310
E4-3	Actions and resources	310
E4-4	Targets	310
E4-5	Impact metrics	310
E4-6	Anticipated financial effects	Phase-in
E5 Circular economy		Not material
S1 Own workforce		313

ESRS 2, SBM-2	Interests and views of stakeholders	232
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	313
S1-1	Policies related to own workforce	313
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	317
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	318
S1-4	Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches	320
S1-5	Targets related to managing principal adverse impacts, advancing positive impacts, and managing material risks and opportunities	323
S1-6	Characteristics of the undertaking's employees	325
S1-7	Non-employees in own workforce	328
S1-8	Collective bargaining coverage and social dialogue	328
S1-9	Diversity metrics	329
S1-10	Adequate wages	329
S1-11	Social protection	330
S1-12	Persons with disabilities	330
S1-13	Training and skills development metrics	330
S1-14	Health and safety	331
S1-15	Work-life balance metrics	333
S1-16	Remuneration Metrics	333
S1-17	Incidents, Complaints and severe human rights impacts	335
S4 Consumers and end-users		336
S4-1	Policies related to consumers and end-users	337
S4-2	Processes for engaging with consumers and end-users about impacts	340
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	340
S4-4	Taking action on material impacts	341
S4-5	Targets	343
G1 Business conduct		347
ESRS Gov-1	Governance	347
ESRS 2 IRO-1	Material impacts, risks and opportunities	237
G1-1	Business conduct policies and corporate culture	347
G1-2	Management of relationships with suppliers	Not material
G1-3	Prevention and detection of corruption or bribery	350
G1-4	Incidents of corruption or bribery	351
G1-5	Political influence and lobbying activities	Not material
G1-6	Payment practices	Not material
entity-specific	Anti-Money Laundering and combating terrorism financing	352

For the assessment of the materiality of impacts as well as the financial materiality (risks and opportunities), we have used a threshold, resulting from a combination of various factors. If the impacts and/or the financial materiality of a topic exceeded this threshold, the respective topic was included in the non-financial report.

Disclosure Requirement and related datapoint	Sustainable Finance Disclosure Regulation	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		GOV-1: The role of the administrative, management and supervisory bodies, page 226
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (d)			Delegated Regulation (EU) 2020/1816, Annex II		GOV-1: The role of the administrative, management and supervisory bodies, page 226
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				GOV-4: Statement on due diligence, page 230
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		SBM-1 Strategy, business model and value chain, page 231
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		SBM-1 Strategy, business model and value chain, page 231
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		SBM-1 Strategy, business model and value chain, page 231
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		SBM-1 Strategy, business model and value chain, page 231
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2	E1-1 Transition plan, page 293
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		BAWAG Pillar 3 report
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		E1-4 Targets related to climate change mitigation and adaption, page 303

ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1		Not applicable
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1		E1-5 Energy consumption and mix, page 305
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1		Not material
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1) E1-6 Gross scopes 1, 2, 3 and Total GHG emissions, page 306
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8 E1-6 Gross GHG intensity, page 306
ESRS E1-7 GHG removals and carbon credits paragraph 56			Regulation (EU) 2021/1119, Article 2 Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II E1-9 in phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.	E1-9 in phase-in; disclosure in BAWAG's pillar 3 report
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral	E1-9 in phase-in; disclosure in BAWAG's pillar 3 report

ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69		Delegated Regulation (EU) 2020/1818, Annex II	E1-9 in phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1		Not material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1		Not material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1		Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1		Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1		Not material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1		Not material
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1		Currently no policy
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1		Currently no policy
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1		Currently no policy
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1		Not applicable
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1		Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1		Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1		Not material

ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1		Not material
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I		Not material
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I		Not material
ESRS S1-1 Human rights policy commitments paragraph 20		Delegated Regulation (EU) 2020/1816, Annex II	S1-1 Human rights policy, page 314
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	Indicator number 11 Table #3 of Annex I		S1-1 Human rights policy, page 314
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 1 Table #3 of Annex I		Not material
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I		S1-3 Grievance/complaints handling, page 319
ESRS S1-14 Number of fatalities and number and rate of work related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	S1-14 Number of fatalities due to work-related injuries and ill health, page 331
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I		S1-14 Days lost to work-related accidents and fatalities, page 331
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	S1-16 Gender pay gap, page 333
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I		S1-16 Ratio highest paid to average employee remuneration, page 334
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 7 Table #3 of Annex I		S1-17 Incidents, complaints and severe human rights impacts, page 335
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12	Not material

ESRS S2-1 Human rights policy commitments paragraph 17	Indicators number 12 and n. 13 Table #3 of Annex I		Not material
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1		Not material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 11 and n. 4 Table #3 of Annex 1		Not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19		Delegated Regulation (EU) 2020/1816, Annex II	Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1		Not material
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and indicator number 11 Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II	Not material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1		Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1		S4-1 Policies, page 337
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	S4-1 Human rights policy, page 340
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1		S4-4 Human rights, page 341
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1		Not applicable
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1		G1-1 Protection of whistleblower, page 349

ESRS G1-4Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II)	G1-3 Incidents of corruption or bribery, page 350
ESRS G1-4 Standards of anti-corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1		G1-4 Incidents of corruption or bribery, page 351

Environment

Taxonomy Disclosures

The EU Taxonomy Regulation (EU 2020/852) and its accompanying delegated acts establish a framework for classifying economic activities as environmentally sustainable. This allows stakeholders to evaluate the extent to which a company, financial institution, or financial market participant allocates its resources to sustainable activities that support the transition.

In particular, it differentiates between following environmental purposes:

- Climate change mitigation
- Climate change adaption
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

In compliance with Article 8 of the EU Taxonomy Regulation, financial institutions are required to determine and disclose the proportion of their portfolios aligned with EU taxonomy activities within their covered assets for both climate change mitigation and climate change adaptation. For the first time, we have included the share of eligibility for the remaining four environmental objectives, with the assessment against alignment commencing from the financial year 2025 onwards.

BAWAG Group's green asset (GAR) ratio reflects its business model, which focuses primarily on Retail and SME, as well as Corporate and Public Sector customers. The assessment of assets covered under the green asset ratio involves identifying counterparties that are primarily required to report on sustainability matters under the Corporate Sustainability Reporting Standards (CSRD). For general purpose lending, we consider the disclosed EU taxonomy eligibility and alignment key performance indicators (KPI) of our counterparties. Given the limited number of our counterparties required to disclose EU taxonomy KPIs, the data is sourced directly from their sustainability reports. For the disclosure of KPIs for assets under management, we utilize an external vendor.

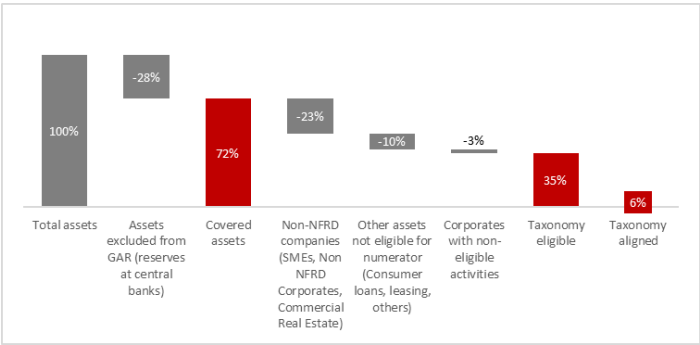
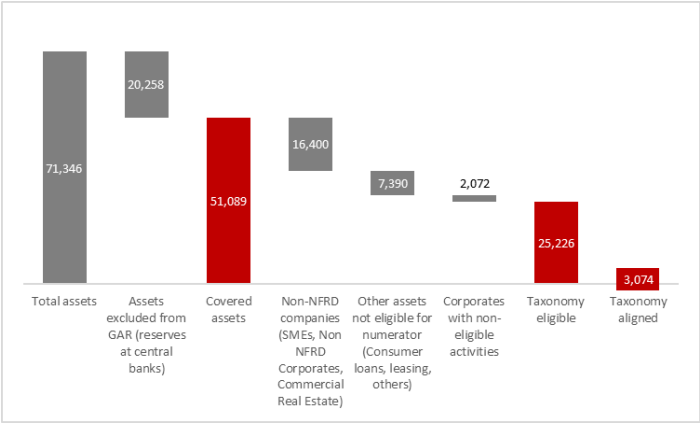
The covered assets under households primarily relate to collaterals for residential immovable property, financing of renewable energy, home improvement loans, as well as motor vehicle loans. For households, collecting historic data as well as very specific data for certain financing purposes is more

limited for our Austrian business. The availability of energy performance certificates for the stock is limited. Therefore, we define the alignment before the 31 December 2020 as energy performance certificate of at least A or the top 15% of the national building stock. For buildings constructed from 1 January 2021 onwards, the EU taxonomy defines that the primary energy demand of the building needs to be at least 10% above the threshold set for the nearly zero-energy building requirements in national measures. For renewable energy, the alignment is either derived by the purpose itself or by requesting the technical screening criteria directly at the producer. Given the specific requirements that motor vehicle loans would have to fulfill for an alignment, this granular data is not available, especially in the light of the seasonal tire requirements in Austria and Germany.

The transition towards a greater share of sustainable activities within our portfolio is therefore threefold:

1. Currently, the number of our corporate customers subject to sustainability reporting requirements is limited.
2. We will support our customers in transitioning their activities towards more sustainable business practices and aim to grow our business lines that focus on financing sustainable activities, such as renewable energy. However, this will also take time as the mortgage portfolio is of a longer maturity and any improvement on the existing stock requires additional data.
3. Data availability remains a challenge and will be a major focus area for us in the coming years. In particular, the granularity of required data for specific financing purposes continues to be limited.

As of 31 December 2024, the green asset ratio of BAWAG Group was 6%. The increase versus prior year was mainly driven by the acquisition of Knab in the Netherlands, where data availability is higher compared to the Austrian mortgage portfolio.



Template 0 - Summary of KPIs

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets	KPI*** *	KPI*** **	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	3,073.60	6.02%	5.96%	71.61%	34.50%	28.39%

		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional	GAR (flow)	326.64	15.99%	15.97%	NA	NA	NA
	Trading book*	N/A	N/A	N/A			
	Financial guarantees	0.48	4.14%	2.99%			
	Assets under management	9.93	1.22%	2.05%			
	Fees and commissions	N/A	N/A	N/A			

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

**Fees and commissions income from services other than lending and AuM
Institutions shall disclose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

*** % of assets covered by the KPI over banks’ total assets

****based on the Turnover KPI of the counterparty

*****based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Note 1: Across the reporting templates: cells shaded in black should not be reported.

Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs’ inclusion in these KPI will only apply subject to a positive result of an impact assessment.

Template 1a – Assets for the calculation of GAR (revenue)

1.Assets for the calculation of GAR based on the turnover KPI of the counterpart

		a	b	c	d	e	f	g	h	i	j
Million EUR		31.12.2024									
		Total [gross]	Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)		
		carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-		
			Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HFT	26,475.68	25,552.70	3,073.52	3,035.49	1.45	5.88	4.10	0.08	—	0.01
2	Financial undertakings	978.57	265.47	17.96	—	1.45	1.18	4.04	0.08	—	0.01
3	Credit institutions	978.57	265.47	17.96	—	1.45	1.18	4.04	0.08	—	0.01
4	Loans and advances	621.45	175.51	11.40	—	0.84	0.91	3.41	0.02	—	—
5	Debt securities, including UoP	276.52	72.72	6.45	—	0.61	0.27	0.62	0.06	—	—
6	Equity instruments	80.60	17.25	0.11		—	0.01	0.01	—		
7	Other financial corporations	—	—	—	—	—	—	—	—	—	—
8	of which investment firms	—	—	—	—	—	—	—	—	—	—
9	Loans and advances	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—	—		—	—	—	—		
12	of which management companies	—	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—	—		—	—	—	—		
16	of which insurance undertakings	—	—	—	—	—	—	—	—	—	—
17	Loans and advances	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—	—		—	—	—	—		
20	Non-financial undertakings	304.07	94.19	20.07	—	—	4.70	0.07	—	—	—
21	Loans and advances	185.95	72.49	14.60	—	—	4.70	0.07	—	—	—
22	Debt securities, including UoP	118.11	21.70	5.47	—	—	—	—	—	—	—
23	Equity instruments	—	—	—		—	—	—	—		
24	Households	25,193.04	25,193.04	3,035.49	3,035.49	—	—	—	—	—	—
25	of which loans collateralised by residential immovable property	24,158.74	24,158.74	2,782.28	2,782.28	—	—	—	—	—	—
26	of which building renovation loans	578.50	578.50	253.21	253.21	—	—	—	—	—	—
27	of which motor vehicle loans	455.80	455.80	—	—	—	—				
28	Local governments financing	—	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—	—
30	Other local government financing	—	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking possession: residential and	—	—	—	—	—	—	—	—	—	—
32	Assets excluded from the numerator for GAR calculation (covered in	24,612.88									
33	Financial and Non-financial undertakings	16,400.43									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure	10,036.93									
35	Loans and advances	7,258.09									
36	of which loans collateralised by commercial immovable property	1,066.90									
37	of which building renovation loans	0.44									
38	Debt securities	2,519.57									
39	Equity instruments	259.28									
40	Non-EU country counterparties not subject to NFRD disclosure	6,363.50									
41	Loans and advances	5,247.60									
42	Debt securities	1,109.27									
43	Equity instruments	6.63									
44	Derivatives	644.77									
45	On demand interbank loans	271.46									
46	Cash and cash-related assets	101.60									
47	Other categories of assets (e.g. Goodwill, commodities etc.)	7,194.62									
48	Total GAR assets	51,088.56	25,552.70	3,073.50	3,035.49	1.45	5.88	4.10	0.08	—	0.01
49	Assets not covered for GAR calculation	20,257.72									
50	Central governments and Supranational issuers	3,146.80									
51	Central banks exposure	17,110.91									
52	Trading book	—									
53	Total assets	71,346.27	—	—	—	—	—	—	—	—	—
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations											
54	Financial guarantees	11.57	4.35	0.48	—	0.03	0.41	—	—	—	—
55	Assets under management	816.67	136.66	9.93	—	0.72	5.45	—	—	—	—
56	Of which debt securities	356.05	30.26	4.15	—	0.55	2.11	—	—	—	—
57	Of which equity instruments	404.48	106.40	5.78	—	0.17	3.34	—	—	—	—

1.Assets for the calculation of GAR based on the turnover KPI of the counterpart

		k	l	m	n	o	p	q	r	s	t	u	v
Million EUR		31.12.2024											
		Water and marine resources (WTR)					Circular economy (CE)				Pollution (PPC)		
		Of which towards taxonomy relevant sectors (Taxonomy-				Of which towards taxonomy relevant sectors (Taxonomy-				Of which towards taxonomy relevant sectors (Taxonomy-			
		Of which environmentally sustainable				Of which environmentally sustainable				Of which environmentally sustainable			
		Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds	Of which enabling					
	GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments	—	—	—	—	0.05	—	—	—	3.35	—	—	—
2	Financial undertakings	—	—	—	—	—	—	—	—	—	—	—	—
3	Credit institutions	—	—	—	—	—	—	—	—	—	—	—	—
4	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
5	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
6	Equity instruments												
7	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—
8	of which investment firms	—	—	—	—	—	—	—	—	—	—	—	—
9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
11	Equity instruments												
12	of which management companies	—	—	—	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity instruments												
16	of which insurance undertakings	—	—	—	—	—	—	—	—	—	—	—	—
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
19	Equity instruments												
20	Non-financial undertakings	—	—	—	—	0.05	—	—	—	3.35	—	—	—
21	Loans and advances	—	—	—	—	0.05	—	—	—	—	—	—	—
22	Debt securities, including UoP	—	—	—	—	—	—	—	—	3.35	—	—	—
23	Equity instruments												
24	Households						—	—	—	—			
25	of which loans collateralised by residential immovable						—	—	—	—			
26	of which building renovation loans						—	—	—	—			
27	of which motor vehicle loans												
28	Local governments financing	—	—	—	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local government financing	—	—	—	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking possession: residential and	—	—	—	—	—	—	—	—	—	—	—	—
32	Assets excluded from the numerator for GAR calculation	—	—	—	—	—	—	—	—	—	—	—	—
33	Financial and Non-financial undertakings												
34	SMEs and NFCs (other than SMEs) not subject to NFRD												
35	Loans and advances												
36	of which loans collateralised by commercial immovable												
37	of which building renovation loans												
38	Debt securities												
39	Equity instruments												
40	Non-EU country counterparties not subject to NFRD												
41	Loans and advances												
42	Debt securities												
43	Equity instruments												
44	Derivatives												
45	On demand interbank loans												
46	Cash and cash-related assets												
47	Other categories of assets (e.g. Goodwill, commodities etc.)												
48	Total GAR assets	—	—	—	—	0.05	—	—	—	3.35	—	—	—
49	Assets not covered for GAR calculation												
50	Central governments and Supranational issuers												
51	Central banks exposure												
52	Trading book												
53	Total assets	—	—	—	—	—	—	—	—	—	—	—	—
Off-balance sheet exposures - Undertakings subject to NFRD													
54	Financial guarantees	0.01	—	—	—	1.18	—	—	—	—	—	—	—
55	Assets under management	—	—	—	—	—	—	—	—	—	—	—	—
56	Of which debt securities	—	—	—	—	—	—	—	—	—	—	—	—
57	Of which equity instruments	—	—	—	—	—	—	—	—	—	—	—	—

1.Assets for the calculation of GAR based on the turnover KPI of the counterpart

		w	x	z	aa	ab	ac	ad	ae	af
Million EUR		31.12.2024								
		Biodiversity and Ecosystems (BIO)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable		Of which environmentally sustainable (Taxonomy-aligned)						
				Of which Use	Of which			Of which Use	Of which	Of which
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments	—	—	—	—	25,560.21	3,073.60	3,035.49	1.45	5.88
2	Financial undertakings	—	—	—	—	269.51	18.04	—	1.45	1.18
3	Credit institutions	—	—	—	—	269.51	18.04	—	1.45	1.18
4	Loans and advances	—	—	—	—	178.92	11.42	—	0.84	0.91
5	Debt securities, including UoP	—	—	—	—	73.34	6.52	—	0.61	0.27
6	Equity instruments									
7	Other financial corporations	—	—	—	—	—	—	—	—	—
8	of which investment firms	—	—	—	—	—	—	—	—	—
9	Loans and advances	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—
11	Equity instruments									
12	of which management companies	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—
15	Equity instruments									
16	of which insurance undertakings	—	—	—	—	—	—	—	—	—
17	Loans and advances	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—
19	Equity instruments									
20	Non-financial undertakings	—	—	—	—	97.66	20.07	—	—	4.70
21	Loans and advances	—	—	—	—	72.60	14.60	—	—	4.70
22	Debt securities, including UoP	—	—	—	—	25.05	5.47	—	—	—
23	Equity instruments									
24	Households					25,193.04	3,035.49	3,035.49	—	—
25	of which loans collateralised by residential immovable					24,158.74	2,782.28	2,782.28	—	—
26	of which building renovation loans					578.50	253.21	253.21	—	—
27	of which motor vehicle loans									
28	Local governments financing	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—
30	Other local government financing	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking possession: residential and	—	—	—	—	—	—	—	—	—
32	Assets excluded from the numerator for GAR calculation	—	—	—	—	—	—	—	—	—
33	Financial and Non-financial undertakings									
34	SMEs and NFCs (other than SMEs) not subject to NFRD									
35	Loans and advances									
36	of which loans collateralised by commercial immovable									
37	of which building renovation loans									
38	Debt securities									
39	Equity instruments									
40	Non-EU country counterparties not subject to NFRD									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	Derivatives									
45	On demand interbank loans									
46	Cash and cash-related assets									
47	Other categories of assets (e.g. Goodwill, commodities etc.)									
48	Total GAR assets	—	—	—	—	25,560.21	3,073.60	3,035.49	1.45	5.88
49	Assets not covered for GAR calculation									
50	Central governments and Supranational issuers									
51	Central banks exposure									
52	Trading book									
53	Total assets	—	—	—	—	—	—	—	—	—
Off-balance sheet exposures - Undertakings subject to NFRD										
54	Financial guarantees	—	—	—	—	5.54	0.48	—	0.03	0.41
55	Assets under management	—	—	—	—	136.66	9.93	—	0.72	5.45
56	Of which debt securities	—	—	—	—	30.26	4.15	—	0.55	2.11
57	Of which equity instruments	—	—	—	—	106.40	5.78	—	0.17	3.34

1.Assets for the calculation of GAR based on the turnover KPI of the counterpart

	ag	ah	ai	aj	ak	al	am	an	ao	ap
Million EUR	31.12.2023									
	Total [gross]	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-aligned)			
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HFT	16,719.03	15,117.23	463.50	—	—	6.75	—	—	—
2	Financial undertakings	1,595.00	402.00	—	—	—	—	—	—	—
3	Credit institutions	1,595.00	402.00	—	—	—	—	—	—	—
4	Loans and advances	316.27	47.14	—	—	—	—	—	—	—
5	Debt securities, including UoP	1,279.19	354.54	—	—	—	—	—	—	—
6	Equity instruments	—	—	—	—	—	—	—	—	—
7	Other financial corporations	—	—	—	—	—	—	—	—	—
8	of which investment firms	—	—	—	—	—	—	—	—	—
9	Loans and advances	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—	—	—	—	—	—	—	—
12	of which management companies	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—	—	—	—	—	—	—	—
16	of which insurance undertakings	—	—	—	—	—	—	—	—	—
17	Loans and advances	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—	—	—	—	—	—	—	—
20	Non-financial undertakings	586.23	178.21	43.04	—	—	6.75	—	—	—
21	Loans and advances	254.31	115.31	16.94	—	—	6.75	—	—	—
22	Debt securities, including UoP	331.92	62.90	26.11	—	—	—	—	—	—
23	Equity instruments	—	—	—	—	—	—	—	—	—
24	Households	14,537.34	14,537.34	420.46	—	—	—	—	—	—
25	of which loans collateralised by residential immovable property	13,945.62	13,945.62	194.83	—	—	—	—	—	—
26	of which building renovation loans	252.26	252.26	225.63	—	—	—	—	—	—
27	of which motor vehicle loans	339.46	339.46	—	—	—	—	—	—	—
28	Local governments financing	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—
30	Other local government financing	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking possession: residential and	—	—	—	—	—	—	—	—	—
32	Assets excluded from the numerator for GAR calculation (covered in	23,424.36	—	—	—	—	—	—	—	—
33	Financial and Non-financial undertakings	17103.05								
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure	10383.47								
35	Loans and advances	7366.44								
36	of which loans collateralised by commercial immovable property	1099.18								
37	of which building renovation loans	0.49								
38	Debt securities	3014.06								
39	Equity instruments	2.97								
40	Non-EU country counterparties not subject to NFRD disclosure	6719.58								
41	Loans and advances	4691.15								
42	Debt securities	2028.29								
43	Equity instruments	0.08								
44	Derivatives	347.85								
45	On demand interbank loans	1348.40								
46	Cash and cash-related assets	139.16								
47	Other categories of assets (e.g. Goodwill, commodities etc.)	4485.90								
48	Total GAR assets	40,143.40	15,117.23	463.50	—	—	6.75	—	—	—
49	Assets not covered for GAR calculation	15,320.12								
50	Central governments and Supranational issuers	2,945.86								
51	Central banks exposure	12,374.26								
52	Trading book	0.00								
53	Total assets	55,463.51	15,117.23	463.50	420.46	—	6.75	—	—	—
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations										
54	Financial guarantees	3.22	—	—	—	—	—	—	—	—
55	Assets under management	406.22	48.18	6.27	—	0.19	3.39	—	—	—
56	Of which debt securities	224.27	20.52	2.48	—	0.06	1.12	—	—	—
57	Of which equity instruments	166.67	26.63	3.73	—	0.12	2.24	—	—	—

1.Assets for the calculation of GAR based on the turnover KPI of the counterpart

		aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb
Million EUR		31.12.2023											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Of which towards taxonomy relevant sectors (Taxonomy-				Of which towards taxonomy relevant sectors (Taxonomy-				Of which towards taxonomy relevant sectors (Taxonomy-			
		Of which environmentally sustainable		Of which Use		Of which environmentally sustainable		Of which Use		Of which environmentally sustainable		Of which Use	
				Of which	of Proceeds			Of which	of Proceeds			Of which	of Proceeds
	GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
2	Financial undertakings	—	—	—	—	—	—	—	—	—	—	—	—
3	Credit institutions	—	—	—	—	—	—	—	—	—	—	—	—
4	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
5	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
6	Equity instruments	—	—		—	—	—		—	—	—		—
7	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—
8	of which investment firms	—	—	—	—	—	—	—	—	—	—	—	—
9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—		—	—	—		—	—	—		—
12	of which management companies	—	—	—	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—		—	—	—		—	—	—		—
16	of which insurance undertakings	—	—	—	—	—	—	—	—	—	—	—	—
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—		—	—	—		—	—	—		—
20	Non-financial undertakings	—	—	—	—	—	—	—	—	—	—	—	—
21	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
22	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
23	Equity instruments	—	—		—	—	—		—	—	—		—
24	Households					—	—	—	—				
25	of which loans collateralised by residential immovable					—	—	—	—				
26	of which building renovation loans					—	—	—	—				
27	of which motor vehicle loans												
28	Local governments financing	—	—	—	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local government financing	—	—	—	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking possession: residential and	—	—	—	—	—	—	—	—	—	—	—	—
32	Assets excluded from the numerator for GAR calculation	—	—	—	—	—	—	—	—	—	—	—	—
33	Financial and Non-financial undertakings												
34	SMEs and NFCs (other than SMEs) not subject to NFRD												
35	Loans and advances												
36	of which loans collateralised by commercial immovable												
37	of which building renovation loans												
38	Debt securities												
39	Equity instruments												
40	Non-EU country counterparties not subject to NFRD												
41	Loans and advances												
42	Debt securities												
43	Equity instruments												
44	Derivatives												
45	On demand interbank loans												
46	Cash and cash-related assets												
47	Other categories of assets (e.g. Goodwill, commodities etc.)												
48	Total GAR assets	—	—	—	—	—	—	—	—	—	—	—	—
49	Assets not covered for GAR calculation												
50	Central governments and Supranational issuers												
51	Central banks exposure												
52	Trading book												
53	Total assets	—	—	—	—	—	—	—	—	—	—	—	—
Off-balance sheet exposures - Undertakings subject to NFRD													
54	Financial guarantees	—	—	—	—	—	—	—	—	—	—	—	—
55	Assets under management	—	—	—	—	—	—	—	—	—	—	—	—
56	Of which debt securities	—	—	—	—	—	—	—	—	—	—	—	—
57	Of which equity instruments	—	—	—	—	—	—	—	—	—	—	—	—

1.Assets for the calculation of GAR based on the turnover KPI of the counterpart

		bc	bd	be	bf	bg	bh	bi	bj	bk
Million EUR		31.12.2023								
		Biodiversity and Ecosystems (BIO)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable		Of which environmentally sustainable (Taxonomy-aligned)						
			Of which Use	Of which			Of which Use	Of which	Of which	
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments	—	—	—	—	15,117.23	463.50	—	—	6.75
2	Financial undertakings	—	—	—	—	402.00	—	—	—	—
3	Credit institutions	—	—	—	—	402.00	—	—	—	—
4	Loans and advances	—	—	—	—	47.14	—	—	—	—
5	Debt securities, including UoP	—	—	—	—	354.54	—	—	—	—
6	Equity instruments	—	—		—	—	—		—	—
7	Other financial corporations	—	—	—	—	—	—	—	—	—
8	of which investment firms	—	—	—	—	—	—	—	—	—
9	Loans and advances	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—		—	—	—		—	—
12	of which management companies	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—		—	—	—		—	—
16	of which insurance undertakings	—	—	—	—	—	—	—	—	—
17	Loans and advances	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—		—	—	—		—	—
20	Non-financial undertakings	—	—	—	—	178.21	43.04	—	—	6.75
21	Loans and advances	—	—	—	—	115.31	16.94	—	—	6.75
22	Debt securities, including UoP	—	—	—	—	62.90	26.11	—	—	—
23	Equity instruments	—	—		—	—	—		—	—
24	Households					14,537.34	420.46	—	—	—
25	of which loans collateralised by residential immovable					13,945.62	194.83	—	—	—
26	of which building renovation loans					252.26	225.63	—	—	—
27	of which motor vehicle loans					339.46	—	—	—	—
28	Local governments financing	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—
30	Other local government financing	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking possession: residential and	—	—	—	—	—	—	—	—	—
32	Assets excluded from the numerator for GAR calculation	—	—	—	—	—	—	—	—	—
33	Financial and Non-financial undertakings									
34	SMEs and NFCs (other than SMEs) not subject to NFRD									
35	Loans and advances									
36	of which loans collateralised by commercial immovable									
37	of which building renovation loans									
38	Debt securities									
39	Equity instruments									
40	Non-EU country counterparties not subject to NFRD									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	Derivatives									
45	On demand interbank loans									
46	Cash and cash-related assets									
47	Other categories of assets (e.g. Goodwill, commodities etc.)									
48	Total GAR assets	—	—	—	—	15,117.23	463.50	—	—	6.75
49	Assets not covered for GAR calculation									
50	Central governments and Supranational issuers									
51	Central banks exposure									
52	Trading book									
53	Total assets	—	—	—	—	15,117.23	463.50	420.46	—	6.75
Off-balance sheet exposures - Undertakings subject to NFRD										
54	Financial guarantees	—	—	—	—	—	—	—	—	—
55	Assets under management	—	—	—	—	48.18	6.27	—	0.19	3.39
56	Of which debt securities	—	—	—	—	20.52	2.48	—	0.06	1.12
57	Of which equity instruments	—	—	—	—	26.63	3.73	—	0.12	2.24

Template 1b – Assets for the calculation of GAR (CapEx)

1.Assets for the calculation of GAR based on the CapEx KPI of the counterpart

Million EUR		a	b	c	d	e	f	g	h	i	j
		31.12.2024	Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)		
		Total [gross]	Of which towards taxonomy relevant sectors (Taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-		
		carrying amount	Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling	
GAR - Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HFT	26,475.68	25,350.37	3,046.48	3,035.49	—	—	0.03	0.02	—	—
2	Financial undertakings	978.57	124.16	7.57	—	—	—	0.03	0.02	—	—
3	Credit institutions	978.57	124.16	7.57	—	—	—	0.03	0.02	—	—
4	Loans and advances	621.45	97.64	6.66	—	—	—	0.01	0.01	—	—
5	Debt securities, including UoP	276.52	9.37	0.80	—	—	—	0.01	0.01	—	—
6	Equity instruments	80.60	17.15	0.10	—	—	—	0.01	—	—	—
7	Other financial corporations	—	—	—	—	—	—	—	—	—	—
8	of which investment firms	—	—	—	—	—	—	—	—	—	—
9	Loans and advances	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—	—	—	—	—	—	—	—	—
12	of which management companies	—	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—	—	—	—	—	—	—	—	—
16	of which insurance undertakings	—	—	—	—	—	—	—	—	—	—
17	Loans and advances	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—	—	—	—	—	—	—	—	—
20	Non-financial undertakings	304.07	33.17	3.42	—	—	—	—	—	—	—
21	Loans and advances	185.95	10.73	—	—	—	—	—	—	—	—
22	Debt securities, including UoP	118.11	22.44	3.42	—	—	—	—	—	—	—
23	Equity instruments	—	—	—	—	—	—	—	—	—	—
24	Households	25,193.04	25,193.04	3,035.49	3,035.49	—	—	—	—	—	—
25	of which loans collateralised by residential immovable property	24,158.74	24,158.74	2,782.28	2,782.28	—	—	—	—	—	—
26	of which building renovation loans	578.50	578.50	253.21	253.21	—	—	—	—	—	—
27	of which motor vehicle loans	455.80	455.80	—	—	—	—	—	—	—	—
28	Local governments financing	—	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—	—
30	Other local government financing	—	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking possession: residential and	—	—	—	—	—	—	—	—	—	—
32	Assets excluded from the numerator for GAR calculation (covered in	24,612.88	—	—	—	—	—	—	—	—	—
33	Financial and Non-financial undertakings	16,400.43	—	—	—	—	—	—	—	—	—
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure	10,036.93	—	—	—	—	—	—	—	—	—
35	Loans and advances	7,258.09	—	—	—	—	—	—	—	—	—
36	of which loans collateralised by commercial immovable property	1,066.90	—	—	—	—	—	—	—	—	—
37	of which building renovation loans	0.44	—	—	—	—	—	—	—	—	—
38	Debt securities	2,519.57	—	—	—	—	—	—	—	—	—
39	Equity instruments	259.28	—	—	—	—	—	—	—	—	—
40	Non-EU country counterparties not subject to NFRD disclosure	6,363.50	—	—	—	—	—	—	—	—	—
41	Loans and advances	5,247.60	—	—	—	—	—	—	—	—	—
42	Debt securities	1,109.27	—	—	—	—	—	—	—	—	—
43	Equity instruments	6.63	—	—	—	—	—	—	—	—	—
44	Derivatives	644.77	—	—	—	—	—	—	—	—	—
45	On demand interbank loans	271.46	—	—	—	—	—	—	—	—	—
46	Cash and cash-related assets	101.60	—	—	—	—	—	—	—	—	—
47	Other categories of assets (e.g. Goodwill, commodities etc.)	7,194.62	—	—	—	—	—	—	—	—	—
48	Total GAR assets	51,088.56	25,350.37	3,046.48	3,035.49	—	—	0.03	0.02	—	—
49	Assets not covered for GAR calculation	20,257.72	—	—	—	—	—	—	—	—	—
50	Central governments and Supranational issuers	3,146.80	—	—	—	—	—	—	—	—	—
51	Central banks exposure	17,110.91	—	—	—	—	—	—	—	—	—
52	Trading book	—	—	—	—	—	—	—	—	—	—
53	Total assets	71,346.27	—	—	—	—	—	—	—	—	—
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations											
54	Financial guarantees	11.57	1.78	0.35	—	—	0.17	—	—	—	—
55	Assets under management	816.67	45.51	16.73	—	7.66	1.51	—	—	—	—
56	Of which debt securities	356.05	19.29	8.77	—	4.37	0.91	—	—	—	—
57	Of which equity instruments	404.48	26.22	7.95	—	3.29	0.59	—	—	—	—

1.Assets for the calculation of GAR based on the CapEx KPI of the counterpart

Million EUR		k	l	m	n	o	p	q	r	s	t	u	v
		31.12.2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Of which towards taxonomy relevant sectors (Taxonomy-)				Of which towards taxonomy relevant sectors (Taxonomy-)				Of which towards taxonomy relevant sectors (Taxonomy-)			
		Of which environmentally sustainable				Of which environmentally sustainable				Of which environmentally sustainable			
		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling	
	GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments	—	—	—	—	0.03	—	—	—	2.79	—	—	—
2	Financial undertakings	—	—	—	—	—	—	—	—	—	—	—	—
3	Credit institutions	—	—	—	—	—	—	—	—	—	—	—	—
4	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
5	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
6	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
7	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—
8	of which investment firms	—	—	—	—	—	—	—	—	—	—	—	—
9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
12	of which management companies	—	—	—	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
16	of which insurance undertakings	—	—	—	—	—	—	—	—	—	—	—	—
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
20	Non-financial undertakings	—	—	—	—	—	—	—	—	2.79	—	—	—
21	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
22	Debt securities, including UoP	—	—	—	—	—	—	—	—	2.79	—	—	—
23	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
24	Households	—	—	—	—	—	—	—	—	—	—	—	—
25	of which loans collateralised by residential immovable	—	—	—	—	—	—	—	—	—	—	—	—
26	of which building renovation loans	—	—	—	—	—	—	—	—	—	—	—	—
27	of which motor vehicle loans	—	—	—	—	—	—	—	—	—	—	—	—
28	Local governments financing	—	—	—	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local government financing	—	—	—	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking possession: residential and	—	—	—	—	—	—	—	—	—	—	—	—
32	Assets excluded from the numerator for GAR calculation	—	—	—	—	—	—	—	—	—	—	—	—
33	Financial and Non-financial undertakings	—	—	—	—	—	—	—	—	—	—	—	—
34	SMEs and NFCs (other than SMEs) not subject to NFRD	—	—	—	—	—	—	—	—	—	—	—	—
35	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
36	of which loans collateralised by commercial immovable	—	—	—	—	—	—	—	—	—	—	—	—
37	of which building renovation loans	—	—	—	—	—	—	—	—	—	—	—	—
38	Debt securities	—	—	—	—	—	—	—	—	—	—	—	—
39	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
40	Non-EU country counterparties not subject to NFRD	—	—	—	—	—	—	—	—	—	—	—	—
41	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
42	Debt securities	—	—	—	—	—	—	—	—	—	—	—	—
43	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
44	Derivatives	—	—	—	—	—	—	—	—	—	—	—	—
45	On demand interbank loans	—	—	—	—	—	—	—	—	—	—	—	—
46	Cash and cash-related assets	—	—	—	—	—	—	—	—	—	—	—	—
47	Other categories of assets (e.g. Goodwill, commodities etc.)	—	—	—	—	—	—	—	—	—	—	—	—
48	Total GAR assets	—	—	—	—	0.03	—	—	—	2.79	—	—	—
49	Assets not covered for GAR calculation	—	—	—	—	—	—	—	—	—	—	—	—
50	Central governments and Supranational issuers	—	—	—	—	—	—	—	—	—	—	—	—
51	Central banks exposure	—	—	—	—	—	—	—	—	—	—	—	—
52	Trading book	—	—	—	—	—	—	—	—	—	—	—	—
53	Total assets	—	—	—	—	—	—	—	—	—	—	—	—
Off-balance sheet exposures - Undertakings subject to NFRD													
54	Financial guarantees	—	—	—	—	0.53	—	—	—	0.01	—	—	—
55	Assets under management	—	—	—	—	—	—	—	—	—	—	—	—
56	Of which debt securities	—	—	—	—	—	—	—	—	—	—	—	—
57	Of which equity instruments	—	—	—	—	—	—	—	—	—	—	—	—

1.Assets for the calculation of GAR based on the CapEx KPI of the counterpart

		w	x	z	aa	ab	ac	ad	ae	af
Million EUR		31.12.2024								
		Biodiversity and Ecosystems (BIO)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable		Of which Use		Of which	Of which environmentally sustainable (Taxonomy-aligned)		Of which Use	Of which
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments	—	—	—	—	25,353.21	3,046.50	3,035.49	—	—
2	Financial undertakings	—	—	—	—	124.19	7.59	—	—	—
3	Credit institutions	—	—	—	—	124.19	7.59	—	—	—
4	Loans and advances	—	—	—	—	97.65	6.67	—	—	—
5	Debt securities, including UoP	—	—	—	—	9.38	0.81	—	—	—
6	Equity instruments	—	—		—	17.16	0.10		—	—
7	Other financial corporations	—	—	—	—	—	—	—	—	—
8	of which investment firms	—	—	—	—	—	—	—	—	—
9	Loans and advances	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—		—	—	—		—	—
12	of which management companies	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—		—	—	—		—	—
16	of which insurance undertakings	—	—	—	—	—	—	—	—	—
17	Loans and advances	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—		—	—	—		—	—
20	Non-financial undertakings	—	—	—	—	35.98	3.42	—	—	—
21	Loans and advances	—	—	—	—	10.75	—	—	—	—
22	Debt securities, including UoP	—	—	—	—	25.23	3.42	—	—	—
23	Equity instruments	—	—		—	—	—		—	—
24	Households					25,193.04	3,035.49	3,035.49	—	—
25	of which loans collateralised by residential immovable					24,158.74	2,782.28	2,782.28	—	—
26	of which building renovation loans					578.50	253.21	253.21	—	—
27	of which motor vehicle loans					455.80	—	—	—	—
28	Local governments financing	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—
30	Other local government financing	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking possession: residential and	—	—	—	—	—	—	—	—	—
32	Assets excluded from the numerator for GAR calculation	—	—	—	—	—	—	—	—	—
33	Financial and Non-financial undertakings									
34	SMEs and NFCs (other than SMEs) not subject to NFRD									
35	Loans and advances									
36	of which loans collateralised by commercial immovable									
37	of which building renovation loans									
38	Debt securities									
39	Equity instruments									
40	Non-EU country counterparties not subject to NFRD									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	Derivatives									
45	On demand interbank loans									
46	Cash and cash-related assets									
47	Other categories of assets (e.g. Goodwill, commodities etc.)									
48	Total GAR assets	—	—	—	—	25,353.21	3,046.50	3,035.49	—	—
49	Assets not covered for GAR calculation									
50	Central governments and Supranational issuers									
51	Central banks exposure									
52	Trading book									
53	Total assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Off-balance sheet exposures - Undertakings subject to NFRD										
54	Financial guarantees	—	—	—	—	2.32	0.35	—	—	0.17
55	Assets under management	—	—	—	—	45.51	16.73	—	7.66	1.51
56	Of which debt securities	—	—	—	—	19.29	8.77	—	4.37	0.91
57	Of which equity instruments	—	—	—	—	26.22	7.95	—	3.29	0.59

1.Assets for the calculation of GAR based on the CapEx KPI of the counterpart

	ag	ah	ai	aj	ak	al	am	an	ao	ap
Million EUR	31.12.2023									
	Total [gross]	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-aligned)			
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HFT	16,719.03	15,040.66	484.61	420.46	—	26.05	—	—	—
2	Financial undertakings	1,595.46	231.78	—	—	—	—	—	—	—
3	Credit institutions	1,595.46	231.78	—	—	—	—	—	—	—
4	Loans and advances	316.27	19.69	—	—	—	—	—	—	—
5	Debt securities, including UoP	1,279.19	212.09	—	—	—	—	—	—	—
6	Equity instruments	—	—	—	—	—	—	—	—	—
7	Other financial corporations	—	—	—	—	—	—	—	—	—
8	of which investment firms	—	—	—	—	—	—	—	—	—
9	Loans and advances	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—	—	—	—	—	—	—	—
12	of which management companies	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—	—	—	—	—	—	—	—
16	of which insurance undertakings	—	—	—	—	—	—	—	—	—
17	Loans and advances	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—	—	—	—	—	—	—	—
20	Non-financial undertakings	586.23	271.54	64.15	—	—	26.05	—	—	—
21	Loans and advances	254.31	128.37	27.86	—	—	22.20	—	—	—
22	Debt securities, including UoP	331.92	143.16	69.13	—	—	3.85	—	—	—
23	Equity instruments	—	—	—	—	—	—	—	—	—
24	Households	14,537.34	14,537.34	420.46	420.46	—	—	—	—	—
25	of which loans collateralised by residential immovable property	13,945.62	13,945.62	194.83	194.83	—	—	—	—	—
26	of which building renovation loans	252.26	252.26	225.63	225.63	—	—	—	—	—
27	of which motor vehicle loans	339.46	339.46	—	—	—	—	—	—	—
28	Local governments financing	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—
30	Other local government financing	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking possession: residential and	—	—	—	—	—	—	—	—	—
32	Assets excluded from the numerator for GAR calculation (covered in	23,424.36	—	—	—	—	—	—	—	—
33	Financial and Non-financial undertakings	17,103.05								
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure	10,383.47								
35	Loans and advances	7,366.44								
36	of which loans collateralised by commercial immovable property	1,099.18								
37	of which building renovation loans	0.49								
38	Debt securities	3,014.06								
39	Equity instruments	2.97								
40	Non-EU country counterparties not subject to NFRD disclosure	6,719.58								
41	Loans and advances	4,691.15								
42	Debt securities	2,028.29								
43	Equity instruments	0.08								
44	Derivatives	347.85								
45	On demand interbank loans	1,348.40								
46	Cash and cash-related assets	139.16								
47	Other categories of assets (e.g. Goodwill, commodities etc.)	4,485.90								
48	Total GAR assets	40,143.39	15,040.66	484.61	420.46	—	26.05	—	—	—
49	Assets not covered for GAR calculation	15,320.12								
50	Central governments and Supranational issuers	2,945.86								
51	Central banks exposure	12,374.26								
52	Trading book	—								
53	Total assets	55,463.51	15,040.66	484.61	420.46	—	26.05	—	—	—
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations										
54	Financial guarantees	3.22	—	—	—	—	—	—	—	—
55	Assets under management	406.22	25.67	7.35	—	0.13	0.29	—	—	—
56	Of which debt securities	224.27	14.03	4.07	—	0.05	0.21	—	—	—
57	Of which equity instruments	166.67	11.63	3.28	—	0.07	0.08	—	—	—

1.Assets for the calculation of GAR based on the CapEx KPI of the counterpart

		aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb
Million EUR		31.12.2023											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Of which towards taxonomy relevant sectors (Taxonomy-				Of which towards taxonomy relevant sectors (Taxonomy-				Of which towards taxonomy relevant sectors (Taxonomy-			
		Of which environmentally sustainable		Of which Use		Of which environmentally sustainable		Of which Use		Of which environmentally sustainable		Of which Use	
				Of which	of Proceeds			Of which	of Proceeds			Of which	of Proceeds
	GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
2	Financial undertakings	—	—	—	—	—	—	—	—	—	—	—	—
3	Credit institutions	—	—	—	—	—	—	—	—	—	—	—	—
4	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
5	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
6	Equity instruments	—	—		—	—	—		—	—	—		—
7	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—
8	of which investment firms	—	—	—	—	—	—	—	—	—	—	—	—
9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—		—	—	—		—	—	—		—
12	of which management companies	—	—	—	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—		—	—	—		—	—	—		—
16	of which insurance undertakings	—	—	—	—	—	—	—	—	—	—	—	—
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—		—	—	—		—	—	—		—
20	Non-financial undertakings	—	—	—	—	—	—	—	—	—	—	—	—
21	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—
22	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—
23	Equity instruments	—	—		—	—	—		—	—	—		—
24	Households					—	—	—	—				
25	of which loans collateralised by residential immovable					—	—	—	—				
26	of which building renovation loans					—	—	—	—				
27	of which motor vehicle loans												
28	Local governments financing	—	—	—	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local government financing	—	—	—	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking possession: residential and	—	—	—	—	—	—	—	—	—	—	—	—
32	Assets excluded from the numerator for GAR calculation	—	—	—	—	—	—	—	—	—	—	—	—
33	Financial and Non-financial undertakings												
34	SMEs and NFCs (other than SMEs) not subject to NFRD												
35	Loans and advances												
36	of which loans collateralised by commercial immovable												
37	of which building renovation loans												
38	Debt securities												
39	Equity instruments												
40	Non-EU country counterparties not subject to NFRD												
41	Loans and advances												
42	Debt securities												
43	Equity instruments												
44	Derivatives												
45	On demand interbank loans												
46	Cash and cash-related assets												
47	Other categories of assets (e.g. Goodwill, commodities etc.)												
48	Total GAR assets	—	—	—	—	—	—	—	—	—	—	—	—
49	Assets not covered for GAR calculation												
50	Central governments and Supranational issuers												
51	Central banks exposure												
52	Trading book												
53	Total assets	—	—	—	—	—	—	—	—	—	—	—	—
Off-balance sheet exposures - Undertakings subject to NFRD													
54	Financial guarantees	—	—	—	—	—	—	—	—	—	—	—	—
55	Assets under management	—	—	—	—	—	—	—	—	—	—	—	—
56	Of which debt securities	—	—	—	—	—	—	—	—	—	—	—	—
57	Of which equity instruments	—	—	—	—	—	—	—	—	—	—	—	—

1.Assets for the calculation of GAR based on the CapEx KPI of the counterpart

		bc	bd	be	bf	bg	bh	bi	bj	bk	
Million EUR		31.12.2023									
		Biodiversity and Ecosystems (BIO)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable					Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use	Of which			Of which Use	Of which	Of which	
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments	—	—	—	—	15,040.66	484.61	420.46	—	26.05	
2	Financial undertakings	—	—	—	—	231.78	—	—	—	—	
3	Credit institutions	—	—	—	—	231.78	—	—	—	—	
4	Loans and advances	—	—	—	—	19.69	—	—	—	—	
5	Debt securities, including UoP	—	—	—	—	212.09	—	—	—	—	
6	Equity instruments	—	—		—	—	—		—	—	
7	Other financial corporations	—	—	—	—	—	—	—	—	—	
8	of which investment firms	—	—	—	—	—	—	—	—	—	
9	Loans and advances	—	—	—	—	—	—	—	—	—	
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	
11	Equity instruments	—	—		—	—	—		—	—	
12	of which management companies	—	—	—	—	—	—	—	—	—	
13	Loans and advances	—	—	—	—	—	—	—	—	—	
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	
15	Equity instruments	—	—		—	—	—		—	—	
16	of which insurance undertakings	—	—	—	—	—	—	—	—	—	
17	Loans and advances	—	—	—	—	—	—	—	—	—	
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	
19	Equity instruments	—	—		—	—	—		—	—	
20	Non-financial undertakings	—	—	—	—	271.54	64.15	—	—	26.05	
21	Loans and advances	—	—	—	—	128.37	27.86	—	—	22.20	
22	Debt securities, including UoP	—	—	—	—	143.16	69.13	—	—	3.85	
23	Equity instruments	—	—		—	—	—		—	—	
24	Households						14,537.34	420.46	420.46	—	—
25	of which loans collateralised by residential immovable						13,945.62	194.83	194.83	—	—
26	of which building renovation loans						252.26	225.63	225.63	—	—
27	of which motor vehicle loans						339.46	—	—	—	—
28	Local governments financing	—	—	—	—	—	—	—	—	—	
29	Housing financing	—	—	—	—	—	—	—	—	—	
30	Other local government financing	—	—	—	—	—	—	—	—	—	
31	Collateral obtained by taking possession: residential and	—	—	—	—	—	—	—	—	—	
32	Assets excluded from the numerator for GAR calculation	—	—	—	—	—	—	—	—	—	
33	Financial and Non-financial undertakings										
34	SMEs and NFCs (other than SMEs) not subject to NFRD										
35	Loans and advances										
36	of which loans collateralised by commercial immovable										
37	of which building renovation loans										
38	Debt securities										
39	Equity instruments										
40	Non-EU country counterparties not subject to NFRD										
41	Loans and advances										
42	Debt securities										
43	Equity instruments										
44	Derivatives										
45	On demand interbank loans										
46	Cash and cash-related assets										
47	Other categories of assets (e.g. Goodwill, commodities etc.)										
48	Total GAR assets	—	—	—	—	15,040.66	484.61	420.46	—	26.05	
49	Assets not covered for GAR calculation										
50	Central governments and Supranational issuers										
51	Central banks exposure										
52	Trading book										
53	Total assets	—	—	—	—	15,040.66	484.61	420.46	—	26.05	
Off-balance sheet exposures - Undertakings subject to NFRD											
54	Financial guarantees	—	—	—	—	—	—	—	—	—	
55	Assets under management	—	—	—	—	25.67	7.35	—	0.13	0.29	
56	Of which debt securities	—	—	—	—	14.03	4.07	—	0.05	0.21	
57	Of which equity instruments	—	—	—	—	11.63	3.28	—	0.07	0.08	

Template 2a – GAR sector information (revenue)

2. GAR sector information based on the turnover KPI of the counterpart

		a	b	c	d	e	f	g	h	i	j	k	l
Breakdown by sector - NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Non-Financial corporates		SMEs and other NFC not		Non-Financial corporates		SMEs and other NFC not		Non-Financial corporates		SMEs and other NFC not	
		(Subject to NFRD)		subject to NFRD		(Subject to NFRD)		subject to NFRD		(Subject to NFRD)		subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which
1	C11040	31.84	—			—	—			—	—		
2	C11050	—	—			—	—			—	—		
3	C21200	—	—			—	—			—	—		
4	C2229	40.79	—			—	—			—	—		
5	C24450	—	—			—	—			—	—		
6	C28930	5.96	0.12			—	—			—	—		
7	C29100	13.11	0.13			—	—			—	—		
8	D351	40.33	—			—	—			—	—		
9	D35110	24.58	8.89			—	—			—	—		
10	F41209	25.00	—			—	—			—	—		
11	H52230	—	—			—	—			—	—		
12	H53100	—	—			—	—			—	—		
13	J61900	14.59	—			—	—			—	—		
14	J63990	22.08	—			—	—			—	—		
15	L68209	62.16	10.93			—	—			—	—		
16	M71200	23.61	—			—	—			—	—		
17													
18													
19													
20													
21													

2. GAR sector information based on the turnover KPI of the counterpart

		m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Breakdown by sector - NACE 4 digits level (code and label)		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates		SMEs and other NFC not		Non-Financial corporates		SMEs and other NFC not		Non-Financial corporates		SMEs and other NFC not		Non-Financial corporates		SMEs and other NFC not	
		(Subject to NFRD)		subject to NFRD		(Subject to NFRD)		subject to NFRD		(Subject to NFRD)		subject to NFRD		(Subject to NFRD)		subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which
1	C11040	—	—			—	—			—	—			31.84	—		
2	C11050	—	—			—	—			—	—			—	—		
3	C21200	—	—			—	—			—	—			—	—		
4	C2229	—	—			—	—			—	—			40.79	—		
5	C24450	—	—			—	—			—	—			—	—		
6	C28930	—	—			—	—			—	—			5.96	0.12		
7	C29100	—	—			—	—			—	—			13.11	0.13		
8	D351	—	—			—	—			—	—			40.33	—		
9	D35110	—	—			—	—			—	—			24.58	8.89		
10	F41209	—	—			—	—			—	—			25.00	—		
11	H52230	—	—			—	—			—	—			—	—		
12	H53100	—	—			—	—			—	—			—	—		
13	J61900	—	—			—	—			—	—			14.59	—		
14	J63990	—	—			—	—			—	—			22.08	—		
15	L68209	—	—			—	—			—	—			62.16	10.93		
16	M71200	—	—			—	—			—	—			23.61	—		
17																	
18																	
19																	
20																	
21																	

Template 2b – GAR sector information (CapEx)

2. GAR sector information based on the CapEx KPI of the counterpart

		a	b	c	d	e	f	g	h	i	j	k	l
Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				
	Non-Financial corporates		SMEs and other NFC not		Non-Financial corporates		SMEs and other NFC not		Non-Financial corporates		SMEs and other NFC not		
	(Subject to NFRD)		subject to NFRD		(Subject to NFRD)		subject to NFRD		(Subject to NFRD)		subject to NFRD		
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		
		Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which
1	C11040	31.84	1.21			—	—			—	—		
2	C11050	—	—			—	—			—	—		
3	C21200	—	—			—	—			—	—		
4	C2229	40.79	—			—	—			—	—		
5	C24450	—	—			—	—			—	—		
6	C28930	5.96	—			—	—			—	—		
7	C29100	13.11	—			—	—			—	—		
8	D351	40.33	—			—	—			—	—		
9	D35110	24.58	—			—	—			—	—		
10	F41209	25.00	—			—	—			—	—		
11	H52230	—	—			—	—			—	—		
12	H53100	—	—			—	—			—	—		
13	J61900	14.59	—			—	—			—	—		
14	J63990	22.08	—			—	—			—	—		
15	L68209	62.16	2.21			—	—			—	—		
16	M71200	23.61	—			—	—			—	—		
17													
18													
19													
20													
21													

2. GAR sector information based on the CapEx KPI of the counterpart

		m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Breakdown by sector - NACE 4 digits level (code and label)	Circular economy (CE)					Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-Financial corporates		SMEs and other NFC not			Non-Financial corporates		SMEs and other NFC not		Non-Financial corporates		SMEs and other NFC not		Non-Financial corporates		SMEs and other NFC not	
	(Subject to NFRD)		subject to NFRD			(Subject to NFRD)		subject to NFRD		(Subject to NFRD)		subject to NFRD		(Subject to NFRD)		subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount			[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which	Mn EUR	Of which
1	C11040	—	—			—	—			—	—			31.84	1.21		
2	C11050	—	—			—	—			—	—			—	—		
3	C21200	—	—			—	—			—	—			—	—		
4	C2229	—	—			—	—			—	—			40.79	—		
5	C24450	—	—			—	—			—	—			—	—		
6	C28930	—	—			—	—			—	—			5.96	—		
7	C29100	—	—			—	—			—	—			13.11	—		
8	D351	—	—			—	—			—	—			40.33	—		
9	D35110	—	—			—	—			—	—			24.58	—		
10	F41209	—	—			—	—			—	—			25.00	—		
11	H52230	—	—			—	—			—	—			—	—		
12	H53100	—	—			—	—			—	—			—	—		
13	J61900	—	—			—	—			—	—			14.59	—		
14	J63990	—	—			—	—			—	—			22.08	—		
15	L68209	—	—			—	—			—	—			62.16	2.21		
16	M71200	—	—			—	—			—	—			23.61	—		
17																	
18																	
19																	
20																	
21																	

Template 3a – GAR KPI stock (revenue)

3. GAR KPI stock based on the turnover KPI of the counterpart

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q			
% (compared to total covered assets in the denominator)		31.12.2024																			
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)					
		Proportion of total covered assets funding taxonomy relevant					Proportion of total covered assets funding					Proportion of total covered assets funding				Proportion of total covered assets funding					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors					Proportion of total covered assets funding taxonomy relevant sectors				Proportion of total covered assets funding taxonomy relevant sectors					
		Of which Use of	Of which transition	Of which enabling	Of which Use of	Of which enabling	Of which Use of	Of which enabling	Of which Use of	Of which enabling	Of which Use of	Of which enabling	Of which Use of	Of which enabling							
	GAR - Covered assets in both numerator and denominator																				
1	Loans and advances, debt	50.02%	6.02%	5.94%	—	0.01%	0.00%	—	—	—	—	—	—	—	—	—	—	—			
2	Financial undertakings	0.52%	0.00%	—	—	—	0.00%	—	—	—	—	—	—	—	—	—	—	—			
3	Credit institutions	0.52%	0.00%	—	—	—	0.00%	—	—	—	—	—	—	—	—	—	—	—			
4	Loans and advances	0.34%	0.00%	—	—	—	0.00%	—	—	—	—	—	—	—	—	—	—	—			
5	Debt securities, including UoP	0.14%	0.00%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
6	Equity instruments	0.00%	—		—	—	—	—		—	—	—		—	—	—		—			
7	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
8	of which investment firms	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
11	Equity instruments	—	—		—	—	—	—		—	—	—		—	—	—		—			
12	of which management	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
15	Equity instruments	—	—		—	—	—	—		—	—	—		—	—	—		—			
16	of which insurance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
19	Equity instruments	—	—		—	—	—	—		—	—	—		—	—	—		—			
20	Non-financial undertakings	0.18%	0.04%	—	—	0.01%	—	—	—	—	—	—	—	—	—	—	—	—			
21	Loans and advances	0.14%	0.03%	—	—	0.01%	—	—	—	—	—	—	—	—	—	—	—	—			
22	Debt securities, including UoP	0.04%	0.01%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
23	Equity instruments	0.00%	0.00%		—	—	—	—		—	—	—	—	—	—	—		—			
24	Households	49.31%	5.94%	5.94%	—	—	—	—	—	—							—	—	—	—	
25	of which loans collateralised	47.29%	5.45%	5.45%	—	—	—	—	—	—							—	—	—	—	
26	of which building renovation	1.13%	0.50%	0.50%	—	—	—	—	—	—							—	—	—	—	
27	of which motor vehicle loans	0.89%	—	—	—	—															
28	Local governments financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
30	Other local government	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
31	Collateral obtained by taking	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
32	Total GAR assets	50.02%	6.02%	5.94%	—	0.01%	0.00%	—	—	—	—	—	—	—	—	—	—	—	—		

3. GAR KPI stock based on the turnover KPI of the counterpart

		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to total covered assets in the denominator)		31.12.2024													
		Pollution (PPC)					Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)
		Proportion of total covered assets funding taxonomy relevant sectors		Of which Use of enabling			Proportion of total covered assets funding taxonomy relevant sectors		Of which Use of enabling		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Of which Use of enabling		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt	0.00%	—	—	—	—	—	—	—	50.03%	6.02%	5.94%	—	0.01%	100.00%
2	Financial undertakings	—	—	—	—	—	—	—	—	0.53%	0.00%	—	—	—	1.05%
3	Credit institutions	—	—	—	—	—	—	—	—	0.53%	0.00%	—	—	—	1.05%
4	Loans and advances	—	—	—	—	—	—	—	—	0.35%	0.00%	—	—	—	0.70%
5	Debt securities, including UoP	—	—	—	—	—	—	—	—	0.14%	0.00%	—	—	—	0.29%
6	Equity instruments	—	—	—	—	—	—	—	—	0.00%	—	—	—	—	0.00%
7	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8	of which investment firms	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12	of which management	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
16	of which insurance	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
20	Non-financial undertakings	0.00%	—	—	—	—	—	—	—	0.19%	0.04%	—	—	0.01%	0.38%
21	Loans and advances	—	—	—	—	—	—	—	—	0.14%	0.03%	—	—	0.01%	0.28%
22	Debt securities, including UoP	0.00%	—	—	—	—	—	—	—	0.05%	0.01%	—	—	—	0.10%
23	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
24	Households									49.31%	5.94%	5.94%	—	—	98.56%
25	of which loans collateralised									47.29%	5.45%	5.45%	—	—	94.52%
26	of which building renovation									1.13%	0.50%	0.50%	—	—	2.26%
27	of which motor vehicle loans									0.89%	0.00%	0.00%	—	—	1.78%
28	Local governments financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local government	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32	Total GAR assets	0.00%	—	—	—	—	—	—	—	50.03%	6.02%	5.94%	0.00%	0.01%	100.00%

3. GAR KPI stock based on the turnover KPI of the counterpart

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw
% (compared to total covered assets in the denominator)		31.12.2023																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)		
		Proportion of total covered assets funding taxonomy relevant					Proportion of total covered assets funding					Proportion of total covered assets funding				Proportion of total covered assets funding		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors			Proportion of total covered assets funding taxonomy relevant sectors			Proportion of total covered assets funding taxonomy relevant sectors							
	Of which Use of	Of which transition	Of which enabling		Of which Use of	Of which enabling		Of which Use of	Of which enabling		Of which Use of	Of which enabling		Of which Use of	Of which enabling			
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt	37.66%	1.15%	1.05%	—	0.02%	—	—	—	—	—	—	—	—	—	—	—	—
2	Financial undertakings	1.00%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3	Credit institutions	1.00%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4	Loans and advances	0.12%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	Debt securities, including UoP	0.88%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8	of which investment firms	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12	of which management	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
16	of which insurance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
20	Non-financial undertakings	0.34%	0.11%	—	—	0.02%	—	—	—	—	—	—	—	—	—	—	—	—
21	Loans and advances	0.28%	0.04%	—	—	0.02%	—	—	—	—	—	—	—	—	—	—	—	—
22	Debt securities, including UoP	0.05%	0.07%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
23	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
24	Households	36.21%	1.05%	1.05%	—	—	—	—	—	—					—	—	—	—
25	of which loans collateralised	34.74%	0.49%	0.49%	—	—	—	—	—	—					—	—	—	—
26	of which building renovation	0.63%	0.56%	0.56%	—	—	—	—	—	—								—
27	of which motor vehicle loans	0.85%	—	—	—	—												
28	Local governments financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local government	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32	Total GAR assets	37.66%	1.15%	1.05%	—	0.02%	—	—	—	—	—	—	—	—	—	—	—	—

3. GAR KPI stock based on the turnover KPI of the counterpart

		ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk	
% (compared to total covered assets in the denominator)		31.12.2023														
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total assets covered		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
		Proportion of total covered assets funding taxonomy relevant sectors		Of which Use of		Proportion of total covered assets funding taxonomy relevant sectors		Of which Use of		Proportion of total covered assets funding taxonomy relevant sectors		Of which Use of				
1	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt	—	—	—	—	—	—	—	—	37.66%	1.15%	1.05%	—	0.02%	100.00%	
2	Financial undertakings	—	—	—	—	—	—	—	—	1.00%	—	—	—	—	2.66%	
3	Credit institutions	—	—	—	—	—	—	—	—	1.00%	—	—	—	—	2.66%	
4	Loans and advances	—	—	—	—	—	—	—	—	0.12%	—	—	—	—	0.31%	
5	Debt securities, including UoP	—	—	—	—	—	—	—	—	0.88%	—	—	—	—	2.35%	
6	Equity instruments	—	—		—	—	—		—	—	—		—	—	—	
7	Other financial corporations	—	—		—	—	—		—	—	—		—	—	—	
8	of which investment firms	—	—		—	—	—		—	—	—		—	—	—	
9	Loans and advances	—	—		—	—	—		—	—	—		—	—	—	
10	Debt securities, including UoP	—	—		—	—	—		—	—	—		—	—	—	
11	Equity instruments	—	—		—	—	—		—	—	—		—	—	—	
12	of which management	—	—		—	—	—		—	—	—		—	—	—	
13	Loans and advances	—	—		—	—	—		—	—	—		—	—	—	
14	Debt securities, including UoP	—	—		—	—	—		—	—	—		—	—	—	
15	Equity instruments	—	—		—	—	—		—	—	—		—	—	—	
16	of which insurance	—	—		—	—	—		—	—	—		—	—	—	
17	Loans and advances	—	—		—	—	—		—	—	—		—	—	—	
18	Debt securities, including UoP	—	—		—	—	—		—	—	—		—	—	—	
19	Equity instruments	—	—		—	—	—		—	—	—		—	—	—	
20	Non-financial undertakings	—	—		—	—	—		—	0.34%	0.11%	—	—	0.02%	1.18%	
21	Loans and advances	—	—		—	—	—		—	0.28%	0.04%	—	—	0.02%	0.76%	
22	Debt securities, including UoP	—	—		—	—	—		—	0.05%	0.07%	—	—	—	0.42%	
23	Equity instruments	—	—		—	—	—		—	—	—		—	—	—	
24	Households										36.21%	1.05%	—	—	—	96.16%
25	of which loans collateralised										34.74%	0.49%	—	—	—	92.25%
26	of which building renovation										0.63%	0.56%	—	—	—	1.67%
27	of which motor vehicle loans										0.85%	0.00%	—	—	—	2.25%
28	Local governments financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
30	Other local government	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
31	Collateral obtained by taking	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
32	Total GAR assets	—	—	—	—	—	—	—	—	37.66%	1.15%	1.05%	0.00%	0.02%	100.00%	

Template 3b – GAR KPI stock (CapEx)

3. GAR KPI stock based on the CapEx KPI of the counterpart

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q			
% (compared to total covered assets in the denominator)		31.12.2024																			
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)					
		Proportion of total covered assets funding taxonomy relevant					Proportion of total covered assets funding					Proportion of total covered assets funding				Proportion of total covered assets funding					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors					Proportion of total covered assets funding taxonomy relevant sectors				Proportion of total covered assets funding taxonomy relevant sectors					
		Of which Use of		Of which transition	Of which enabling	Of which Use of		Of which enabling	Of which Use of		Of which enabling	Of which Use of		Of which enabling	Of which Use of		Of which enabling				
	GAR - Covered assets in both numerator and denominator																				
1	Loans and advances, debt	49.57%	5.96%	5.94%	—	0.00%	—	—	—	—	—	—	—	—	0.00%	—	—	—			
2	Financial undertakings	0.20%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
3	Credit institutions	0.20%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
4	Loans and advances	0.15%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
5	Debt securities, including UoP	0.02%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
6	Equity instruments	—	—		—	—	—	—	—	—	—	—		—	—	—		—			
7	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
8	of which investment firms	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
11	Equity instruments	—	—		—	—	—	—	—	—	—	—		—	—	—		—			
12	of which management	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
15	Equity instruments	—	—		—	—	—	—	—	—	—	—		—	—	—		—			
16	of which insurance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
19	Equity instruments	—	—		—	—	—	—	—	—	—	—		—	—	—		—			
20	Non-financial undertakings	0.06%	0.01%	—	—	0.00%	—	—	—	—	—	—	—	—	0.00%	—	—	—			
21	Loans and advances	0.02%	—	—	—	0.00%	—	—	—	—	—	—	—	—	0.00%	—	—	—			
22	Debt securities, including UoP	0.04%	0.01%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
23	Equity instruments	—	—		—	—	—	—	—	—	—	—	—	—	—	—		—			
24	Households	49.31%	5.94%	5.94%	—	—	—	—	—	—					—	—	—	—			
25	of which loans collateralised	47.29%	5.45%	5.45%	—	—	—	—	—	—					—	—	—	—			
26	of which building renovation	1.13%	0.50%	0.50%	—	—	—	—	—	—					—	—	—	—			
27	of which motor vehicle loans	0.89%	—	—	—	—															
28	Local governments financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
30	Other local government	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
31	Collateral obtained by taking	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
32	Total GAR assets	49.57%	5.96%	5.94%	—	0.00%	—	—	—	—	—	—	—	—	0.00%	—	—	—			

3. GAR KPI stock based on the CapEx KPI of the counterpart

		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to total covered assets in the denominator)		31.12.2024													
		Pollution (PPC)					Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets
		Proportion of total covered assets funding taxonomy relevant sectors		Of which Use of enabling			Proportion of total covered assets funding taxonomy relevant sectors		Of which Use of enabling		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Of which Use of enabling		covered
GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt	0.01%	—	—	—	—	—	—	—	49.58%	5.96%	5.94%	—	0.00%	100.00%
2	Financial undertakings	—	—	—	—	—	—	—	—	0.02	—	—	—	—	0.40%
3	Credit institutions	—	—	—	—	—	—	—	—	0.02	—	—	—	—	0.40%
4	Loans and advances	—	—	—	—	—	—	—	—	0.15	—	—	—	—	0.29%
5	Debt securities, including UoP	—	—	—	—	—	—	—	—	0.02	—	—	—	—	0.04%
6	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8	of which investment firms	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12	of which management	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
16	of which insurance	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
20	Non-financial undertakings	0.01%	—	—	—	—	—	—	—	0.07%	0.01%	—	—	—	0.14%
21	Loans and advances	—	—	—	—	—	—	—	—	0.02%	—	—	—	—	0.04%
22	Debt securities, including UoP	0.01%	—	—	—	—	—	—	—	0.05%	0.01%	—	—	—	0.10%
23	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
24	Households									49.31%	5.94%	5.94%	—	—	99.46%
25	of which loans collateralised									47.29%	5.45%	5.45%	—	—	95.38%
26	of which building renovation									1.13%	0.50%	0.50%	—	—	2.28%
27	of which motor vehicle loans									0.89%	—	—	—	—	1.80%
28	Local governments financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local government	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32	Total GAR assets	0.01%	—	—	—	—	—	—	—	49.58%	5.96%	5.94%	—	—	100.00%

3. GAR KPI stock based on the CapEx KPI of the counterpart

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw
% (compared to total covered assets in the denominator)	31.12.2023																	
	Climate Change Mitigation (CCM)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors				Proportion of total covered assets funding taxonomy relevant sectors				Proportion of total covered assets funding taxonomy relevant sectors			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceed	Of which transitional	Of which enabling			Of which Use of Proceed	Of which enabling			Of which Use of Proceed	Of which enabling			Of which Use of Proceed	Of which enabling		
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	37.47%	1.21%	1.05%	—	0.06%	—	—	—	—	—	—	—	—	—	—	—	—
2	Financial undertakings	0.58%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3	Credit institutions	0.58%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4	Loans and advances	0.05%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	Debt securities, including UoP	0.53%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8	of which investment firms	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12	of which management companies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
16	of which insurance undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
20	Non-financial undertakings	0.68%	0.16%	—	—	0.06%	—	—	—	—	—	—	—	—	—	—	—	—
21	Loans and advances	0.32%	0.07%	—	—	0.06%	—	—	—	—	—	—	—	—	—	—	—	—
22	Debt securities, including UoP	0.36%	0.17%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
23	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
24	Households	36.21%	1.05%	1.05%	—	—	—	—	—	—	—	—	—	—	—	—	—	—
25	of which loans collateralised by residential immovable property	34.74%	0.49%	0.49%	—	—	—	—	—	—	—	—	—	—	—	—	—	—
26	of which building renovation loans	0.63%	0.56%	0.56%	—	—	—	—	—	—	—	—	—	—	—	—	—	—
27	of which motor vehicle loans	0.85%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
28	Local governments financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local government financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking possession: residential and commercial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32	Total GAR assets	37.47%	1.21%	1.05%	—	0.06%	—	—	—	—	—	—	—	—	—	—	—	—

3. GAR KPI stock based on the CapEx KPI of the

		ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk		
% (compared to total covered assets in the denominator)		31.12.2023															
		Pollution (PPC)					Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total assets covered		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Of which Use of Proceed		Of which enabling		Of which Use of Proceed		Of which enabling		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Of which Use of Proceed		Of which transitional	
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	—	—	—	—	—	—	—	—	37.47%	1.21%	1.05%	—	0.06%	100.00%		
2	Financial undertakings	—	—	—	—	—	—	—	—	0.58%	—	—	—	—	1.54%		
3	Credit institutions	—	—	—	—	—	—	—	—	0.58%	—	—	—	—	1.54%		
4	Loans and advances	—	—	—	—	—	—	—	—	0.05%	—	—	—	—	0.13%		
5	Debt securities, including UoP	—	—	—	—	—	—	—	—	0.53%	—	—	—	—	1.41%		
6	Equity instruments	—	—		—	—	—		—	—	—		—	—	—		
7	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
8	of which investment firms	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
11	Equity instruments	—	—		—	—	—	—	—	—	—		—	—	—		
12	of which management companies	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
15	Equity instruments	—	—		—	—	—		—	—	—		—	—	—		
16	of which insurance undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
19	Equity instruments	—	—		—	—	—		—	—	—		—	—	—		
20	Non-financial undertakings	—	—	—	—	—	—	—	—	0.68%	0.16%	—	—	0.06%	1.81%		
21	Loans and advances	—	—	—	—	—	—	—	—	0.32%	0.07%	—	—	0.06%	0.85%		
22	Debt securities, including UoP	—	—	—	—	—	—	—	—	0.36%	0.17%	—	—	—	0.95%		
23	Equity instruments	—	—		—	—	—		—	—	—		—	—	—		
24	Households									36.21%	1.05%	1.05%	—	—	96.65%		
25	of which loans collateralised by residential immovable property									34.74%	0.49%	0.49%	—	—	92.72%		
26	of which building renovation loans									0.63%	0.56%	0.56%	—	—	1.68%		
27	of which motor vehicle loans									0.85%	—	—	—	—	2.26%		
28	Local governments financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
30	Other local government financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
31	Collateral obtained by taking possession: residential and commercial immovable properties	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
32	Total GAR assets	—	—	—	—	—	—	—	—	37.47%	1.21%	1.05%	—	0.06%	100.00%		

Template 4a – GAR KPI flow (revenue)

4. GAR KPI flow based on the turnover KPI of the counterpart

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
% (compared to flow of total eligible assets)		31.12.2024																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant					Proportion of total covered assets funding				Proportion of total covered assets funding				Proportion of total covered assets funding			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors				Proportion of total covered assets funding taxonomy relevant sectors				Proportion of total covered assets funding taxonomy relevant sectors			
		Of which Use of		Of which transition	Of which enabling	Of which Use of		Of which enabling	Of which Use of		Of which enabling	Of which Use of		Of which enabling	Of which Use of		Of which enabling	
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt	88.45%	15.99%	15.83%	—	0.01	—	—	—	—	—	—	—	—	—	—	—	—
2	Financial undertakings	3.59%	0.16%	—	—	0.01	—	—	—	—	—	—	—	—	—	—	—	—
3	Credit institutions	3.59%	0.16%	—	—	0.01	—	—	—	—	—	—	—	—	—	—	—	—
4	Loans and advances	3.32%	0.15%	—	—	0.01	—	—	—	—	—	—	—	—	—	—	—	—
5	Debt securities, including UoP	0.09%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Equity instruments	0.18%	—		—	—	—	—		—	—	—		—	—	—		—
7	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8	of which investment firms	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—		—	—	—	—		—	—	—		—	—	—		—
12	of which management	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—		—	—	—	—		—	—	—		—	—	—		—
16	of which insurance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—		—	—	—	—		—	—	—		—	—	—		—
20	Non-financial undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
21	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
22	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
23	Equity instruments	—	—		—	—	—	—		—	—	—		—	—	—		—
24	Households	84.86%	15.83%	15.83%	—	—	—	—	—	—	—				—	—	—	—
25	of which loans collateralised	54.69%	4.61%	4.61%	—	—	—	—	—	—	—				—	—	—	—
26	of which building renovation	18.82%	11.22%	11.22%	—	—	—	—	—	—	—				—	—	—	—
27	of which motor vehicle loans	11.35%	—	—	—	—	—	—	—	—	—				—	—	—	—
28	Local governments financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local government	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32	Total GAR assets	88.45%	15.99%	15.83%	—	0.01	—	—	—	—	—	—	—	—	—	—	—	—

4. GAR KPI flow based on the turnover KPI of the counterpart

		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af	
% (compared to flow of total eligible assets)		31.12.2024														
		Pollution (PPC)					Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets	
		Proportion of total covered assets funding taxonomy relevant sectors		Of which Use of enabling			Proportion of total covered assets funding taxonomy relevant sectors		Of which Use of enabling		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Of which Use of enabling		covered	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt	—	—	—	—	—	—	—	—	88.45%	15.99%	15.83%	—	0.01	100.00%	
2	Financial undertakings	—	—	—	—	—	—	—	—	3.59%	0.16%	—	—	0.01	4.06%	
3	Credit institutions	—	—	—	—	—	—	—	—	3.59%	0.16%	—	—	0.01	4.06%	
4	Loans and advances	—	—	—	—	—	—	—	—	3.32%	0.16%	—	—	0.01	3.75%	
5	Debt securities, including UoP	—	—	—	—	—	—	—	—	0.09%	—	—	—	—	0.10%	
6	Equity instruments	—	—		—	—	—		—	0.18%	—		—	—	0.20%	
7	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
8	of which investment firms	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
11	Equity instruments	—	—		—	—	—		—	—	—		—	—	—	
12	of which management	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
15	Equity instruments	—	—		—	—	—		—	—	—		—	—	—	
16	of which insurance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
19	Equity instruments	—	—		—	—	—		—	—	—		—	—	—	
20	Non-financial undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
21	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
22	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
23	Equity instruments	—	—		—	—	—		—	—	—		—	—	—	
24	Households										84.86%	15.83%	0.16%	—	—	95.94%
25	of which loans collateralised										54.69%	4.61%	0.05	—	—	61.83%
26	of which building renovation										18.82%	11.22%	0.11%	—	—	21.28%
27	of which motor vehicle loans										11.35%	—	—	—	—	12.83%
28	Local governments financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
30	Other local government	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
31	Collateral obtained by taking	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
32	Total GAR assets	—	—	—	—	—	—	—	—	88.45%	15.99%	15.83%	—	0.01	100.00%	

Template 4b – GAR KPI flow (CapEx)

4. GAR KPI flow based on the CapEx KPI of the counterpart

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q			
% (compared to flow of total eligible assets)		31.12.2024																			
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)					
		Proportion of total covered assets funding taxonomy relevant					Proportion of total covered assets funding					Proportion of total covered assets funding				Proportion of total covered assets funding					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors					Proportion of total covered assets funding taxonomy relevant sectors				Proportion of total covered assets funding taxonomy relevant sectors					
		Of which Use of	Of which transition	Of which enabling			Of which Use of	Of which enabling			Of which Use of	Of which enabling			Of which Use of	Of which enabling					
	GAR - Covered assets in both numerator and denominator																				
1	Loans and advances, debt	87.82%	15.97%	15.83%	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
2	Financial undertakings	2.96	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
3	Credit institutions	2.96	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
4	Loans and advances	2.78	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
5	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
6	Equity instruments	—	—		—	—	—	—		—	—	—		—	—	—		—			
7	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
8	of which investment firms	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
11	Equity instruments	—	—		—	—	—	—		—	—	—		—	—	—		—			
12	of which management	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
15	Equity instruments	—	—		—	—	—	—		—	—	—		—	—	—		—			
16	of which insurance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
19	Equity instruments	—	—		—	—	—	—		—	—	—		—	—	—		—			
20	Non-financial undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
21	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
22	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
23	Equity instruments	—	—		—	—	—	—		—	—	—		—	—	—		—			
24	Households	84.86%	15.83%	15.83%	—	—	—	—	—	—					—	—	—	—			
25	of which loans collateralised	54.69%	4.61%	4.61%	—	—	—	—	—	—					—	—	—	—			
26	of which building renovation	18.82%	11.22%	11.22%	—	—	—	—	—	—					—	—	—	—			
27	of which motor vehicle loans	11.35%	—	—	—	—												—	—	—	—
28	Local governments financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
30	Other local government	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
31	Collateral obtained by taking	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
32	Total GAR assets	87.82%	15.97%	15.83%	—	—	—	—	—	—	—	—	—	—	—	—	—	—			

4. GAR KPI flow based on the CapEx KPI of the counterpart

		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af		
% (compared to flow of total eligible assets)		31.12.2024															
		Pollution (PPC)					Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets		
		Proportion of total covered assets funding taxonomy relevant sectors		Of which Use of			Of which enabling		Proportion of total covered assets funding taxonomy relevant sectors		Of which Use of		Of which enabling		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		covered
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt	—	—	—	—	—	—	—	—	87.82%	15.97%	15.83%	—	—	100.00%		
2	Financial undertakings	—	—	—	—	—	—	—	—	2.96	—	—	—	—	3.37		
3	Credit institutions	—	—	—	—	—	—	—	—	2.96	—	—	—	—	3.37		
4	Loans and advances	—	—	—	—	—	—	—	—	2.78	—	—	—	—	3.17		
5	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
6	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
7	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
8	of which investment firms	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
11	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
12	of which management	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
15	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
16	of which insurance	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
19	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
20	Non-financial undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
21	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
22	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
23	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
24	Households									84.86%	15.83%	0.16%	—	—	96.63%		
25	of which loans collateralised									54.69%	4.61%	0.05	—	—	62.28%		
26	of which building renovation									18.82%	11.22%	0.11%	—	—	21.43%		
27	of which motor vehicle loans									11.35%	—	—	—	—	12.92%		
28	Local governments financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
30	Other local government	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
31	Collateral obtained by taking	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
32	Total GAR assets	—	—	—	—	—	—	—	—	87.82%	15.97%	15.83%	—	—	100.00%		

Template 5a – KPI off-balance sheet exposures based on the turnover KPI of the counterpart (stock)

5. KPI off-balance sheet exposures based on the turnover KPI of the counterpart (stock)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	
% (compared to total eligible off-balance sheet assets)		31.12.2024																	
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Of which Use of Proceeds			Of which transitional		Of which enabling			Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling	
1	Financial guarantees	37.60%	4.14%	0.00%	0.24%	3.59%	0.00%	0.00%	0.00%	0.00%	0.10%	0.00%	0.00%	0.00%	10.21%	0.00%	0.00%	0.00%	
2	Assets under management	16.73%	1.22%	0.00%	0.09%	0.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

5. KPI off-balance sheet exposures based on the turnover KPI of the counterpart (stock)

		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)		31.12.2024												
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy				Proportion of total covered assets funding taxonomy				Proportion of total covered assets funding taxonomy relevant sectors				
		Proportion of total covered assets				Proportion of total covered assets				Proportion of total covered assets funding taxonomy				
		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which transitional	Of which enabling	
1	Financial guarantees	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	47.91%	4.14%	0.00%	0.24%	3.59%
2	Assets under management	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	16.73%	1.22%	0.00%	0.09%	0.67%

Template 5b – KPI off-balance sheet exposures based on the CaPex KPI of the counterpart (stock)

5. KPI off-balance sheet exposures based on the CaPex KPI of the counterpart (stock)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
% (compared to total eligible off-balance sheet assets)	31.12.2024																	
	Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	Of which Use of Proceeds						Of which Use of Proceeds				Of which Use of Proceeds				Of which Use of Proceeds			
	Of which transitional enabling						Of which transitional enabling				Of which transitional enabling				Of which transitional enabling			
1	Financial guarantees	15.37%	2.99%	0.00%	0.00%	1.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.56%	0.00%	0.00%
2	Assets under management	5.57%	2.05%	0.00%	0.94%	0.18%	—	—	—	—	—	—	—	—	—	—	—	—

5. KPI off-balance sheet exposures based on the CaPex KPI of the counterpart (stock)

		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)	31.12.2024													
	Pollution (PPC)					Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy					Proportion of total covered assets funding taxonomy				Proportion of total covered assets funding taxonomy relevant sectors				
	Proportion of total covered assets					Proportion of total covered assets				Proportion of total covered assets funding taxonomy				
	Of which Use of Proceeds					Of which Use of Proceeds				Of which Use of Proceeds				
	Of which transitional enabling					Of which transitional enabling				Of which transitional enabling				
1	Financial guarantees	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	15.37%	2.99%	0.00%	0.00%	1.43%
2	Assets under management	—	—	—	—	—	—	—	—	5.57%	2.05%	0.00%	0.94%	0.18%

Template 5c – KPI off-balance sheet exposures based on the turnover KPI of the counterpart (flow)

5. KPI off-balance sheet exposures based on the turnover KPI of the counterpart (flow)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		31.12.2024																
% (compared to total eligible off-balance sheet assets)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds					Of which Use of Proceeds				Of which Use of Proceeds				Of which Use of Proceeds			
1	Financial guarantees	78.48%	8.63%	—%	0.49%	7.49%	—%	—%	—%	—%	0.21%	—%	—%	—%	21.31%	—%	—%	—%
2	Assets under management	23.05%	1.99%	—%	0.08%	1.59%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%

5. KPI off-balance sheet exposures based on the turnover KPI of the counterpart (flow)

		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		31.12.2024												
% (compared to total eligible off-balance sheet assets)		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy				Proportion of total covered assets funding taxonomy				Proportion of total covered assets funding taxonomy relevant sectors				
		Proportion of total covered assets				Proportion of total covered assets				Proportion of total covered assets funding taxonomy				
		Of which Use of Proceeds				Of which Use of Proceeds				Of which Use of Proceeds				
1	Financial guarantees	—%	—%	—%	—%	—%	—%	—%	—%	100.00%	8.63%	—%	0.49%	7.49%
2	Assets under management	—%	—%	—%	—%	—%	—%	—%	—%	23.05%	1.99%	—%	0.08%	1.59%

Template 5d – KPI off-balance sheet exposures based on the CapEx KPI of the counterpart (flow)

5. KPI off-balance sheet exposures based on the CapEx KPI of the counterpart (flow)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q				
% (compared to total eligible off-balance sheet assets)		31.12.2024																				
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Of which Use of Proceeds		Of which transitional enabling		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Of which Use of Proceeds		Of which enabling		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Of which Use of Proceeds		Of which enabling	
1	Financial guarantees	76.74%	14.92%	—%	—%	7.12%	—%	—%	—%	—%	—%	—%	—%	—%	22.77%	—%	—%	—%				
2	Assets under management	31.59%	14.43%	—%	1.10%	9.44%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%				

5. KPI off-balance sheet exposures based on the CapEx KPI of the counterpart (flow)

		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	
% (compared to total		31.12.2024													
eligible off-balance		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
sheet assets)		Proportion of total covered assets funding taxonomy				Proportion of total covered assets funding taxonomy				Proportion of total covered assets funding taxonomy relevant sectors					
		Proportion of total covered assets		Of which		Of which		Proportion of total covered assets		Of which		Of which		Of which	
1	Financial guarantees	0.49%	—%	—%	—%	—%	—%	—%	—%	100.00%	14.92%	—%	—%	7.12%	
2	Assets under management	—%	—%	—%	—%	—%	—%	—%	—%	31.59%	14.43%	—%	1.10%	9.44%	

DISCLOSURES ACCORDING TO ANNEX XII - NUCLEAR ENERGY AND FOSSIL GAS RELATED ACTIVITIES

Economic activities based on KPI Turnover

Template 1: Nuclear and fossil gas related activities

Row	Nuclear energy related activities	Stock	Flow
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES	NO
Fossil gas related activities			
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES	NO

Template 2: Taxonomy-aligned economic activities (denominator)

Row	Economic activities based on KPI Turnover in € million	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
7	Amount and proportion of other taxonomy- aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	3,073	6%	3,073	6%	—	—%
8	Total applicable KPI	3,074	6%	3,074	6%	—	—%

Template 3: Taxonomy-aligned economic activities (numerator)

Row	Economic activities based on KPI Turnover in € million	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	—%	—	—%	—	—%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	—%	—	—%	—	—%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	—%	—	—%	—	—%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	—%	—	—%	—	—%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	—%	—	—%	—	—%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	—%	—	—%	—	—%
7	Amount and proportion of other taxonomy- aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	3,073	100%	3,073	100%	—	—%
8	Total amount and proportion of taxonomy- aligned economic activities in the numerator of the applicable KPI	3,074	100%	3,074	100%	—	—%

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities based on KPI Turnover in € million	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	—%	0	—%	0	—%
2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	—%	0	—%	0	—%
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	—%	0	—%	0	—%
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	—%	4	—%	0	—%
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	—%	2	—%	0	—%
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	—%	1	—%	0	—%
7	Amount and proportion of other taxonomy- eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	22,476	100%	22,472	100%	4	100%
8	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	22,483	100%	22,479	100%	4	100%

In agreement with our auditor, Template 5 is not reported since the included activities are taxonomy-eligible by definition.

Economic activities based on KPI CapEx

Template 1: Nuclear and fossil gas related activities

Row	Nuclear energy related activities	Stock	Flow
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES	NO
Fossil gas related activities			
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES	NO

Template 2: Taxonomy-aligned economic activities (denominator)

Row	Economic activities based on KPI CapEx in € million	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	—%	2	—%	—	—%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	—%	1	—%	—	—%
7	Amount and proportion of other taxonomy- aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	3,043	6%	3,043	6%	—	—%
8	Total applicable KPI	3,047	6%	3,046	6%	—	—%

Template 3: Taxonomy-aligned economic activities (numerator)

Row	Economic activities based on KPI CapEx in € million	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	—%	—	—%	—	—%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	—%	—	—%	—	—%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2	—%	2	—%	—	—%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	—%	—	—%	—	—%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	—%	—	—%	—	—%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2	—%	2	—%	—	—%
7	Amount and proportion of other taxonomy- aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	3,042	100%	3,042	100%	—	—%
8	Total amount and proportion of taxonomy- aligned economic activities in the numerator of the applicable KPI	3,047	100%	3,046	100%	—	—%

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities based on KPI CapEx in € million	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	—%	1	—%	—	—%
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	—%	2	—%	—	—%
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
7	Amount and proportion of other taxonomy- eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	22,301	100%	22,301	100%	—	—%
8	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	22,304	100%	22,304	100%	—	—%

In agreement with our auditor, Template 5 is not reported since the included activities are taxonomy-eligible by definition.

E1: Climate change

Climate change is amongst the most significant challenges for the world to address, and we recognize that the financial sector plays a vital role in supporting the achievement of global climate goals. Mitigating or adapting to climate change is a long-lasting process that requires contributions from all stakeholders, including policymakers, companies, and private individuals who all can contribute by setting the framework as well as by altering consumption patterns for a more sustainable future. Our responsibility in addressing climate change encompasses various aspects, from adhering to our business principles including managing respective risks associated with climate change, to actively engaging with our stakeholders.

Our climate and environmental strategy is in full alignment with our strategic pillars:

- **Growth:** We aim to grow our business organically as well as through M&A. We do this in consideration of our transition plan which aims to reduce the intensity of our largest GHG emitting portfolios. We also support the transition to a more sustainable future by providing financing for e.g. renewable energy, home improvements.
- **Efficiency:** Optimizing our use of resources in our own operations aligns with our strategy to minimize our climate footprint.
- **Safe & secure:** Our focus is on risk-adjusted returns, therefore already having a low exposure to high-emitting sectors today. We integrate climate-related risks into our overall risk management framework to manage the resilience across our portfolios against these risks.

Strategy

E1-1: Transition plan for climate change mitigation

Transition planning for BAWAG Group did not just start with the development of our initial transition plan; it began when we established our strategy a decade ago, focusing on risk-adjusted returns. Our financed emissions are a reflection of our business model with a favorable balance of the lower financed emission intensity of residential real estate and the smaller share of corporate exposure overall, as well as a marginal share of high-emission heavy industry and energy sectors. Following the acquisition of Knab in 2024, we now cover approximately 70% of our balance sheet, excluding cash, with our GHG calculations. Our GHG equivalent portfolio is composed as follows:

- **60%** of the GHG emissions of the in-scope assets result from lending to energy producers mostly under the control of public authorities.
- **19%** of the GHG emissions of the in-scope assets relate to mortgages. Despite the low emission intensity, mortgages are a substantial contributor of absolute emissions financed due to the materiality of the lending volume. After the acquisition of Knab, approximately 50% of our assets (excluding cash) are mortgages.
- The remaining 21% arise from the commercial real estate business, motor vehicles and low-volume, well diversified corporate exposure across industries.

Our transition plan highlights our decarbonization priorities, levers and initiatives to provide transparency on how we reduce our impact on climate change as well as mitigate transition risk through steering the portfolio. While we have full control over the decarbonization of our operations, the transition of our lending portfolio heavily depends on our customers' behavior and their initiatives towards a sustainable future. As such, engaging with our customers is crucial to achieving our targets. With our focus on retail business, climate change mitigation will require support from governments to ensure a fair transition for all income levels, ensuring that everyone can participate and that social inequalities resulting from climate change are avoided. Consequently, we not only need to execute on our own initiatives, we also rely on coordinated initiatives from various stakeholders, including government bodies setting frameworks and policies, providing (financial) incentives to combat climate change, and raising societal awareness of the related consequences of not acting and solutions, to foster collective progress.

Our carbon footprint from our own operations primarily stems from emissions associated with operating our branches and headquarters, procuring goods and services, business travel, and employee commuting. The optimization of our branch footprint in response to changing customer behavior has also contributed to reducing our greenhouse gas emissions over the past years. As the optimization of our branch footprint and headquarters is largely complete, our main focus will now be on driving initiatives aimed at operating at a lower carbon intensity.

E1-1.14: Transition plan for climate change mitigation

E1-1.16a: Compatibility with limiting global warming to 1.5 degree Celsius in line with the Paris Agreement

In our transition plan, we commit to achieve net-zero for our Scope 1 and 2 emissions by 2050 and to align our largest portfolios with the 1.5-degree maximum global warming scenario of the sector-specific SBTi pathway. We therefore set targets for two asset classes comprising 70% of our in-scope GHG equivalent assets: Power generation and the mortgage portfolio excluding the recently acquired mortgages of Knab. BAWAG Group is currently not the lender of record for Knab's mortgage portfolio. Therefore, we depend on the decarbonization measures of the prior owner during 2025. We plan to develop initiatives during 2025, which will then be included in our transition plan once BAWAG becomes the lender of record, in order to cover a greater share of our GHG equivalent portfolio with decarbonization pathways. For both our Commercial Real Estate and motor vehicle (auto leasing) portfolios, which account for approximately 7% of our GHG emissions each, we have implemented appropriate governance for monitoring purposes. However, we have not set specific targets due to the short-term nature of these businesses. We plan to evaluate the scope of our transition plan on an annual basis. As data quality improves, allowing us to replace estimates with actual data, we can ensure a more robust foundation for managing emissions.

BAWAG Group's decarbonization pathway for Scope 1 and Scope 2 emissions is aligned with the 1.5°C limit on global warming, with an accelerated reduction the first years compared to the Science Based Targets Initiative (SBTi) approach.

Detailed information on the target setting can be found in the standard E1-4.

E1-1.16b: Decarbonization levers and key actions

Driving the transition within the bank is a collective effort throughout the organization. Our climate transition plan is based on following strategic focus areas:

- To align our two largest GHG-emitting asset classes with the 1.5°C pathway, BAWAG Group is committed to engaging with our customers and broadening the diversification of these portfolios. To facilitate this alignment, we are also working diligently on improving data quality in close interaction with our clients, which will not only enhance the accuracy of our portfolio management but also refine the effectiveness of our initiatives. This comprehensive approach ensures we can more precisely track and reduce emissions in line with our goals.
- To achieve net zero emissions by 2050 in our own operations (scope 1 & 2), BAWAG Group is primarily focused on increasing the use of lower GHG-intensive energy sources, enhancing energy efficiency, and actively promoting employee awareness to reduce energy usage overall.

The specific measures are described in detail in E1-3.

E1-1.16c: Financial resources (OpEx and CapEx) allocated to the implementation of the action plan

BAWAG Group invests in the decarbonization of its own operations as well as the respective tools and data to enable a more accurate steering. Examples for that are the acquisition of a license of a more accurate physical risk tool or the investment in a real-time tracking tool of the energy consumption. These kinds of investments are not material in comparison to our overall cost or capex base. Details of investments in our own operations are disclosed in E1-3.

E1-1.16d: Potential locked-in GHG emissions

Our initiatives for Scope 1 and Scope 2 emissions are designed to achieve net zero by 2050 without relying on carbon offsets. Given that BAWAG rents its buildings, we retain the flexibility to relocate to more energy-efficient premises if our transition pathway deviates from the current plan. Most of our rental contracts are designed to allow for cancellation within short notice, if necessary to achieve our 2030 as well as 2050 goals. The locations with long-term contracts already have a low carbon footprint today.

E1-1.16f: Significant CapEx for coal-, oil- and gas-related economic activities

This is not material for BAWAG. From a lending portfolio, BAWAG Group has no exposure to coal and de-minimis exposure to oil and gas.

E1-1.16g: EU Paris-aligned benchmarks

BAWAG Group is not excluded from the EU Paris-aligned-Benchmarking.

E1-1.16h: Alignment of transition plan with overall business strategy and financial planning

Our transition plan is in full alignment with our overarching business strategy and financial planning, thereby ensuring the

integration of decarbonization efforts into our business operations, control functions and governance processes. Since the launch of our transformation in 2012, we have prioritized risk-adjusted returns in our decision-making processes. As a result, BAWAG Group maintains a low exposure to high-emitting sectors, thus we do not anticipate the need to divest from certain sectors or terminate business relationships during our transition.

The primary focus of our transition plan is to set targets for reducing greenhouse gas emissions from our own operations and our two largest GHG emitting portfolios, which are strategically significant to our business model, from an asset class as well customer segment perspective. This approach not only reaffirms that it bolsters our long-term business resilience by embedding sustainability into our decision-making processes, but also that we support business for a transition. Consequently, it enables us to effectively manage transition risks and capitalize on emerging opportunities from new low-carbon solutions for our customers.

E1-1.16i: Approval of the transition plan

The transition plan for the own operations is applicable to all entities and for the portfolio to all entities with the respective product lines. It was approved by both the Management Board and the target setting by the Supervisory Board of BAWAG Group to ensure comprehensive oversight and alignment with BAWAG's strategic objectives. The targets and plans were communicated to the employees responsible for the execution of the initiatives.

E1-1.16j: Progress in implementing the transition plan

Since setting our 2025 target for our own operations in 2021, we have made considerable progress in implementing the necessary measures to achieve our goals, reaching significant milestones during 2024, as detailed in chapter E1.6.44-52. In order to roll out the efforts to the effected business units, respective employees have received dedicated training and the monitoring mechanism was established. Historically, we have actively engaged with customers on sustainability-focused product offerings. In 2024, we initiated a customer engagement process with our power generation clients, and piloted outreach initiatives aimed at collecting energy performance certificates for existing mortgages in order to increase the availability of certificates for the stock business in Austria. These initiatives are part of our transition plan to aim for higher accuracy of data for a better steering as well as to launch our customer engagement. Additionally, we have been preparing for the rollout of initiatives planned for 2025.

E1-1.17: Plans to adopt a transition plan

The transition plan outlined in this standard represents our decarbonization strategy. It covers 100% of our scope 1 & scope 2 emissions and 70% of our GHG emissions related to the 3.15 category of the GHG protocol. For the remaining scope 3 emissions, we currently do not have plans in place. As we improve our data in certain GHG categories, replacing estimates with actual data — such as emissions currently calculated using a spend-based approach or actual figures for business lines with a high proportion of estimates — we will refine and assess potential enhancement of our transition plan accordingly over the next three years.

Impact, risk and opportunity management

E1-2: Policies related to climate change mitigation and adaptation

E1-2.24: Climate change mitigation and adaptation policies

Transition plan power generation - policy	
Key impacts, risks and opportunities covered	Climate change mitigation - portfolio decarbonization and management of transition risk
Achievement	Align the portfolio to the 1.5 degree maximum global warming scenario
Key contents of the policy	The policy defines the governance to manage the portfolio in alignment with the sector-specific Science Based Targets initiative (SBTi) pathway for a 1.5-degree global warming scenario.
Scope	Portfolio of customers active in power generation
Third-party standard	Sector-specific SBTi pathway tool applied
Availability of policy	The policy is made available as part of the ESG risk policy in the intranet.
Most senior accountable	Management Board
Transition plan residential real estate - policy	
Key impacts, risks and opportunities covered	Climate change mitigation - portfolio decarbonization and management of transition risk
Achievement	Align the portfolio to the 1.5 degree maximum global warming scenario
Key contents of the policy	The policy defines the governance to manage the portfolio in alignment with the sector-specific Science Based Targets initiative (SBTi) pathway for a 1.5-degree global warming scenario.
Scope	Mortgage portfolio (excluding recently acquired knab)
Third-party standard	Sector-specific SBTi pathway
Availability of policy	The policy is made available as part of the ESG risk policy in the intranet.
Most senior accountable	Management Board
ESG risk policy	
Key impacts, risks and opportunities covered	Climate change mitigation - portfolio - management of transition and physical risk
Achievement	Maintain low exposure to high transition risk sectors
Key contents of the policy	The policy provides the framework for managing ESG risks from due diligence, restricted and prohibited lending criteria, the limits we have in place and the reporting framework.
Scope	Group
Third-party standard	None
Availability of policy	The policy is made available in the intranet.
Most senior accountable	Chief Risk Officer
Transition plan own operations - policy	
Key impacts, risks and opportunities covered	Climate change mitigation - own operations
Achievement	Net zero by 2050 including targets in 2025 and 2030
Key contents of the policy	The policy provides the internal framework to achieve the milestones of our long-term target of achieving net zero by 2050. It defines the governance, respective measures and timelines.
Scope	Group
Third-party standard	None
Availability of policy	The policy is made available in the intranet.
Most senior accountable	Chief Executive Officer

E1-2.25: Areas addressed through policies**E1-2.25b: Climate change adaption**

BAWAG Group is exposed to physical risk through its lending activities, as financing of mortgages, be it residential as well as commercial, is a great part of its business model. We manage this risk by having set limits for high physical risk exposure for mortgages as part of our risk management framework as well as set risk mitigation measures. The overall risk management approach is defined in our ESG risk policy.

E1-2.25c-d: Energy efficiency, renewable energy deployment

BAWAG Group does not have a specific policy for energy efficiency or energy deployment, as we already source to a great extent green energy today and therefore is not a meaningful lever for decarbonization towards our 2030 or 2050 target. However, the Group aims to use green electricity at its locations in Europe, where it has the control to do so. In case of acquisitions, this may deviate during the integration.

E1-3 – Actions and resources in relation to climate change policies

E1-3.28-29: Disclosure of actions and resources related to climate change mitigation and adaptation

To facilitate the transition of our own operations and those of our largest portfolios, BAWAG Group has implemented a broad range of initiatives aimed at delivering against our decarbonization targets for climate change mitigation.

Full switch of our fleet to electric vehicles	
Material (sub) topic	Climate change mitigation - own operations
Impact, risks or opportunities	The switch of the entire fleet to electric vehicles reduces our impact on climate change from GHG emissions out of our own operations.
Concept	Climate transition plan
Contribution to the Achievement of the policy's Objectives and Goals	We will fully transition our fleet to electric vehicles by the end of 2025. As of year-end 2023, our vehicle fleet accounted for approximately 30% of BAWAG's Scope 1 emissions. Nevertheless, after the transition, electricity usage will remain a consideration, as the consumption at charging stations cannot yet be fully distinguished by source or type of electricity. The development of these charging stations is beyond our control. In collaboration with local network providers and in compliance with regulations, we are establishing a network of wallbox charging stations at selected locations to ensure that our drivers can charge their vehicles with 100% green electricity.
Decarbonization lever	Increasing usage of less GHG intensive energy sources
Start/implementation status/(planned) end	The switch of cars will be completed by the end of 2025, while the usage of green electricity is planned to be 100% by 2030.
Result of the measure and progress	Since the electricity provided at public charging stations cannot currently be classified to the required granular level, BAWAG aims to achieve zero emissions for its fleet by 2030 at the latest.
GHG emission reduction	Target reduction by 2030: 534 tGHGe vs baseline 2020 Reduction as of 2024: 349 tGHGe vs baseline 2020
Scope	Own operations
Affected stakeholders	Employees
Allocated resources and dependencies	The switch has mostly already taken place until year-end 2024, with an exchange of 50 conventional cars to electric cars. Therefore the dependency going forward is limited to reducing the emissions from electricity consumed at public charging stations, where the availability of more accurate data is required.

Technical measures improving low-carbon features in our branches	
Material (sub) topic	Climate change mitigation - own operations
Impact, risks or opportunities	The implementation of low-carbon solutions in our branches reduces the impact of our operations on climate change by lowering GHG emissions.
Concept	Climate transition Plan
	For locations where measures are already in place, their effects will become apparent in the coming years following previous constructions in the branches and space reductions. Investments for lower carbon solutions within our retail franchise are planned in of our construction roadmap, of which the progress is monitored at Management Board level.
Contribution to the Achievement of the policy's Objectives and Goals	In addition, potential measures to reduce GHG emissions at locations, which have already been rebuilt, are being considered and assessed for feasibility.
Decarbonization lever	Increasing energy efficiency
Start/implementation status/(planned) end	The measure is in progress and will be continuously carried out until respective branches have been rebuilt.
Result of the measure and progress	By improving the buildings of our branches we expect to increase our energy efficiency and therefore lower our absolute emissions.
GHG emission reduction	In total reduction of 1,765 tons until 2030 and in total 2,943 tons until 2050
Scope	Own operations
Affected stakeholders	Employees, customers
	The investments in a lower GHG-solution will be part of the ongoing refurbishments. Therefore a separation of dedicated transition plan-related investments is not foreseen. Technical solutions are assumed to improve over time as we implement our measures. In addition, the technical solutions also need to materialize for our energy providers in order to achieve this target.
Allocated resources and dependencies	In the financial statement, this is reflected in the notes "property plant".
Real-time tracking of energy consumption	
Material (sub) topic	Climate change mitigation - own operations
Impact, risks or opportunities	The more accurate tracking of energy consumption is aimed to enable us to reduce our impact on climate change from GHG emissions out of our own operations.
Concept	Climate transition plan
	Once all measures described previously have been implemented, the key for reduction remains in steering the usage of energy and using it more efficiently. Therefore, we invest in real-time tracking of the energy consumption to provide for the technological equipment as the coverage for smartmeters (not only for electricity) is still very limited.
Contribution to the Achievement of the policy's Objectives and Goals	
Decarbonization lever	Increasing energy efficiency
Start/implementation status/(planned) end	The implementation of the real-time tracking has been launched in 2024 and is planned to be completed for Austria by 2025.
Result of the measure and progress	By improving the tracking of our energy consumption we expect to increase our energy efficiency and therefore lower our absolute emissions.
GHG emission reduction	The implementation does not have a direct impact on the reduction of GHG emissions. The effect of the ongoing real-time tracking is not directly attributable as the energy consumption is depending on whether conditions during the seasons and therefore may vary on a yearly basis.
Scope	Own operations
Affected stakeholders	Employees
Allocated resources and dependencies	€ 0.4 million, financial statement of assets

Employee engagement and awareness-raising

Material (sub) topic	Climate change mitigation - own operations
Impact, risks or opportunities	Independent of whether we have a fully renewable energy or are still in transition towards it, the primary aim is to reduce the consumption. Therefore, raising awareness among employees and engage with them on energy will enable us to reduce our impact on climate change from GHG emissions out of our own operations.
Concept	Climate transition plan
Contribution to the Achievement of the policy's Objectives and Goals	None
Decarbonization lever	Increasing energy efficiency
Start/implementation status/(planned) end	BAWAG has launched through corporate volunteering the awareness raising among employees. This is an ongoing measure independent of our targets.
Result of the measure and progress	Raising awareness among our employees is key to meet our overall environmental targets. When it comes to scope 1 & 2 emissions, raising awareness for areas of energy savings, like green electricity for electric cars, reducing usage of energy, are key. In 2024, we have therefore introduced a series of “quick fixes to save energy” in our intranet.
GHG emission reduction	While raising awareness for employees is important for the management of the consumption, this impact will not be directly measurable.
Scope	Own operations
Affected stakeholders	Employees
Allocated resources or dependencies	These measures will be driven by internal departments.

Diversifying business towards renewable energy opportunities

Material (sub) topic	Climate change mitigation - portfolio: power generation
Impact, risks or opportunities	We cause an impact on climate change through our lending activities, while at the same time we reduce our transition risk through actively steering the portfolio aiming to align it to the 1.5 degree maximal global warming scenario.
Concept	Climate transition plan
Contribution to the Achievement of the policy's Objectives and Goals	We aim to invest into the diversification of our power generation portfolio either by granting loans to companies with lower intensity or in renewable energy in order to align the portfolio to the 1.5 degree global maximum warming.
Decarbonization lever	Portfolio decarbonization
Start/implementation status/(planned) end	This measure will be launched in 2025 and will continue until having achieved our target (long-term 2050). With the diversification of the portfolio, a lower energy intensity can be achieved. Engaging also with our customers to understand where their investment needs are, may also support the diversification of the portfolio.
Result of the measure and progress	
GHG emission reduction	will be launched in 2025 (measured as intensity value)
Scope	Lending portfolio
Affected stakeholders	Customers

Annual engagement with largest power generation customers to assess progress of transition plan

Material (sub) topic	Climate change mitigation - portfolio: power generation
Impact, risks or opportunities	We cause an impact on climate change through our lending activities, while at the same time we limit our transition risk through actively steering the portfolio aiming to align it to the 1.5 degree maximal global warming scenario.
Concept	Climate transition plan
Contribution to the Achievement of the policy's Objectives and Goals	The exposure of the power generation portfolio is the highest GHG emitting portfolio. The decarbonization of this portfolio is therefore a key driver for our overall decarbonization efforts. Engaging with our customers on this topic is an important mean to assess which plans are available or in development and one implemented how they progress on it.
Decarbonization lever	Customer engagement
Start/implementation status/(planned) end	The outreach was launched in 2024 and will be established as continuous engagement measure until the plan has been achieved. By engaging with our customers on their status of the transition plans, we can also assess the steering of the portfolio in order to anticipate deviations from the customers' own transition plans. In 2024, we sent a questionnaire with the largest customers from an exposure perspective of our power generation portfolio. This was to form the base on which customers already have a transition plan and which ones plan to introduce one over the next years.
Result of the measure and progress	
GHG emission reduction	Currently only as intensity
Scope	Loan and investment portfolio
Affected stakeholders	Customers

Customer engagement with improvement of EPC levels for better steering

Material (sub) topic	Climate change mitigation - portfolio: mortgages
Impact, risks or opportunities	We cause an impact on climate change through our lending activities, while at the same time we limit our transition risk through actively steering the mortgage portfolio as our largest asset class, aiming to align it to the 1.5 degree maximal global warming scenario.
Concept	Climate transition plan
Contribution to the Achievement of the policy's Objectives and Goals	The policy aims to plan for a transition of the mortgage portfolio in alignment with a 1.5 degree maximum global warming and therefore, the related initiatives contribute to the plan. This comprises the collection of energy performance certificates of the collaterals, running campaigns for new businesses dedicated to raising awareness of providing energy performance certificates as well as campaigns for the stock business. However, it will take time to reach impact from these measures due to the long-term nature of the business as well as the low volume on a single transaction level.
Decarbonization lever	Customer engagement
Start/implementation status/(planned) end	We piloted three outreaches to customers on existing mortgages during 2024, however the response rate was limited. Therefore, we will work on formats to achieve a better response rate in the future. This will be an integral part of our initiatives until the target achievement in 2050.
Result of the measure and progress	Improving the EPC coverage in existing and new business, supports us to have a more accurate steering of the portfolio and make targeted decisions.
GHG emission reduction	Intensity level
Scope	Loan and investment portfolio
Affected stakeholders	Customers
Allocated resources and dependencies	This measure depends on the response rate of the customers.

Diversification of portfolio - mortgages

Material (sub) topic	Climate change mitigation - portfolio: mortgages
Impact, risks or opportunities	We cause an impact on climate change through our lending activities, while at the same time we reduce our transition risk through actively steering the mortgage portfolio as our largest asset class, aiming to align it to the 1.5 degree maximal global warming scenario.
Concept	Climate transition plan
Contribution to the Achievement of the policy's Objectives and Goals	The policy aims to plan for a transition of the mortgage portfolio in alignment with a 1.5 degree maximum global warming. Diversifying the portfolio towards a higher share of green mortgages.
Decarbonization lever	Customer engagement
Start/implementation status/(planned) end	Diversifying the portfolio will support our transition plan throughout the achievement of our targets until 2050.
Result of the measure and progress	Improving EPC coverage in both existing and new business helps us to more accurately manage the portfolio and make targeted decisions.
GHG emission reduction	While a higher share of EPC labels is the base for a more accurate steering of the portfolio, this may not directly result in GHG emission reductions.
Scope	Loan and investment portfolio
Affected stakeholders	Customers
Allocated resources and dependencies	This measure depends on the development of the market.

Differences EU Taxonomy disclosure under ESRS E1

BAWAG Group discloses in the E1-Standard information using EU Taxonomy templates relevant for financial institutions, and, as such, the disclosure under E1-3.29c cannot be aligned.

Metrics and targets

E1-4 – Targets related to climate change mitigation and adaptation

E1-4.30-33: GHG emission reduction targets or any other climate-related targets

BAWAG has established GHG reduction targets to minimize its carbon footprint and manage transition risk. These targets are applicable across the entire Group and relevant product lines. Progress towards these targets is measured quarterly and reported annually as part of the sustainability report. Targets may be revised over time in case the assumptions or scope have changed, e.g. acquisitions. The scope 1 & 2 emission reduction target has not been adjusted, as the 2025 target has been communicated in 2021. The targets related to the financed emissions were not adjusted for the acquisition, as BAWAG is not yet lender of record for Knab's mortgages.

For physical risk we have not set a target, but manage the risk via limit setting and risk mitigation measures as part of our overall risk management.

E1-4.34: GHG emission reduction targets in detail**E1-4.34a, c: Disclosure of GHG emission reduction targets**

values in tCO ₂ , if not stated differently	Base year	Baseline	2024	Milestones and target years			scope	science-based
TARGETS				2025	2030	2050		
Own operations (Scope 1 & 2, market based)	2020	3,477	1,382	1,739	1,043		Target represents 100% of scope 1 & 2 excluding acquisitions since 2020	pathway aligned
Change to Electric Vehicles	2020	534	185	217	—	—		
Remaining measures outlined in E1-1 and E1-3	2020	2,943	1,197	1,522	1,043	—		
Scope 3.15								
Mortgages (kgCO ₂ e per m ²)	2024	37.5	37.5		19.2	0.4	Mortgage portfolio excluding knab mortgages; 10% of GHG emissions scope 3.15	1.5 degree SBTi scenario toolset applied
Power generation (gCO ₂ /kWh)	2023	286.5	266.7		92	0.5	Energy producers; 60% of GHG emissions scope 3.15	1.5 degree SBTi scenario toolset applied

As a financial institution, the decarbonization is primarily related to the financed emissions. As the measures taken depend on the decarbonization initiatives of our customers, the achievement of these targets are tied to the responsiveness of our customers. The targets were derived based on the GHG protocol inventory as shown under E1.6, setting targets for scope 1 & 2 as well as our financed emission (scope 3.15). The target-setting process was primarily driven under the involvement of the Management Board, the respective business functions, risk management and the sustainability function.

The base year of 2020 for our operations was chosen due to the externally communicated targets set in 2021. Additionally, this GHG reduction target to reduce scope 1 & 2 reduction emissions (market based) of more than 50% versus the baseline 2020 is part of the ongoing long-term incentive program as described in GOV-3. The base year for the power generation target was chosen as the first year of having applied a target, whereas the baseline for mortgages was set to 2024 due to the new acquisitions.

Based on the current initiatives, BAWAG is on track of its targets set. The progress is shown under E1.6.

E1-4.34e: Targets

The targets for the portfolio were set using the provided toolset of the respective 1.5 degree SBTi scenario. The fixed

market share assumption was chosen because detailed data were not available. The targets were not externally verified.

E1-4.34f: The decarbonization levers are disclosed in E1-1.

E1-5 – Energy consumption and mix

less carbon-intensive energy mix over time as described in E1-3.28-29.

E1-5.35; 37: Energy consumption and mix

BAWAG's energy consumption stems from the operation of offices, branches, and its fleet of vehicles. We have set forth measures in the transition plan to continue the shift towards a

	2024
Total energy consumption (MWh)	12,052
Total fossil energy consumption (MWh)	6,611
Share of fossil sources in total energy consumption (in %)	55%
Consumption from nuclear sources (MWh)	n.a.
Share of consumption from nuclear sources in total energy consumption (in %)	n.a.
Total renewable energy consumption (MWh)	5,441
Fuel consumption from renewable sources, including biomass	—
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	5,441
Consumption of self-generated non-fuel renewable energy	-
Share of renewable sources in total energy consumption (in %)	45%

All operational entities of BAWAG Group are fully consolidated and therefore included in the Total Energy consumption figures. Consumption values are obtained from internal measurements, recent invoices, or estimates. Adopting a conservative approach, district heating and cooling were assumed to be derived from fossil energy. Biomass combustion is not present under Scope 1, and the biomass content in district heating (Scope 2) is unknown. There has been no third party review on the figures.

E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions

E1-6.44-52: Disclosure of gross Scope 1,2,3 and Total GHG emissions in metric tonnes of CO₂eq

	2020 (base year)	2023	2024	% 2024/2023	Milestones and target years		
					2025	2030	Annual % target / Base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions (tCO2e)	1,543	1,331	812	(39%)	S1+S2 combined	S1+S2 combined	n.a.
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	—	—	—	— %	—	—	—
Gross location-based Scope 2 GHG emissions (tCO2eq)	5,379	2,881	1,802	(37%)	n.a.	n.a.	n.a.
Gross market-based Scope 2 GHG emissions (tCO2eq)	1,934	1,009	570	(44%)	S1+S2 combined	S1+S2 combined	n.a.
Scope 1 & 2 emissions (location-based)	6,922	4,212	2,614	(38%)	n.a.	n.a.	n.a.
Scope 1 & emissions (market-based)	3,477	2,340	1,382	(41%)	1,739	1,043	30%
Significant Scope 3 GHG emissions							
1 Purchased goods and services	n.a.	n.a.	20,145	n.a.	n.a.	n.a.	n.a.
therof purchased cloud computing and data centre services	n.a.	n.a.	2,736	n.a.	n.a.	n.a.	n.a.
2 Capital goods	n.a.	n.a.	975	n.a.	n.a.	n.a.	n.a.
6 Business traveling	n.a.	n.a.	3,803	n.a.	n.a.	n.a.	n.a.
7 Employee commuting	n.a.	n.a.	1,097	n.a.	n.a.	n.a.	n.a.
15 Investments ¹	n.a.	2,730,473	2,505,424	n.a.	n.a.	n.a.	n.a.
Total GHG emissions							
Total GHG emissions (location-based) (tCO2eq)	6,922	2,734,685	2,536,794	(7%)	n.a.	n.a.	n.a.
Total GHG emissions (market-based) (tCO2eq)	3,477	2,732,813	2,535,562	(7%)	n.a.	n.a.	n.a.

¹ As the scope of 2024 and 2023 differ due to the inclusion of relevant scope 3 emissions of our customers, the two years are not comparable. The targets for Scope 3.15 are defined as intensity and are therefore not listed in this overview. The targets for the financed portfolio are disclosed under E1.4-34.

In 2024, BAWAG Group had total GHG emissions of 2,535,562 tCO₂eq.

Scope 1 & 2 emissions, which result out of our own operations, decreased by 41% compared to the prior year. The reduction is a reflection of our decarbonization measures resulting from a lower energy consumption, the progress of the switch of our fleet to electric cars as well as lower emission factors following an improvement in data quality especially in the area of district heating. District heating and

cooling were assumed to be derived from fossil energy. Biomass combustion is not present under Scope 1, and the biomass content in district heating (Scope 2) is unknown. There has been no third party review on the figures. All operational entities of BAWAG Group are fully consolidated and therefore included in the Gross GHG Emission figures.

As a financial institution, our biggest emissions are related to our lending and investment book.

E1-6.AR 46g: Disclosure of the measurement of Scope 3 GHG emissions and data sources (FY2024)
FY 2024

Asset Class/CO2 Financials	Gross carrying amount in € million	Financed Scope 1+2 GHG emissions (kt CO2)	Financed Scope 1+2 GHG emissions (tCO2e/EUR millions)	Financed Scope 3 GHG emissions (kt CO2)	Financed Scope 3 GHG emissions (tCO2e/EUR millions)	Blended data quality score
Mortgages	25,109	474	19	—	—	3.6
CRE	6,089	205	34	—	—	4.3
Listed Equity & Corporate Bonds	3,386	600	177	549	162	3.6
Business Loans & Unlisted Equity	3,284	271	83	257	78	4.5
Motor Vehicle Loans	998	132	133	—	—	2.3
Sovereigns	115	11	92	7	65	1.3
Total	38,981	1,692	43	813	120	3.7

FY 2023

Asset Class/CO2 Financials	Gross carrying amount in € million	Financed GHG emissions (kt CO2)	Financed GHG emissions (in tCO2e/EUR millions)	Blended data quality score
Mortgages	14,575	388	27	4.0
CRE	5,199	241	46	4.3
Listed Equity & Corporate Bonds	4,825	1,601	332	3.8
Business Loans & Unlisted Equity	3,755	364	97	5.0
Motor Vehicle Loans	957	133	139	2.5
Sovereigns	11	3	271	4.0
Total	29,327	2,731	93	4.1

BAWAG is a signatory of the Partnership for Carbon Accounting Financials (PCAF), which provides a framework for financial institutions to assess and disclose greenhouse gas (GHG) emissions. This enables financial institutions to make transparent climate disclosures on their GHG emissions, to identify climate-related transition risks and opportunities, and to set the baseline emissions for target-setting in alignment with the Paris Agreement. The PCAF Standard provides detailed methodological calculation guidance for seven asset classes (listed equity & corporate bonds, business loans & unlisted equity, project finance, commercial real estate, mortgages, motor vehicle loans and sovereign debt). BAWAG Group primarily used the NACE codes of its customers to classify them into the appropriate PCAF class.

The quantified value of our portfolio covers € 39 billion or nearly 73% of total assets after excluding cash and equivalent reserves. The remaining asset value that is not covered is in asset classes such as consumer lending and credit cards whereby emissions calculations are not possible. Therefore, the emissions quantification of our balance sheet covers all relevant assets. Financed emissions for the asset classes 'Residential Mortgages', 'Commercial Real Estate', 'Listed Equity & Corporate Bonds', 'Business Loans & Unlisted Equity',

'Motor Vehicle Loans' and 'Sovereigns' were calculated as of end of 2024.

While the gross carrying value of the financed asset classes increased as reflection of the consolidation of Knab (primarily mortgages), our overall financed GHG emissions decreased year-over-year. This was also supported by an improved data quality score.

The reduction in GHG emissions of the financed emissions are primarily a reduction of data improvement. We started an outreach during 2024 to a select number of customers and as a consequence partially could replace actual data with industry averages. In the development of financed emissions shown in the overall overview, the figures for the 2024 financial year also include financed Scope 3 emissions for the first time, in contrast to 2023. The percentage comparison was therefore not calculated.

E1-6.AR 46h: Disclosure of boundaries, calculation methods and tools for each Scope 3 GHG category

All metrics were calculated inhouse, no additional verification through an external party took place. The material emissions were derived based on the GHG protocol.

Scope 1 & 2

Consumption data has been collected by various means. Whenever possible, directly measured values have been used. When not available, the latest invoice or - as last resort - an estimate was used. The source of CO2 factors were Wien-Energie, Umweltbundesamt-Austria and -Germany and the IEA emissions factor database.

For market-based Scope 2 GHG emissions no unbundled instruments were purchased as BAWAG only purchased "green" electricity bundled with instruments such as Guarantee of Origins or Renewable Energy Certificates.

Scope 3.1 & 3.2

The emissions were calculated based on total expenses per relevant expense account for each subsidiary company. BAWAG applies the emission code for UK Standard Industrial Classification of Economic Activities published by the Government of United Kingdom, Department for Environment, Food & Rural Affairs back in 2021. With this spend based approach, the biomass combustion share is not separately available. For the future we aim to include this aspect if possible. During 2024 we carried out a survey with suppliers of goods and services to develop an understanding how we can improve the data quality or methodology in the future.

Scope 3.6

Business travel emissions were calculated using a combination of spend-based approach with emission factors same as applied for the Scope 3.1 and 3.2 emissions.

Scope 3.7

Employee commuting is based on a survey or voluntary submissions on typical means of transport when going to work. The emissions were calculated using a conversion factor of Umweltbundesamt or other public sources.

Scope 3.15

The financed emissions are calculated based on the PCAF standard for the respective asset class. The data quality score shows the level of accuracy of the data sources. GHG emissions shown contain scope 1 and 2 emissions, as reliable value chain emissions of companies we lend to or invest in are still limited. The calculations are largely semi-automated using SQL or Microsoft Excel and are based on the central database warehouse. Data are sourced, where available, directly from the customer, a third-party provider or estimates are applied.

E1-6.AR 46i: List of scope 3 GHG emissions categories

Following scope 3 categories are not included in the inventory as deemed as immaterial for our operations within the GHG Protocol boundary.

3.3. Fuel and energy-related activities not included in scope 1 & 2
3.4. Upstream transportation and distribution
3.5. Waste generated in operations
3.8. Upstream leased assets
3.9. Downstream transportation and distribution
3.10. Processing of sold products
3.11. Use of sold products
3.12. End-of-Life treatment of sold products
3.13. Downstream leased assets
3.14. Franchises

E1-6.47: Disclosure of significant changes in the reporting undertaking and their effect on the comparability of the reported GHG emissions

On November 1, 2024, BAWAG Group acquired Knab. The disclosed emissions are aligned with the financial accounting methodology; thus, the profit & loss related emissions (scope 3.1, 3.2, 3.6) include only two months' of data. Consequently, the impact in 2024 was limited, while emissions for the upcoming year will be accounted for the full year. Financed emissions are calculated based on balance sheet as of year-end 2024, with approximately 10% of these emissions being attributable to the acquired portfolio.

E1-6.53-54: GHG emissions intensity

The GHG emission intensity may provide a comparison across industries for stakeholders. However, there are limits when using this indicator as measurement of our decarbonization initiatives. The revenue streams for financial institutions depend on factors beyond just business volume growth, such as interest rates. Therefore, any comparison over time needs to be assessed in a broader context.

The GHG intensity was calculated internally without additional verification by an external party.

(tCO2eq/€)	2024
Total GHG emissions intensity (location-based)	0.002
Total GHG emissions intensity (market-based)	0.002

E1-6.55 Reconciliation to the relevant line item or notes in the financial statements

The net revenues used in the denominator in the calculation of the GHG emissions intensity refers to the operating income reported in the management report.

E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

BAWAG Group uses the phase-in period and will enhance the disclosure from financial year 2025 onwards. The respective Pillar 3 disclosure is available on the website.

E4: Biodiversity and Ecosystems

Strategy

E4-1: Transition plan and consideration of biodiversity and ecosystems in strategy and business model

E4-1.13: Resilience of strategy and business model in relation to biodiversity and ecosystems, including:

E4-1.13a: Assessment of the resilience of the current strategy and business model to biodiversity and ecosystems-related physical, transition and systemic risks

During the financial year 2024 BAWAG Group has performed analysis for both, the own operations as well as for the lending portfolio, in regards to biodiversity and ecosystems. The analysis was carried out with an external data provider to perform analysis on the distance to biosensitive areas as well as the dependencies and pressure from biodiversity and ecosystems. For own operations this is not material.

SBM 3 – Material impacts, risks and opportunities and their interaction with strategy and business model

E4-SBM 3.16a: Material sites of own operations

BAWAG Group does not have significant impacts or risks from its own operations. As detailed in chapter IRO-1, we have evaluated our branches and headquarters based on their proximity to biosensitive areas and threatened species as part of our materiality assessment. In addition, BAWAG Group solely rents branches or headquarters.

E4-SBM 3.16b: Negative impacts with regards to land degradation, desertification or soil sealing have been identified

BAWAG's lending portfolio consists of approximately 50% of mortgages, representing the largest asset class. While we only finance a small share of newly built houses in the Netherlands, we contribute to soil sealing through our financing activities in Austria. Especially historic data is not available at the required level of detail and therefore the assessment includes a high

level of estimation and therefore uncertainty. We will focus on developing the right dataset in order to report accurate impacts through soil sealing. In addition, market standards for measuring as well as for a common methodology of measuring different levels of soil sealing still need to develop.

E4-SBM 3.16c: Operations affecting threatened species

BAWAG Group does not have branches or headquarters in areas with threatened species.

Impact, risk and opportunity management

E4-2: Policies related to biodiversity and ecosystems

Our current priority is to develop an appropriate dataset for accurately calculating our impact on soil-sealing. This serves as the foundation for determining where new policies may need to be developed in the future.

E4-3: Actions and resources related to biodiversity and ecosystems

Once the appropriate dataset has been developed, we will assess initiatives where needed.

E4-4: Targets related to biodiversity and ecosystems

BAWAG Group has not set a target related to biodiversity. Our current priority is on developing the appropriate dataset.

E4-5: Impact metrics related to biodiversity and ecosystems

BAWAG Group will develop a metric once the appropriate dataset and market standard has been developed.

Social

Own Workforce

Our Human Capital

Our Employees – Growing Together as a Team

Our human capital is one of the most important pillars for executing on our strategy and building the BAWAG Group of tomorrow. Therefore, it is key to us to retain talent, attract and develop new staff and become an employer of choice. Investing in our team's well-being, competencies and personal and professional growth, while embedding an entrepreneurship mentality are the focus areas of our human resources initiatives. We view it as our responsibility to promote diversity, equity and inclusion among employees.

Our three strategic pillars for human capital are as follow:

GROWTH

Having the right skills and talent in place are key for the development of the bank. Embedding a feedback culture across the employees' cycle enables us to grow together as a company by understanding what our employees' development needs are, investing in their skills and promoting diversity, equity and inclusion.

EFFICIENCY

More than anything else, embedding a continuous improvement mentality in a dynamic work environment, will secure the long-term success as we are ready to address the challenges ahead of us.

SAFE & SECURE

We aim to be a reliable employer through the cycle, create a positive employee experience, and invest in the well-being of our employees.

Strategy

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3.13a: Actual and potential impacts originating from or connected to strategy and business model and inform and contribute to adapting the strategy and business model

BAWAG Group is fully committed to upholding internationally recognized labor and human rights standards. We have not identified any operations at significant risk of incidents of forced or compulsory labor, or child labor—whether in terms of the type of operation or the countries in which we operate. The successful execution of BAWAG Group's strategy is depending on its employees. Therefore, developing our company culture has been an integral part of our transformation over the past decade. The identified impacts, risks and opportunities do not require any change in our strategy, but are incorporated as part of our HR strategy, which forms an integral part of our business strategy.

SBM-3.14a-c; SBM3.15: Disclosure

BAWAG Group has developed a comprehensive understanding of the risks that certain groups within the workforce may face and is actively working to prevent these risks from arising, ensuring the continued protection of affected employees. Moreover, there are no specific groups within our workforce for which particular risks or opportunities are relevant; these apply equally to the entire workforce.

All measures described here apply to all employees. If a measure does not apply to a specific group, this is described in the standard.

BAWAG Group's workforce is composed of various categories of employees, each with distinct career paths and opportunities for growth. The types of employees include:

Full-time employees regularly work between 38-41,5 hours per week. The main effects relate to job security, working conditions, career development and health and safety. Part-time employees work less than full-time. The effects relate to

the flexibility of working hours, the remuneration determined according to the hours worked, but additional benefits such as participation in the employee participation program and other benefits are independent of whether someone works part-time or full-time.

We have apprentices in our retail sector in Austria. Apprentices complete a 3-year dual training program, where they are trained in a branch and also attend a vocational school. The main effects relate to training content, professional development, working conditions and remuneration.

Training interns complete an internship as part of their studies. A training internship lasts 4-6 months, which the interns spend in a specific department. The aim of the internship is professional development, and the students actively work on current projects and tasks in the department. Their experience with us should support them in their future professional career.

Holiday interns work during the summer months. The aim for summer interns is to gain their first learning experience in the world of work and gain an initial insight into working life. The holiday interns are supervised by employees from the respective department and assist with simple tasks and are paid for their work in line with industry standards.

Furthermore, BAWAG Group also works together with non-employees (e.g. contractor, consultants, freelancers and temporary workers).

S1-1: Policies related to own workforce

S1-1.19: Policies to manage material impacts, risks and opportunities

The policies addressing material impacts, risks and opportunities apply to all employees.

Code of conduct	See also G1
Key impacts, risks and opportunities covered	The code of conduct sets forth the understanding of banking and conduct ethics at BAWAG Group. It was enhanced in 2024 and approved by the Management Board. The code of conduct defines the ethical standards and behavioral guidelines that all employees, leading managers, and business partners must adhere to. It serves as a guide for integrity, fairness, and honesty in all business activities and interactions. The code promotes a sense of responsibility and helps to strengthen stakeholder confidence in our business practices. Respect is a basic prerequisite for mutual trust, a good working atmosphere, and the willingness to make decisions. We consider the respectful interaction among employees as well as among supervisors and employees a given way of working together and consequently an integral part of our modern management training. We expect open and fair interaction among all employees. Furthermore, we conduct ourselves respectfully, appreciatively, and fairly towards our customers, business partners, and competitors, as well as towards the media and the financial community. A violation of the code of conduct may lead to disciplinary consequences. Monitoring through Securities Compliance Office, feedback via Complaint Management and internal audit.
Achievement	Setting the general framework on how we do business.
Contribution to the fulfillment of policies	Alongside additional internal policies, it reduces the risk of negative behavior, while at the same time promoting a positive attitude on how we operate. The responsibility for implementation lies with the Management Board as well as the respective direct supervisors, as they serve as ethical role models. It is reviewed annually.
Scope	All employees
Availability of the policy	The code of conduct is available on the internet as well as the intranet.
Most senior role accountable	Management Board
Human Rights Policy	
Key impacts, risks and opportunities covered	Our Human Rights Policy covers the following key areas: Equal rights and non-discrimination, including the commitment to ensuring that all employees are treated equally and given the same opportunities regardless of gender, gender identity, origin, religion, age, sexual orientation, or disability Respect for human rights by integrating human rights principles into our operations and processes Compliance with the labor law framework that applies in each of the countries in which we operate Fair working conditions ensuring a healthy and secure work environment for all employees Guaranteed freedom of trade unions and association as well as the right to collective bargaining
Achievement	Create a work environment grounded in mutual respect, exceptional commitment, and the protection of human rights and dignity. Monitoring the progress through feedback via complaint management, feedback from employees, feedback from the Works Council and consequences under employment law in the event of violations as well as whistleblowing tools.
Contribution to the fulfillment of policies	The Human Rights Policy contributes to a culture of diversity, inclusion and human rights by ensuring equal opportunities for all employees.
Scope	All employees
Availability of policy	The policy is published on the intranet and internet.
Most senior role accountable	Management Board

Diversity and Inclusion Policy	
Key impacts, risks and opportunities covered	The Diversity and Inclusion Policy promotes an inclusive work environment that respects and values diversity. We are committed to creating a work environment that is free from discrimination and provides equal opportunities for all employees, regardless of gender, gender identity, age, ethnicity, sexual orientation, religion, or physical disability. This policy promotes a positive working environment by encouraging diverse perspectives and experiences. The Recruiting Policy also emphasizes equal opportunities and diversity, while our plan for the advancement of women in the BAWAG Group is a binding framework for promoting gender equality at all levels. It also refers to the women's empowerment plan as well as the woman initiatives can give their inputs.
Achievement	Create a work environment with equal opportunities
Contribution to the fulfillment of policies	The Diversity and Inclusion Policy provides the framework for providing all employees with equal opportunities. Monitoring aspects are provided e.g. via Grievance Process, Employee survey and feedback talks. Accountable for the implementation is the Management Board, it is reviewed annually.
Scope	All employees
Availability of policy	The policy is published on the intranet and internet.
Most senior role accountable	Management Board

HR strategy	
Key impacts, risks and opportunities covered	The HR Strategy aims to enhance employee satisfaction, foster a positive company culture, and improve hiring success. It addresses potential issues like fluctuation and talent/expert shortages while promoting opportunities through talent development, ongoing training, employer branding, and improved retention. Feedback from employees, e.g. through employee surveys, feedback and exit talks, feedback from the Works Council is included in the considerations.
Achievement	Create an attractive work environment for all employees and new hires and strengthen BAWAG's position as an employer of choice.
Contribution to the fulfillment of policies	The HR strategy supports the company's goals and aligns with all related HR policies. Accountable for the implementation is the Management Board, it is reviewed annually.
Scope	All employees
Availability of policy	The policy is published on the intranet.
Most senior role accountable	CFO

S1-1.20,20a: Respect for human rights

We recognize human rights as universal standards and consider them the foundation of our business practices. Our culture is built on mutual respect, commitment, and customer focus, in alignment with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the UN Global Compact Women's Empowerment Principles and the employee rights defined by the International Labour Organization (ILO). Our code of conduct outlines the ethical principles we adhere to, while our Human Rights Policy, accountable for the implementation is the Management Board, is reviewed annually, defines our guidelines and principles for addressing human rights. We integrate these principles into our daily operations and strive to create a working environment that respects and promotes the well-being and dignity of all employees.

Monitoring and feedback are crucial to this process, including the Grievance Policy, feedback from employees and the Works Council, as well as employment law measures for violations.

In addition to the internal Human Rights Policy, the company is committed to complying with the labor law framework in all

countries in which it operates and to promoting diversity and equal opportunities as key success factors, with all employees treated equally and fairly. We support the freedom of trade unions and associations as well as the collective bargaining rights of employees.

S1-1.20b: Engagement with people in our workforce

The procedures outlined in S1-2 for involving employees and employee representatives in relation to impacts can also be used by employees to address and discuss human rights issues with BAWAG Group or related entities.

S1-1.20c: Measures to provide and/or enable remedy for human rights impacts

The procedures outlined in S1-3 for addressing adverse impacts and channels through which employees can raise concerns can also be used to address impacts on employees' human rights, where appropriate.

S1-1.21: Alignment with internationally recognized instruments

For the respect of human rights in relation to its own workforce, BAWAG Group adheres to internationally recognized human rights frameworks, including the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the standards set by the International Labor Organization (ILO).

S1-1.22: Trafficking, forced or compulsory labour and child labour

BAWAG Group operates in countries which address human trafficking, forced or compulsory labor, and child labor by law. While this is also stated in the Human Rights Policy, we view this as a fundamental prerequisite for us and for our business partners.

S1-1.23: Workplace accident prevention policy or management system

BAWAG Group places great emphasis on preventing workplace accidents through comprehensive safety guidelines and regular inspections. These guidelines are based on external regulations and laws, accessible to employees via the intranet and internal manuals. Compliance with these guidelines is ensured through internal audits and reviews.

S1-1.24: Policies aimed at elimination of discrimination and advancing diversity and inclusion

24a	BAWAG Group has specific policies aimed at the elimination of discrimination, including harassment, promoting equal opportunities and other ways to advance diversity and inclusion	YES
24b	The following grounds for discrimination are specifically covered in the policy:	
	Racial and ethnic origin	YES
	Color	YES
	Sex	YES
	Sexual orientation	YES
	Gender identity	YES
	Disability	YES
	Age	YES
	Religion	YES
	Political opinion	YES
	National extraction or social origin	YES
	Other forms of discrimination covered by Union regulations and national law	YES

S1-1.24c: Policy commitments for people from groups at particular risk of vulnerability

BAWAG Group has no additional policy in place.

S1-1.24d: Procedures to ensure discrimination is prevented, mitigated and acted upon as well as advance diversity and inclusion

To prevent, contain and combat discrimination it is key to raise awareness and provide further training for employees where discrimination can occur, e.g. through trainings, awareness raising during the recruitment process etc. Our policies are published on the intranet and leaders are informed and trained about these policies as part of their leadership development. The policies are regularly reviewed and updated to ensure they meet current requirements and best practices.

Our culture and values are defined by accountability, humility and embracing change. We value leaders who are dynamic, lead with uncompromising integrity, have a strong work ethic and do not shy away from making hard decisions. Our corporate culture therefore defines that the focus is on achieving our common goals. At BAWAG Group, people from over 50 nations, from all age groups, with different sexual orientations, with limitations and in different faiths work together every day. Diversity and equal opportunity for all employees are key success factors for the Group and are the responsibility of the management, implemented operationally by Human Resources, and put into practice by all managers and employees of the company.

S1-2: Processes for engaging with own workforce and workers' representatives about impacts

S1-2.25,27a: Engagement with employees

An open feedback culture is of central importance to BAWAG Group. Ideas, new opportunities, and feedback on how we can improve are not only essential for the further development of our organization but also serve as a channel to enhance teamwork and better serve our stakeholders. Engagement occurs both directly with employees and through regular dialogue across hierarchies with representatives of the Works Council.

S1-2.27b: Stage, type and frequency of employee engagement

BAWAG Group has established different formats for engaging with employees:

- feedback talks with direct leading managers at least on an annual basis
- quarterly town hall meetings followed by Q&A

- other formats like lunch talks and dedicated events that also provide the opportunity to directly interact with our Management Board and Senior Leadership Team

We place great importance on transparent and constructive communication with our employees. Therefore, several engagement channels have been established at different management levels in the organization (organization level):

- Twice a year meetings are held between representatives of the Management Board and the Works' Council to discuss strategic topics.
- The chairperson of the Works Council has regular meetings with the CFO, who is responsible for Human Resources.
- Regular meetings between the Works Council and Human Resources take place to address employee concerns.

Appreciation of feedback is included in the next evaluations, also with the involvement of the Works Council. Employees are informed via town halls and intranet articles.

S1-2.27c: Operational responsibility

The Management Board and Human Resources are responsible for ensuring ongoing employee engagement measures. Among the Management Board members, the CFO oversees Human Resources and related activities. The results of the employee survey are presented to both the Management Board and the Supervisory Board.

S1-2.27d: Global framework agreement

Company-specific agreements are negotiated and concluded between BAWAG or related entities and the Works' Council as the representative of the employees' interests. This process ensures that the views and interests of the employees are considered. Agreements contain regulations on, for example, occupational health and safety, health protection, and social and other benefits. We employ a staggered approach for agreements: for certain areas, we aim to achieve globally aligned agreements (e.g., share purchase program), whereas for other topics, agreements are country-specific (e.g., health protection).

S1-2.27e: Effectiveness of engagement with the workforce

To gauge sentiment, we also perform Group-wide employee surveys with the aim of collecting feedback from employees about BAWAG as an employer, measuring employee satisfaction, and identifying areas for improvement. The employee survey was developed together with an external

consultant who ensures that the survey is conducted in an anonymous and confidential manner. In the employee survey conducted in the fourth quarter of 2023, over 71% of our employee base at that time across all regions participated in the employee survey, with an employee satisfaction rate of ~75% of the respondents. In the first quarter of 2024, the results were further analyzed and presented to our employees. We have also focused on Human Resources initiatives to turn feedback into tangible actions and address the topics identified as a top priority.

Based on the results of the employee survey, measures were defined in areas for improvement to achieve measurable progress. Financial and personnel resources are allocated for these topics. Financial, time resources and personnel resources are used to promote in-house networking through breakfast weeks, after work events, BAWAG insights, Community Days etc., mentoring programs, internship program and participation on recruiting events and student fairs.

S1-2.28: Vulnerable members

We ensure that representatives of people with disabilities are appointed to the Works Council. These issues are addressed on a country-specific basis to meet special needs.

We also promote equal opportunities for women, strengthen the exchange of experience and knowledge, and encourage networking within and outside the company. Specific events are organized such as lunch talks with top female managers from other companies, and the joint development of specific women's workshops in collaboration with Human Resources.

Job applicants from abroad are actively supported by Human Resources throughout the complex process of obtaining a work visa and relocating. This ensures that our commitment to diversity within the company is upheld and that this group of applicants has equal opportunity in the hiring process.

S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns

S1-3.30, 32a: Approach to and processes for providing and contributing to remedy where it has caused or contributed to material negative impact

Remediation of material impacts has priority, as it helps to increase employee motivation, avoid resignations through preventative measures, use complaints to implement quality

improvement initiatives, and promote a positive corporate culture. The procedure for handling complaints initially emphasizes informal discussions between the complainant and the direct superior. All leading managers are required to address complaints and to respect data protection and anonymity. If an informal resolution is not possible, a formal grievance can be submitted to Human Resources. Remedial actions are taken efficiently and the works council is involved subject to the specific case. These guidelines of the grievance mechanisms are designed to create an environment in which employees can feel safe to raise their concerns and in which complaints are dealt with efficiently and fairly.

S1-3.32b: Channels in place to raise concerns or needs

We appreciate an environment where employees are welcome to voice their concerns and see this as an opportunity to continuously improve and further develop our processes, customer service, and entire organization. Therefore, we have established the following channels where employees can address concerns through direct engagement but also anonymously. The channels are provided by the company itself or as part of participation in third-party mechanisms (external examples are employee survey and whistleblower tool).

- Regular feedback talks between employees and leading managers provide a suitable and confidential platform for raising concerns.
- Human Resources
- Employee survey
- Works' Council
- Whistleblower tool

In line with our general business approach, we aim to address developments whether positive or negatives proactively. While some impacts can be remediated within a shorter period, there are others that require structural changes as we aim to address them organically within the organization. Therefore, we anticipate that these impacts will be reduced over the medium-term. The effectiveness of the chosen measures is tracked and reviewed across management functions, e.g. the female leadership quota, training hours, and feedback talks.

S1-3.32c: Grievance/complaints handling

BAWAG Group's grievance policy sets out how employees can report concerns and complaints regarding their working conditions, discrimination, or other employee-related issues. This policy ensures a fair and transparent process for investigating and resolving complaints and promotes a supportive work environment to ensure the well-being of employees.

S1-3.32d: Processes through which the undertaking supports the availability of such channels

The grievance policy as well as the contact details for the Works Council are available on the intranet and accessible to all employees. New topics, policies etc. are published on the intranet and via intranet articles and pop-ups – all employees receive the information.

S1-3.32e: Tracking and monitoring of issues raised and addressed and effectiveness of channels

The channels through which employees can express their concerns and needs are firmly established and well-known. The dialogue with managers and employee surveys take place regularly. Due to the determined rhythm of these formats, measures taken to improve employee concerns are regularly monitored and assessed. Monitoring is described in the Grievance Policy.

S1-3.33: Assessment of awareness in own workforce of structures and processes for raising concerns

Employee awareness of the structure and processes in place to raise concerns is promoted through regular communication via the intranet, training, and feedback mechanisms. With the Works Council, employees have an independent point of contact where they raise concerns. The Works Council regularly informs employees about their rights and any other developments. Therefore, BAWAG Group views that there is adequate awareness among employees. For the protection of individuals raising concerns, please refer to G1-1.

S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursue material opportunities related to own workforce, and effectiveness of those actions

S1-4.38a,b,d: Actions taken, planned or underway to prevent or mitigate material negative impacts on our workforce

Advancement of women	
Measure	BAWAG Women's Initiative Women's workshops Mentoring program Lunch talks with top female managers Information sessions for expectant mothers and those returning from parental leave Part-time leadership roles Ensuring a balanced gender ratio in training programs Raising awareness among hiring managers on the topic of recruiting Advancement plan of women
Achievement	Create an equitable culture where all individuals have equal opportunities to advance their careers, regardless of gender.
Contribution of the fulfillment of policies	Our advancement of women aims to increase their visibility and strengthen engagement. In order to evaluate the effectiveness of our measures, we regularly conduct employee surveys on trainings, courses and the new benefits program. Additionally, Employees can use a dedicated email address to submit questions about e.g. survey results, provide feedback on initiatives and can offer general suggestions.
Scope	All employees
Time horizon	Initiatives are ongoing
Target	2025: achieve 33% female representation in the Senior Leadership Team
Progress	2024: 34% female representation in the Senior Leadership Team compared to 15% in 2020 at the time of target setting

S1-4.38c,d: Achieving positive material impacts for the own workforce

Becoming an employer of choice with attractive benefit schemes to foster ownership mentality

Measure	Part of the corporate culture is the ownership mentality, which also drives the continuous improvement mindset. A new system of employee benefits was introduced in 2023, including: BAWAG employee participation program: Employees receive one share per month of service, which is transferred to their securities account every three years BAWAG "3+1" matching program: In years without a share transfer, we offer a matching program under which employees receive one share free of charge (matching share) for every three BAWAG Group shares they acquire, with a maximum amount of €3,000 in matching shares. BAWAG (cash) profit participation: The first payout, based on the financial year 2023, was made in July 2024 at a rate of €1 per €1 million net profit of BAWAG Group in the previous year.
Achievement	Fostering the ownership mentality and having our employees participate in the company's success.
Contribution to the fulfillment of policies	Our employee benefits program promotes employee participation and increases our attractiveness as an employer.
Scope	The benefit program is generally available to all employees with an active employment contract.
Time horizon	The benefits are available on an ongoing basis.
Progress	The program was established in 2023. In 2024, the third part, the BAWAG profit participation, was paid out for the first time.

Becoming an employer of choice with flexible work models

Measure	We offer efficient and employee-friendly working hours, with flexible working time models and remote work available to employees in specific countries where this is possible in relation to their assigned tasks.
Achievement	Contribute to a better work-life balance for our employees.
Contribution to the fulfillment of policies	We have a very high level of satisfaction with the flexible work models (working hours, home office). This result is reflected in the employee survey. BAWAG Group offers in all countries flexible work models to employees with isolated exceptions like in branches. In addition, the company offers working time models that can be quickly and flexibly adapted to the respective activity and the private needs of the employees. In crisis situations, the company supports employees in a wide variety of ways in caring for family members. We continuously observe whether adjustments are necessary. The employee survey revealed that the concept of flexible working from home is already working very well at BAWAG Group and is particularly appreciated by the workforce, which underscores the high level of satisfaction and positive feedback. Therefore no new action is currently planned.
Scope	
Time horizon	The flexible work models are available on an ongoing basis.
Progress	Due to the current high level of satisfaction, no adjustments to the flexible work models are planned at the moment, will be monitored on an ongoing basis.

In 2013, BAWAG P.S.K. (Austria) participated in the Work and Family audit conducted by the Austrian Federal Ministry of Economy, Family, and Youth. This award is valid for three years and certified that the company has undergone the full auditing process and has developed further goals and measures to implement a family-conscious human resources Policy. In the course of the last re-audit, we also participated in the new "Home Office/Mobile Working" certification and successfully received this award on the basis of the corresponding FlexOffice Guide.

As part of the re-audit for the *berufundfamilie* audit (Work and Family), new targets and measures were again developed to improve the compatibility of family and career. With the signing of the target agreement in September 2024, the company is once again working on the implementation of defined measures such as active employer branding as a family-friendly company, revision of the parental leave management process, and management training and awareness raising.

S1-4.38c,d: Additional actions or initiatives in place with the primary purpose to deliver positive impacts

S1-4.41: Taking measures to significantly impact its own workforce and the effectiveness of these measures

Continuous training for our employees

Measure	<p>Employee training and development is an essential building block for the continued success of BAWAG Group. We promote the professional and personal development of employees by offering an extensive internal training program combined with external training offerings. We also promote and encourage our employees to take part in industry- and topic-specific conferences.</p> <p>Development is based on three pillars:</p> <ul style="list-style-type: none">career-enhancing working environmenttarget group-specific programsindividual development measures, with a special focus on a balanced gender ratio. <p>The training programs and initiatives ensure effective employee life-cycle training, starting from entry in BAWAG Group, specific leadership trainings, a specific BAWAG Academy, trainee programs, individual coaching etc. In order to evaluate the effectiveness of our measures, we regularly conduct employee surveys on trainings, courses and the new benefits program. Additionally, employees can use a dedicated email address to submit questions about e.g. survey results, provide feedback on initiatives and can offer general suggestions. To identify any negative impacts, we gather feedback from our employees and management team, conduct employee surveys, and receive input from the works council and Human Resources.</p>
Achievement	<p>By offering a wide variety of training programs, BAWAG actively fosters and strengthens employee satisfaction. We have our own BAWAG Academy (run by internal Senior Experts), where every employee can consume trainings. Financial resources are provided in sufficient amounts to enable both internal and external training. This includes external trainers for various programs that employees can complete. Additionally, employees have access to a purchased international high end tool (Goodhabitz) for individual learning. All employees are given adequate time resources to attend and complete training sessions. Furthermore, there are internal trainers available to conduct lectures and workshops. Additionally, there are HR employees who handle the organization of training sessions and the development of training and development programs for employees.</p>
Contribution to the fulfillment of policies	<p>The measures contribute to our target of becoming an employer of choice and ensuring that our employees enhance their skills and knowledge. This is part of the HR strategy.</p>
Scope	<p>The training measures are generally available to all employees, however specific programs are tailor-made for a dedicated target group of our employees.</p>
Time horizon	<p>The training offerings are available on an ongoing basis and may be amended based on the training needs.</p>
Progress	<p>Human Resources reviews the trainings offerings on a regular basis.</p>

S1-4.40a,b: Measures to address significant impacts on our workforce and the effectiveness of these measures

The company actively addresses the risk of increased employee turnover through a range of measures, including tailored training programs, a women's advancement plan, flexible work arrangements such as home office options, initiatives to improve work-life balance, part-time leadership opportunities and a strong commitment to diversity. The effectiveness of these initiatives is evaluated in practice through employee feedback, regular review conversations, surveys and close collaboration with the works council.

These actions also support the goal of achieving 33% female representation in the SLT (as of year-end 2024: 34%). By fostering inclusiveness and leadership diversity, BAWAG Group strengthens innovation, decision-making, and its position as an attractive employer.

To ensure that our own practices do not have a significant negative impact on our employees, the Works Council is also involved in fundamental decisions. Regular meetings are held between representatives of the Executive Board (twice a year as part of Austria-wide employee representative meetings) to discuss strategic issues. In addition, the chairwoman of the Works Council has regular meetings with the Executive Board member responsible for human resources issues and there are regular exchanges and meetings between the Works Council and Human Resources. These measures ensure that all employee concerns are dealt with constructively and can be integrated into the company's strategic planning. The employee survey of the BAWAG Group was conducted at the end of 2023. As a result, it is planned to do further surveys in the future.

S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S1-5.44a, 45, 46: Targets related to the management of material impacts, risks and opportunities

Our human capital is one of the most important pillars for executing on our strategy and building the BAWAG Group of tomorrow. Therefore, it is key to us to retain talent, attract and develop new staff and become an employer of choice. Investing in our team's competencies and personal and professional growth are the focus areas of our human resources initiatives.

Our targets align with national, EU or international policy goals. To set targets aligned with national, EU, or international policy goals, we identify relevant policies, define clear and measurable objectives, develop actions, monitor progress, and do a review on regularly base. The effectiveness of those concepts and measures for which no targets have yet been defined is ensured through the evaluation of participants and the implementation process.

While we have set initiatives to address material impacts and opportunities, we have not added additional targets in 2024 in relation to the own workforce. With a strategic acquisition having closed at the end of the fourth quarter of 2024 and a further acquisition on February 1, 2025, we will assess new target setting in 2025.

In order to address the disparity of the share of female and male leadership roles, we set the following target in 2021:

	2024
Target	Increase the female share to 33% in the Senior Leadership Team.
Target-supporting objective of policy	The target is part of the ESG strategy and is supported by the Diversity Policy.
Target definition	Our Senior Leadership Team (SLT) has led our transformation over the past decade. It is comprised of Management Board members Extended Management Board members senior leaders specialists. 92 employees as of year-end 2024, including Management Board members.
Scope	See target definition
Base year	2020: 15% share of female representation in the SLT
Target year	2025: 33% share of female representation in the SLT
Involvement of employees	The interests of employees were considered during the target-setting process as part of the engagement with representatives of the Works Council as well as representatives of female working groups.
Changes of the targets	No changes during the reporting period
Current status	As of year-end 2024, the share of female leadership in the senior leadership team was 34%.

S1-5.47a: Process for target setting – involvement of employees or representatives

Employees are not directly involved in the target setting, however the target is an outcome of employee feedback. Listening to feedback of the underrepresented gender supports us in setting the right initiatives.

S1-5.47b: Performance tracking

Progress towards the target is reported at least semi-annually to the Management Board as well as the Supervisory Board, where the Works Council is also represented. In addition, the head of Human Resources has regular meetings with the chairwoman of the Works Council, where performance tracking of measures is part of the conversations.

S1-5.47c: Process for target setting – identifications of lessons or improvements of performance

Feedback is gathered from leading managers, employees and the Works Council to gain insights and identify areas for improvement. BAWAG Group is well on track to meet the target by 2025.

S1-6: Characteristics of our workforce

The increase in employees in the Netherlands reflects the acquisition of Knab in November 2024. Apart from this development the number of our employees remained in line with prior year.

S1-6.50: Employee overview

S1-6.50a: Number of employees (head count) by country

Country	2024	2023
Austria	2,652	2,685
Germany	276	322
Netherlands	519	2
Ireland	13	12
Switzerland	36	35
UK	25	26
USA	104	91
Group	3,625	3,173

1-6.50a: Number of employees (head count) by gender

Gender	2024	2023
Male	1,586	1,327
Female	2,039	1,846
Other	0	0
Not Reported	0	0
Total Employees	3,625	3,173

1-6.50b: Split of number of employees

	Female	Male	Other*	Not Reported	Total
Number of permanent employees					
Head count	1,942	1,495	—	—	3,436
FTE	1,645	1,433	—	—	3,078
Number of temporary employees					
Head count	97	92	—	—	189
FTE	67	84	—	—	151
Number of non-guaranteed hours					
Head count	—	—	—	—	—
FTE	—	—	—	—	—
Number of full-time employees					
Head count	1,105	1,378	—	—	2,483
FTE	1,105	1,378	—	—	2,483
Number of part-time employees					
Head count	934	208	—	—	1,142
FTE	607	139	—	—	746

S1-6.50c: Employee turnover

End of period	2024
Number of employee who have left undertaking	348
Percentage of employee turnover	10.9%

The number of leavers and the turnover rate is reported based on headcounts and based on actual numbers.

S1-6.50d: Methodologies

All data is represented as of year-end 2024 as a point in time view. The data is collected via SAP (BAWAG), Perbit (SWB, HAG, BFL) and manual employee lists (ZAK, Idaho). Afterwards all data is combined in one excel and the KPIs are calculated with the help of pivot tables. Based on the consolidated numbers, the KPIs are calculated and verified via the four-eyes-principle, but no external bodies are verifying them.

If numbers are shown as FTE, the following definition is used: employees working more than 38,5 hours (Knab: 38 hours) per week are considered as 1 FTE, if employees are working less than 38,5 hours (Knab: 38 hours) per week their weekly working hours are divided by their normal weekly working time on a full-time basis to receive their FTE.

S1-6.50e: Fluctuation

The fluctuation is reported as a total of employees leaving the company. In order to set initiatives more adequately to retain employees, we monitor the share of employees leaving the bank.

S1-6.50f: Reference to financial statements

Employees are stated in the notes section 64.

AR-58 Interpretation of part-time employees

We track how many part-time employees are working in parental part time, how many part-time employees work in our call center and in any other department and we also track how many part-time employees are leaving our company. This information shows that we do not have a lack of employment security.

S1-6.52a: Headcount by permanent/non-guaranteed/temporary by country

S1-6 52a "Headcount by permanent/non-guaranteed/temporary by country"

	December 2024	December 2023
Number of employees	3,625	3,173
Austria	2,652	2,685
Germany	276	322
Switzerland	36	35
Netherlands	519	2
United Kingdom	25	26
United States	104	91
Ireland	13	12
Number of permanent employees	3,436	3,091
Austria	2,589	2,605
Germany	276	322
Switzerland	36	35
Netherlands	393	0
United Kingdom	25	26
United States	104	90
Ireland	13	12
Number of temporary employees	189	82
Austria	63	80
Germany	0	0
Switzerland	0	0
Netherlands	126	2
United Kingdom	0	0
United States	0	0
Ireland	0	0
Number of non-guaranteed hours employees	0	1
Austria	0	0
Germany	0	0
Switzerland	0	0
Netherlands	0	0
United Kingdom	0	0
United States	0	1
Ireland	0	0
Number of full-time employees	2,483	2,106
Austria	1,751	1,732
Germany	200	236
Switzerland	19	18
Netherlands	384	1
United Kingdom	24	25
United States	92	82
Ireland	13	12
Number of part-time employees	1,142	1,067
Austria	901	953
Germany	76	86
Switzerland	17	17
Netherlands	135	1
United Kingdom	1	1
United States	12	9
Ireland	0	0

S1-7: Non-employees in own workforce

Through the acquisition of Knab at the end of 2024, BAWAG has 256 non-employees operating onsite. These non-employees are situated in the Netherlands and the data concerning them is reported to us by Knab via an excel file. We then calculate the KPI via a pivot table and cross-check it via four-eyes-principal, however no external body validates them.

The non-employees are only shown in the KPIs explicitly concerning the non-employees, all other KPIs in this report do not include them.

S1-8: Collective bargaining coverage and social dialogue

S1-8.60a-c and 63a: Collective bargaining agreement coverage and social dialogue

Coverage Rate	Collective bargaining coverage		Social dialogue
	Employees – EEA	Employees – Non-EEA	Workplace representation (EEA only)
	Switzerland (0.0%)	United Kingdom (12.00%)	
	Ireland (0.0%)	United States (0.90%)	Netherlands (0.00%)
0-19%	Netherlands (0.6%)		Switzerland (0.00%)
20-39%			
40-59%	Germany (40.90%)		
60-79%			
80-100%	Austria (96.90%)		Austria (99.40%) Germany (97.50%)
Total		87%	98%

S1-8.63b: Employee representation

In Austria, the Management Board and Extended Management Board as well as the leading employees in Germany, are not covered by workers’ representatives. For employee representation and matters in Europe, BAWAG Group has a European Works Council.

S1-8.60,63: Methodologies

The data is collected via tools and manual lists. Afterwards, all data is consolidated and the respective KPIs are calculated. Based on the consolidated numbers, the KPIs are calculated and verified via the four-eyes-principle, but no external bodies are verifying them.

S1-9: Diversity metrics

S1-9.66a: Gender distribution at top management level

	2024		2023	
	absolute	in %	absolute	in %
Female	31	33.7%	31	31.6%
Male	61	66.3%	67	68.4%
Other	—	—%	—	—%
Not reported	—	—%	—	—%
Total	92	100.0%	98	100.0%

At top management level we have a gender distribution of 34% female employees and 66% male employees.

		2024			2023		
		<30	35-50	>50	<30	35-50	>50
Male	Senior Leadership Team (SLT) incl. MB	—	44	17	—	50	17
	Employees outside the SLT	317	703	505	239	522	499
Total (Male)		317	747	522	239	572	516
Female	Senior Leadership Team (SLT) incl. MB	—	20	11	—	19	12
	Employees outside the SLT	431	1,033	544	379	877	559
Total (Female)		431	1,053	555	379	896	571
Total Age Group		748	1,800	1,077	618	1,468	1,087
Total				3,625			3,173

BAWAG's Senior Leadership Team (SLT) has led our transformation over the past decade. It is comprised of Management Board members, extended Management Board members, senior leaders and specialists.

The data is collected via tools and manual lists. Once consolidated, the respective KPIs are calculated and controlled via the four-eyes-principle, but no external bodies are verifying them.

S1-10: Adequate wages

All our employees get paid adequate wages, with minimum wages being aligned or above statutory minimum wages in the respective country. In addition, BAWAG offers additional benefits to promote the well-being of the employees and also support its employees during exceptional events, such as the pandemic or in times of high inflation.

S1-11: Social protection

Employees are covered by social protection through public programs or private programs against loss of income due to:

		yes	no
74a	Sickness	YES	
74b	Unemployment	YES	
74c	Employment injury and acquired disability	YES	
74d	Parental leave	YES	
74e	Retirement	YES	

S1-12: Persons with disabilities

S1-12.79: Persons with disabilities

	2024	2023
S1-12-79: Employees with disability in %	2.3%	2.6%

S1-12.79: Persons with disabilities by gender

	2024	2023
Male	2.0%	2.7%
Female	2.5%	2.5%
Total	2.3%	2.6%

Employees are counted as employees with a disability as soon as they furnish a disability ID card, regardless of their degree of disability.

The data is collected via tools and manual lists. Once consolidated, the KPIs are calculated and verified via the four-eyes-principle, but no external bodies verify the data.

S1-13: Training and skills development metrics

S1-13.83a: Regular performance and career development reviews

S1-13-83-(a): Percentage of employees that participated in regular performance and career development reviews

Total (in %)	2024	2023
Male	74%	57%
Female	82%	62%
Other	—%	—%
Not reported	—%	—%

The data is collected via our Learning Management System and manual lists. For the KPIs, which are based on training hours of all solved trainings: they are divided by gender, management, or employee. Once consolidated, the KPIs are calculated and verified via the four-eyes-principle, but no external bodies verify the data.

S1-13.83b: Average training hours per employee and by gender

Total (absolute)	2024	2023
Female	24	24
Male	28	29
Other	—	—
Not disclosed	—	—

S1-13-83-b "Training days by gender"

	2024	2023
Female	5,721	4,530
Male	4,971	4,264
Total	10,692	8,794

S1-13.83b "Training days by gender and position"

	2024	2023
Management	1,487	1,357
Female	567	443
Male	920	914
Employees	9,204	7,437
Female	5,154	4,087
Male	4,051	3,350
Total	10,691	8,794

S1-14: Health and safety

The data is collected via manual lists. Once consolidated, the KPIs are calculated and verified via the four-eyes-principle, but no external bodies verify the data.

S1-14.88a: Employees covered by health and management system

	Employees		Non-employees	
	2023	2024	2023	2024
S1-14-88-(a): Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	100%	100%	—%	100%

S1-14.88b: Number of fatalities due to work-related injuries and ill health

There have been no reported fatalities resulting from work-related injuries or ill health.

S1-14.88c: Work-related accidents

	Employees		Non-employees	
	2023	2024	2023	2024
Number of recordable work-related accidents for own workforce	3	8	—	—
Rate of recordable work-related accidents for own workforce	0.1%	0.2%	—%	—%

S1-14.88d: Work-related ill health, subject to legal restrictions on the collection of data

There have been no reported cases of work-related ill health, subject to legal restrictions on data collection.

S1-14.88e: Days lost to work-related accidents and fatalities

	Employees		Non-employees	
	2023	2024	2023	2024
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	16	242	—	—

S1-15: Work-life balance metrics

S1-15.93a: Employees entitled to take family-related leave

All of our employees are entitled to take family-related leave. In addition to the social framework in the countries we are operating in, BAWAG offers additional days for family related purposes.

	2024
Employees entitled to take family-related leave	100 %

S1-15.93b: Employees taking family-related leave

	2024
Employees taking family-related leave	6 %
Female	10 %
Male	2 %
In days	7,097

The data is collected via tools and manual lists. Once consolidated, the respective KPIs are calculated and verified based on the four-eyes-principle, but no external bodies verify the data.

S1-16: Remuneration Metrics

S1-16.97a: Gender pay gap

S1-16.97a: "Gender pay gap, defined as the difference of average hourly pay levels between female and male employees, expressed as percentage of the average hourly pay level of male employees"

	December 2024	
	Mean	Median
Group	44%	22%
AT	30%	16%
DE	30%	29%

S1-16.97a: "Gender pay gap, defined as the difference of average hourly pay levels between female and male employees, expressed as percentage of the average hourly pay level of male employees"

	December 2024	
	AT	DE
EMB	(184%)	n.a.
SLT	30%	n.a.
Manager	21%	36%
Staff	11%	27%
Total	23%	30%

The gender pay gap represents the difference in the hourly remuneration between women and men, irrespective of the type of work they do. In the calculation of the hourly base remuneration the overtime allowances are included with their exact hours and all-in allowances are included with 20 hours per month. For the calculation of the hourly bonus payments the working hours without overtime or all-in allowances were used. The hourly base remuneration and the hourly bonus payments were then added up to the final average gross hourly pay. While more than 50% of recruitments are female, fewer women hold senior management positions than men. The gender pay gap was calculated as the difference in the average gross hourly pay of male and female employees, as a percentage of the male employees' remuneration. The calculation includes all active employees and employees on parental leave.

The data is collected via tools and manual lists. Once consolidated, the respective KPIs are calculated and verified based on the four-eyes-principle, but no external bodies verify the data.

The subdivision into Austria and Germany was made as these are the two countries with the highest number of employees. The group and group excl. management board were split, as the management board is entirely male and receives the highest salary, which is why it is interesting to look at the gender pay gap without this distortion.

BAWAG Group has initiated several measures to address the disparity in seniority levels between female and male employees. Our goal is to develop leaders internally through our development programs, which include specific initiatives for women, and is reflected in our target to achieve a 33% female representation in our Senior Leadership Team (as of year-end 2024: 34%). We anticipate that these measures will support reducing the gender pay gap in the mid-term. Due to our recent acquisitions, which have added a total of approximately 400 employees to our Group, we will reassess our initiatives in 2025.

S1-16.97b: Ratio highest-paid to average employee remuneration

S1-16.97b: "the ratio of the annual total compensation ratio of the highest paid individual to the median annual total compensation for all employees"

	December 2024	
Median salary of all employees excluding the highest paid person:	€	75,748
ratio of highest paid employee to the median salary (highest salary / median salary)		132

The calculation of the median salary is based on the base salary including bonus payments of all active employees and employees on parental leave of BAWAG Group including Management Board members but excluding the highest paid employee. The salary of the highest-paid employee is then divided by the median salary of all employees.

For all salary-related KPIs, the data is collected via tools and manual lists. Once all data is consolidated, the respective KPIs are calculated and verified via the four-eyes-principle, but no external bodies verify the data.

S1-17: Incidents, Complaints and Severe Human Rights Impacts

All reported cases are consolidated on a group-level. The metrics are validated by the auditor, but not by an additional external body. The data is collected via manual lists. Once consolidated, the respective numbers are calculated and verified based on the four-eyes-principle, but no external bodies verify the data.

S1-17.103: Incidents of discrimination or harassment

	2023	2024
S1-17-103-(a): Reported number of incidents of discrimination or harassment	—	—
S1-17-103-(b): Number of complaints filed through channels for people in own workforce to raise concerns	—	—
S1-17-103-(b): Number of complaints filed to National Contact Points for OECD Multinational Enterprises	—	—
S1-17-103-(c): Amount of material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors	—	—

S1-17.104: Severe human rights incidents

	2023	2024
S1-17-104-(a): Number of severe human rights issues and incidents connected to own workforce	—	—
S1-17-104-(a): Number of severe human rights issues and incidents connected to own workforce that are cases of non respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	—	—
S1-17-104-(b): Amount of material fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	—	—
S1-17-AR 106: Number of severe human rights cases where undertaking played role securing remedy for those affected	—	—

S4 Consumers and End users

Strategy

Customers are looking for a more rewarding and engaging experience with targeted products and services while having 24/7 access to manage their financial lives. We aim to fulfill these needs and to better leverage new and existing technologies to enhance the overall customer experience. We are building a multi-channel and multi-brand Retail & SME franchise from branches-to-partners-to-brokers-to-platforms leveraging digital products and technology across our entire customer value chain. Our products are designed to be simple, transparent and affordable.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

S4-SBM 3.9: Strategy and business model

As financial institution BAWAG is dealing with a high number of customer interactions and dealing with sensitive data. This implies impacts, risks but also opportunities attached the data processing, financial education, responsibility towards our customers. We have not identified any impacts or risks which require a change in strategy, but we are having policies and initiatives in place in order to manage them.

S4-SBM 3.10: Scope of consumers and/or end-users materially impacted

At the end of the financial year 2024, BAWAG Group served approximately 2.5 million customers with a primary focus on Retail & SME. While the majority of impacts, risks, and opportunities addressed in this standard are relevant to all customers, certain topics are relevant to specific customer groups. These specific instances are clearly identified at the respective disclosure standards.

S4-SBM 3.10a: Consumers and/or end-users subject to material impacts

The types of consumers and/or end-users that are subject to material impacts are consumers and/or end-users of services that potentially negatively impact their rights to privacy, to have their personal data protected, to freedom of expression and to non-discrimination as well as consumers and/or end-users who are dependent on accurate and accessible product- or service-related information, such as manuals and product labels, to avoid potentially damaging use of a product or

service and consumers and/or end-users who can be impacted from marketing and sales strategies. All types of customers can be impacted by the potential impacts or risks.

S4-SBM 3.10b: Information about material negative impacts, in case there are any

The negative impacts are related to individual incidents.

S4-SBM 3.10c: Description of activities that result in material positive impacts, in case there are any

In order to foster financial education, BAWAG Group has entered a collaboration with the Children's Office at the University of Vienna. The Children's Office at the University of Vienna brings together children from all social backgrounds and motivates them to be curious throughout their lives.

As defined in our business strategy, we want to provide our customers 24/7 banking access through a multi-channel and multi-brand commercial banking platform. Over the last couple of years, we diversified our Retail & SME originations away from branches, thereby increasing the accessibility of our products and services. While our branch footprint was reduced as a response to changing customer behavior, we entered into partnerships, worked with brokers, and continuously enhanced our online/digital access.

S4-SBM 3.10d: Disclosure of material risks and opportunities arising from impacts and dependencies on consumers and/or end-users

The protection of information, data and IT-systems as well as the protection of interests and privacy of our customers, employees, suppliers and other stakeholders is of great importance to BAWAG Group. The protection of customer data is a high priority, therefore BAWAG Group established a data protection strategy.

To promote awareness, BAWAG has set up a policy for responsible sales & marketing.

S4-SBM 3.11: Understanding how consumers with particular characteristics, or those using particular products may be at a greater risk

We assess the different types of customers as well as locations, brands etc.

S4-SBM 3.12: Understanding for consumers with particular characteristics, or those using particular products may be at a greater risk

We do not see a differentiation and consider the specifics of customer groups as part of our product development and our product offering.

Impact, risk and opportunity management

S4-1 – Policies related to consumers and end-users

S4-1.15: Policies adopted to manage material impacts, risks and opportunities related to consumers and/or end-users

Code of conduct	See also G1
Key impacts, risks and opportunities covered	The code of conduct sets forth the understanding of banking and conduct ethics at BAWAG Group. It was enhanced in 2024 and approved by the Management Board. The code of conduct defines the ethical standards and behavioral guidelines that all employees, leading managers, and business partners must adhere to. It serves as a guide for integrity, fairness, and honesty in all business activities and interactions. The code promotes a sense of responsibility and helps to strengthen stakeholder confidence in our business practices. Respect is a basic prerequisite for mutual trust, a good working atmosphere, and the willingness to make decisions. We consider the respectful interaction among employees as well as among supervisors and employees a given way of working together and consequently an integral part of our modern management training. We expect open and fair interaction among all employees. Furthermore, we conduct ourselves respectfully, appreciatively, and fairly towards our customers, business partners, and competitors, as well as towards the media and the financial community. A violation of the code of conduct may lead to disciplinary consequences. Monitoring through Securities Compliance Office, feedback via Complaint Management and internal audit.
Achievement	Setting the general framework on how we do business.
Contribution to the fulfillment of policies	Alongside additional internal policies, it reduces the risk of negative behavior, while at the same time promoting a positive attitude on how we operate. The responsibility for implementation lies with the Management Board as well as the respective direct supervisors, as they serve as ethical role models. It is reviewed annually.
Scope	All employees
Availability of the policy	The code of conduct is available on the internet as well as the intranet.

Data protection policy	
Key impacts, risks and opportunities covered	Privacy - Protecting our customers' data
Achievement	<p>Through the implementation of the data protection strategy we ensure responsible use of customer data and strengthen trust in the companies of BAWAG Group. This policy lays down rules relating to the protection of natural persons with regard to the processing of personal data and rules relating to the free movement of personal data. This policy protects fundamental rights and freedoms of natural persons and in particular their right to the protection of personal data.</p> <ul style="list-style-type: none"> • Regular actualization of the Data Protection Policy to fulfill legal requirements and transparently explain the processing of personal data and customer rights. • Use of state-of-the-art safety measures, to ensure confidentiality, integrity and availability of customer data. That contains encryption technologies, access controls and regular security checks. • Transparent information for customers about type and manner of data processing. • Evaluation and monitoring of data protection risks and implementation of suitable measures. • Performance of data protection assessments and impact assessments for (new) projects, products and services to identify potential risks and take safety measures. • Taking in account data principles during the development of products and services. This contains data minimization, implementation of data protection default settings and data protection through design. • Regular data protection training for employees to create awareness for the protection of personal data and to ensure that employees know and comply with the applicable data protection policy. • Appointment of a data protection officer who is responsible for monitoring compliance with data protection regulations and acts as a contact person for data protection concerns. • Regular reporting about data protection activities and measures to the management board. • Definition of procedures for dealing with data breaches including the notification of affected persons and authorities according to legal requirements. <p>Through the implementation of the data protection strategy we ensure responsible use of customer data and strengthen trust in the companies of BAWAG Group.</p>
Key contents of the policy	The implementation and compliance of the guidelines is regularly monitored by internal checks and audits.
Scope	Customers, employees, suppliers and other stakeholders
Third-party standard	
Availability of policy	The policy is published on the intranet and internet
Most senior accountable	Management Board

IT security policy	
Key impacts, risks and opportunities covered	Privacy - IT security
Achievement	<p>BAWAG Group's Chief Information Security Office and the IT Security Operations Team are committed to protecting the information, ICT systems and interests of customers, employees and other stakeholders in terms of confidentiality, integrity and availability. BAWAG Group has implemented a comprehensive set of security policies and controls covering both general and specific security topics such as identification and access management</p> <p>The security policy document set is regularly adapted to current challenges (e.g. regarding increasing social media and collaboration tool usage) and comprehensively expanded. State-of-the-art technologies and services are used to achieve the expected high level of internal and external security. A set of state-of-the-art tools is deployed to detect and mitigate vulnerabilities. For detection, the experts utilize AI supported monitoring tools to identify anomalies across the entire technical estate. For mitigation, the experts are deploying an automated framework for quick problem detection and resolution. In addition, organizational measures are implemented such as regular security awareness training for employees, security training on demand, security information blogs and security alerts for employees and customers (on our public BAWAG security portal).</p> <p>The security measures defined in collaboration between the CISO Office and technical experts are executed by certified security experts – both in the CISO Office and in the Security Operations Center Team. A special security focus has been placed on the development, implementation, operation, use and maintenance of ICT solutions in order to identify emerging security risks at an early stage and achieve compliance with new regulatory requirements.</p>
Key contents of the policy	
Scope	Customers, employees, and other stakeholders
Third-party standard	
Availability of policy	The policy is published on the intranet and extracts in the internet
Most senior accountable	CISO-office, CEO

Responsible sales & marketing policy	
Key impacts, risks and opportunities covered	Responsible marketing practices - Responsible marketing & sales policy
Achievement	<p>Responsible and respectful dealings with our customers are priority to us and are laid down in various guidelines (including the Code of Conduct). We comply with the pertinent legal regulations and also set strict internal guidelines for ourselves. In this way, we want to ensure that at every point in the company, the needs of our customers are put at the forefront. In 2020, we introduced the Group-wide responsible marketing and sales policy and communicated it to the employees who are directly responsible for its implementation. The policy serves as a strategic code of conduct for responsible behavior in marketing and sales and to build trust with our customers.</p> <p>The guideline's fundamental principles include a commitment to legally compliant, respectful and ethical behavior, confidential handling of information, no discrimination, expanding analytical capabilities, removing barriers and profitable and responsible growth. The guidelines in marketing include a commitment to transparent and clear language in communication measures, fair pricing, diversity in advertising and a respectful approach to all customer groups. In sales, we are committed to appropriate recommendations for our customers, ongoing training for our sales staff, continuous quality controls and a focus on our core competencies.</p>
Key contents of the policy	
Scope	Customers, employees
Third-party standard	
Availability of policy	The policy is published on the intranet and internet
Most senior accountable	Head of Retail & SME

We do not have a policy for financial education of children, as this is part of our overall corporate volunteering initiatives.

S4-1.16: Description of human rights policy commitments that are relevant to consumers and/or end-users, including its general approach to:

S4-1.16a: Respect for the human rights of consumers and/or end-users

In alignment with recognized international standards, including the UN Guiding Principles on Business and Human Rights, BAWAG Group upholds the dignity, rights, and fair treatment of consumers and end-users across all its operations. This commitment is reinforced through comprehensive policies, ongoing oversight, and stakeholder engagement, ensuring fairness, equality, and respect remain at the core of its products, services, and relationships.

S4-1.16b: engagement with consumers and/or end-users

BAWAG Group maintains proactive engagement with consumers and end-users through open communication channels and regular consultations. This approach enables the bank to identify concerns, tailor services, and continuously improve overall experiences, reflecting its commitment to responsible and inclusive banking.

S4-1.16c: measures to provide and/or enable remedy for human rights impacts

BAWAG Group has established transparent grievance mechanisms to address potential human rights impacts promptly and effectively. These measures ensure stakeholders have access to fair and timely resolution, reinforcing BAWAG's commitment to accountability and continuous improvement.

S4-1.17: Disclosure of whether and how its policies are aligned with internationally recognised standards

BAWAG Group regularly reviews its policies against internationally recognized standards, such as the UN Guiding Principles on Business and Human Rights, to ensure ongoing alignment and relevance. The code of conduct forms the base of it, providing transparency and accountability to stakeholders. Through annual reviews and stakeholder engagement we ensure that any new developments are recognized. BAWAG Group did not receive complaints for non-respect.

S4-2 – Processes for engaging with consumers and end-users about impacts

S4-2.20: Perspectives of consumers and/or end-users inform its decisions/actions aimed at managing impacts on consumers and/or end-users

S4-2.20a: whether the engagement occurs directly or with credible proxies

We operate with a multi-brand and multi-channel approach tailored to geography, product offerings, and market segments. In alignment with this, we also employ a

differentiated strategy for engaging with our customers. We aim to generally engage directly with our customers, in order to gauge feedback.

S4-2.20b: Stage(s) of occurrence, type, and frequency of the engagement

BAWAG utilizes the Customer Satisfaction Index to monitor the effectiveness of its customer engagement. This allows us to implement mitigating actions in the event of adverse developments and to assess the impact of any customer-related initiatives. Given our diverse customer segments and touchpoints, we differentiate both where and how we measure customer satisfaction. The index considers feedback from digital as well as branch and service center touchpoints.

S4-2.20c: function and most senior role in the undertaking that is responsible for ensuring this engagement happens (see also AR 15-16)

The most senior role responsible for engagement with retail customers is the Management Board member in charge of Retail & SME.

S4-2.20d: where applicable, how the undertaking assesses effectiveness of the engagement, where relevant, including agreements or outcomes

In order to track the effectiveness of its customer engagement, we monitor a customer satisfaction index on a monthly basis for our largest brands. This allows us to assess the effectiveness of our initiatives and respond to any adverse developments. The index is reported to the responsible Management Board Member on a monthly basis and since the second half 2024 reported to the Management Board as well as Supervisory Board on a quarterly basis.

S4-2.21: Disclosure of, where applicable, the steps it takes to gain insight into the perspectives of consumers and/or end-users that may be particularly vulnerable to impacts and/or marginalised

See standard S4.2.20d.

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

S4-3.25a: General approach and process for providing remedy, including how the effectiveness of the provided remedy is assessed

BAWAG Group sees feedback received as potential for improvement. We provide several ways to remediate negative impacts and diverse channels for customers to raise concerns. As part of the ongoing interaction, customers can contact the relationship manager, the branches, service hotline, etc. For

data related impacts, BAWAG has the data protection officer who deals with those requests.

In order to track the development of impacts, risks and opportunities in relation to consumers and/or end-users, BAWAG has measurable indicators in place which are tracked on a regular basis and reported in the defined framework, subject to the identified topic.

S4-3.25b: Channels in place for consumers and/or end-users to raise their concerns

Consumers and end-users have various channels to raise their concerns. Besides our regular way of engaging with our customers through the customer relationship manager, service center etc., BAWAG provides following ways to raise concerns:

Complaint management

BAWAG's complaint management guideline ensures organizational and legal compliance in handling complaints. Our goal is to address complaints responsibly, restore customer satisfaction, and enhance service quality. Complaints can be submitted via phone, web forms, branches, or mail. All complaints are registered, and customers receive a receipt confirmation if the issue isn't immediately resolved. Complaint management coordinates further actions, involving specialist departments when necessary. Customers are informed about the resolution process and can also contact arbitration bodies for alternative dispute resolution under the Alternative Dispute Resolution Act (ASStG). The law also stipulates that proceedings must be conducted swiftly. The Joint Conciliation Board of the Austrian Banking Industry (bankenschlichtung.at) has been established for the out-of-court settlement of disputes relating to certain customer complaints in the banking industry.

For contracts concluded online, the consumer also has the option of contacting the dispute resolution platform set up by the European Commission (ec.europa.eu/odr). The Internet Ombudsman (ombudsmann.at) is responsible for the out-of-court settlement of disputes relating to contracts concluded over the Internet or other issues of e-commerce, Internet law, data protection, copyright and trademark law in connection with the Internet. Consumer Mediation Austria (www.verbraucherschlichtung.at) is the competent body for complaints relating to foreign currency loans. Consumers are already expressly informed of the possibility of appealing to these arbitration bodies in the contract documents. The Complaint Management department continuously analyzes the data and information received and, on the basis of this, formulates suggestions for improvements to products and internal processes.

Data protection officer

The data protection officer is responsible for monitoring compliance with data protection regulations and acts as a contact person for data protection concerns.

S4-3.25c: How the undertaking supports the availability of such channels by its business relationships

BAWAG values the feedback to understand if and where processes, product or service offering can be improved. In order to track customer requests better, we built a tool in-house where service requests are tracked.

S4-3.25d: Tracking and monitoring, and how the effectiveness of channels is ensured

Reports of the development of negative impacts are submitted quarterly to the Non-Financial Risk Committee and discussed in this meeting. Our customers are included in tailored approaches when resolving for the impacts: Either it is dedicated specifically to that consumer, e.g. in case of data breach, then the individual is involved in the remediation. In case we aim to gauge feedback from our customers addressing any changes in customer satisfaction, a broader-based solution is targeted.

S4-3.26: Whether and how it is assessed that consumers and/or end-users are aware of and trust these processes

This is described under S4-3.25b.

BAWAG's complaint management guideline defines how customer complaints are handled and how this is set up in an organizational and legally compliant manner.

Customers have access to the respective contact details via the websites.

S4-4 - Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

S4-4.30: Disclosure of actions and resources related to consumers and/or end-users

S4-4.31: Disclosures in relation to material impacts

S4-4.31a: actions taken, planned or underway to prevent or mitigate material negative impacts

BAWAG is committed to protect the information, ICT systems and interests of customers, employees and other stakeholders in terms of confidentiality, integrity and availability.

The protection of customer data is a high priority. BAWAG has therefore established a data protection strategy which contains the following:

- **Data security:** Use of state-of-the-art safety measures, to ensure confidentiality, integrity and availability of customer data. That contains encryption technologies, access controls and regular security checks. For all internal systems, BAWAG Group performs ongoing vulnerability scans to identify inadequacies in the internal IT landscape. Detected vulnerabilities are dealt with in a timely manner according to their criticality. In addition BAWAG Group regularly performs penetration tests for all systems, especially for customer facing and Internet-connected systems (such as our digital banking solutions). The regular performance of penetration tests is required in BAWAG Group not only by financial market regulations, but also by the internal Penetration Testing Standard policy. The results of the penetration tests are used to further strengthen the security of the tested systems. To validate our comprehensive cybersecurity approach, we use a renowned cybersecurity rating service, to check the security status of all our Internet connected systems and services. The rating reflects a strong cybersecurity posture of BAWAG Group (including all subsidiaries) in the financial sector.
- **Transparency and disclosure of information:** Transparent information for customers about type and manner of data processing.
- **Risk Management:** Evaluation and monitoring of data protection risks and implementation of suitable measures.
- **Data Protection Assessments and Impact Assessments:** Performance of data protection assessments and impact assessments for (new) projects, products and services to identify potential risks and take safety measures.
- **Data Protection through privacy by design and privacy by default:** Taking in account data principles during the development of products and services. This contains data minimization, implementation of data protection default settings and data protection through design.
- **Training and sensibilization:** Regular data protection training for employees to create awareness for the protection of personal data and to ensure that employees know and comply with the applicable data protection policy.
- **Data Breach:** Definition of procedures for dealing with data breaches including the notification of affected persons and authorities according to legal requirements.

Through the implementation of the data protection strategy we ensure responsible use of customer data and strengthen trust in the companies of BAWAG Group.

S4-4.31c: additional actions or initiatives in place to deliver positive impacts for consumers and/or end-users

In order to protect children and promote their financial knowledge, BAWAG has strengthened its commitment to financial education by collaborating with the Children's Office at the University of Vienna. This initiative brings children from diverse backgrounds together and encourages lifelong curiosity. Education empowers individuals to make informed decisions and positively influences financial management. Supporting exceptional educational projects is a priority for us. We support this through volunteering days of our employees as well as providing financial support.

S4-4.31d: how it tracks and assesses the effectiveness of these actions and initiatives

We have dedicated processes in place to track the effectiveness of our actions and initiatives. Overall we track our initiatives through the customer satisfaction index. The index was at 90.5 as of end of December 2024. This covers the largest brands of BAWAG and the major distribution channels.

S4-4.32a: Process to identify what action is needed in response to negative impacts

The various touchpoints of feedback, including complaint management as well as surveys, provides input to understand if an impact arises more often and if so, how this can be resolved.

S4-4.32b: Approaches to taking action

BAWAG prioritizes the actions based on the materiality and scope. The respective policies to manage its impacts are addressed in S4.1.

S4-4.32c: How it is ensured, that processes to provide or enable remedy are effective

See S4-4.31d The effectiveness of these channels is evaluated by consistently monitoring and tracking the issues that are raised and resolved. Defined procedures support the responsiveness to the customers.

S4-4.33: Disclosures in relation to material risks and opportunities

S4-4.33a: actions planned or underway to mitigate material risks

See S4-4.31b.

S4-4.34: Own practices do not cause or contribute to material negative impacts to consumers and/or end-users

Disclosed in S4-4.31

S4-4.35: Disclosure of whether severe human rights issues and incidents connected to its consumers and/or end-users have been reported and, if applicable, disclose these

No severe human rights issues were reported during 2024.

S4-4.37: Disclosure of what resources are allocated to the management of material impacts and how they are managed

BAWAG Group has dedicated teams to address negative impacts on consumers and/or end-users. Therefore, resources are allocated for both, from a headcount perspective as well as financially. The complaint management is described in S4-3.25b. For data-related topics, the data protection office is in place as well as a Chief Information Security Officer is established.

Metrics and Targets

S4-5 – Targets

S4-5.38a, c: Targets reducing negative impacts or for managing material risks and opportunities

BAWAG has not set a target in those categories.

S4-5.38b: Advancing positive impacts on consumers and/or end-users

S4-5.41a, b: Setting targets and performance

Access to products and services	
Target	100% fully digitized Retail products by 2026
Target-supporting objective of policy	The target is part of the ESG strategy and the tech/ops strategy.
Target definition	With the shift towards more digital engagement as a response to a change in customer behavior, we have adjusted our business towards advisory services in our branch network, while shifting more straightforward day-by-day tasks to our digital/online channels. Fundamental to that development is the continuous enhancement of our digital product offering. Customers are increasingly expecting that traditional branch services be available on e-banking and mobile platforms.
Scope	BAWAG
Base year	2021: 75% of Retail products
Target year	2026: 100% of Retail products
Involvement of customers	The interests of customers were considered as part of the change in customer behavior for banking products and services.
Changes of the targets	No changes during the reporting period
Current status	Harmonizing online and branch processes allowed us to digitize 90% of Retail products by 2024.

BAWAG has not set further targets in relation to consumers and end-users. We do our utmost to protect customer data and have set respective initiatives and measures to do so.

In Data Protection, the aim is to keep data breaches as low as possible. On group level we had 110 data breaches last year.

Governance

Business Conduct

Operating in a highly regulated sector, we embrace governance as a means to protect our franchise and not as a burden imposed upon us. We strongly believe that maintaining a strong governance structure protects our stakeholders - namely - our customers, shareholders, as well as our employees and by the same token enables and strengthens our business. Our corporate culture, a combination of our long-dated history combined with entrepreneurship mentality and meritocracy, allows us to execute our strategy and proactively address future challenges.

In line with our strategy, we focus on three strategic pillars when looking at corporate governance:

GROWTH

It is key to have a strong corporate governance in place which ensures a healthy business and supports our business growth, e.g. when entering new markets.

EFFICIENCY

Simplification for corporate governance comprises the following:

- Simplification by way of branchification, i.e. intra-group mergers, which enhances group oversight and reduces overhead to run separate regulated entities.
- Simplification by way of integration/centralization, to the extent legally permissible and commercially prudent through enhancement of group oversight and leveraging group functions.

SAFE & SECURE

BAWAG Group's business model and strategy limit certain risk areas (e.g. by virtue of defining its core markets, which characteristically have strong and stable legal systems) and are additionally strengthened by a clear governance approach through centralization of functions and setting consistent standards, clear ownership of responsibilities and reporting lines, and embedding our corporate culture.

ESRS 2 GOV-1: Governance

The administrative, management, and supervisory bodies are responsible for the implementation of an efficient governance structure and therefore take part in the approach of addressing these topics, approving respective policies as well as monitoring and deciding on related initiatives. They receive quarterly updates on the anti-corruption management system, including changes to policies and processes as well as actions taken. Both, the Management Board and Supervisory Board receive specific, targeted training. This training covers the definition of terms, legal basis, compliance monitoring activities, regulations on the acceptance and granting of benefits and their related prohibitions. The responsibility for the management of business conduct matters lies with the Chief Compliance Officer, who has a direct reporting line to the entire Management Board.

ESRS G1-1: Business Conduct policies and corporate culture:

G1-1.10a: Establishment, development, promotion and evaluation of corporate culture

Corporate culture defines our values, how we work together, how we interact with our stakeholders, and how we make decisions. It combines the best parts of our legacy as a trade union bank focused on serving local communities with a modern approach to business exemplified by entrepreneurship, accountability, meritocracy, diversity, and inclusion.

Through our corporate culture, we create an environment that promotes high performance, a continuous improvement mindset, and a prudent approach to risk. Our code of conduct incorporates our corporate culture and overall strategy. It contains the principles that provide guidance on appropriate conduct in all our daily business, including for anti-corruption, suppliers, and unlawful behavior.

Promoting and evaluating corporate culture

We view our corporate culture as being an important intangible asset. We measure the success of our corporate

We measure the success of our corporate culture based on several factors, including our financial performance – with BAWAG Group having been established as one of the most profitable and efficient banks in Europe. We also consider compliance and ethics, and aim to minimize the risk of violations, where possible, while promoting the ethical behavior of our employees. Employee engagement surveys enable us to measure the satisfaction of our employees and identify areas for improvement, to remain an attractive employer and grow together with our employees. Our corporate culture also prioritizes diversity and inclusion as an opportunity for the organization.

SRS 2 IRO-1: Material impacts, risks and opportunities

Through our materiality assessment, we identified our corporate culture, bribery and corruption prevention, protection of whistleblowers, and anti-money laundering as material. The detailed process is disclosed in the ESRS 2 standard describing the materiality assessment process.

Code of conduct

BAWAG Group's code of conduct sets forth the understanding of banking and conduct ethics that is applied in BAWAG Group. It defines the standards of conduct that are expected of every member of BAWAG Group and characterizes BAWAG Group's

responsibility towards people and the environment. The code of conduct relates to all identified material impacts, risks or opportunities, namely corporate culture, bribery and corruption prevention, protection of whistleblowers, and anti-money laundering. In addition, the code of conduct defines material impacts, risks and opportunities in other chapters, like human rights and the environment.

Employees are required to understand and follow the code of conduct, and undergo training to this end at least every two years. As part of the training, employees are familiarized with aspects of business ethics, anti-corruption rules, compliance, tax compliance and also gain an understanding of the general principles of conduct that apply in day-to-day business. The code of conduct also applies to members of the Management Board and Supervisory Board.

The responsibility for implementation lies with the Management Board as well as the respective direct managers, as they serve as ethical role models. The Securities Compliance Office is responsible for monitoring compliance of the code of conduct through regular reviews and reports any findings to the Management Board and Supervisory Board.

The code of conduct includes BAWAG Group's commitment to apply the current provisions of the Austrian Code of Corporate Governance. Furthermore, we commit to the ten Principles of the UN Global Compact, the seven UN Global Compact Women's Empowerment Principles, the UN Sustainable Development Goals as well as the OECD guidelines.

Supplier Code of Conduct

The supplier code of conduct defines our expectations towards our business partners, ensuring they adhere to our standards of ethically correct and legally compliant behavior, environmental protection (including biodiversity), human rights, and the health and safety of employees. This includes complying with the applicable laws of the respective jurisdiction and refraining from actions that could unlawfully influence the decisions of government representatives and public bodies or authorities. It prohibits the acceptance of gifts and gratuities by employees in connection with their work and duties, in excess of customary gifts or other benefits. Suppliers are required to sign the supplier code of conduct, as stipulated in the Group-wide Corporate Procurement Policy. This applies to all entities of BAWAG Group. The implementation of the supplier code of conduct is under the responsibility of the Management Board.

Unlawful Behavior

BAWAG Group does not tolerate financial crime or any kind of unlawful behavior. This includes any abuse of power, position, or resources in order to gain a personal advantage or an

advantage for third parties, or to influence the behavior of the recipient in a particular direction.

We make every effort to ensure that we are not misused for illegal or dubious business practices, such as money laundering, terrorist financing, or financial crime. We clearly establish the identity of our customers and obtain sufficient information about their creditworthiness and business activities. We report suspicious transactions to the appropriate authorities, including the department responsible for anti-money laundering.

We work to prevent any form of market abuse, such as insider trading and market manipulation. We also maintain comprehensive conflict of interest guidelines that contain examples and behavioral rules, to ensure that personal self-interests do not conflict with our obligations to the BAWAG Group and to our customers. Any potential conflict of interest must be reported to the Securities Compliance Office immediately.

Anti-Corruption Policy

Our anti-corruption policy covers allowances, gifts, sponsorships, charitable donations, and public officials. It details the levels of specific benefits that can be accepted up to certain thresholds and that are subject to documentation, approval, and reporting. It also defines benefits that are prohibited under all circumstances. The Anti-Corruption Policy relates to bribery and corruption prevention.

All business areas of BAWAG Group are monitored as part of an annual risk assessment by the Securities Compliance Office. Departments that are particularly at risk are regularly informed of obligations during compliance audits. In addition, compliance SPOCs (single points of contact) across the organization help raise awareness of the need to handle benefits in accordance with the rules. Based on the training that every employee receives, BAWAG Group expects its employees to act responsibly concerning anti-corruption and bribery. The responsibility for implementation lies with the Management Board.

The rules set out in this policy are based on both legal principles and market standards that comply with the United Nations Convention against Corruption. In order to comply with the legal framework, the rules in this policy are based on the ISO 37001 standards and also comply with the Business Principles for Countering Bribery by Transparency International.

G1-1.10c: Whistleblower protection

Employees can report suspicious circumstances to their managers at any time as part of the open dialogue promoted between employees and managers. Employees can also submit reports anonymously and confidentially via a web-based whistleblowing system operated by an independent provider and certified under European data protection law. The implementation of the whistleblower protection is under the responsibility of the Management Board.

The whistleblowing process is intended to ensure that information in connection with fraud, corruption or violations of legal, data protection, network and information security for example, can be submitted anonymously and confidentially and will be investigated without exception. It also ensures that the whistleblower is protected at all times.

The whistleblowing process is part of the Compliance and Conduct self-learning training program for employees. Detailed information on the process is defined in the group-wide Whistleblowing Policy, which is available to employees in German and English language on the intranet. The regulations are intended to ensure that all reports of legal violations across the Group are followed up on in accordance with the Whistleblower Protection Act in Austria, the Whistleblower

Protection Act in Germany, and other laws that provide for whistleblowing, as well as violations of the supplier code of conduct.

In order to protect whistleblowers, BAWAG Group applies the following protective measures of the Whistleblower Protection Act applicable in Austria (HSchG) and the Whistleblower Protection Act applicable in Germany (HinSchG): Exemption from liability, exemption from the burden of proof, exemption from confidentiality obligations and protection against retaliation. Furthermore, BAWAG Group adopts protective measures from other laws that provide for whistleblowing (e.g. § Section 99 g Banking Act (BWG) in Austria). These protective measures also cover whistleblowers who report a violation of the supplier code of conduct.

G1-1.10e: Investigating Business Conduct

The Securities Compliance Office observes anti-corruption regulations in accordance with the supplier code of conduct, for our business relationships with suppliers. Adherence to the Anti-Corruption Policy is checked during compliance reviews. Further details on BAWAG Group's approach towards ethics and anti-corruption can be found in the Anti-Corruption Policy and Business Ethics Guidelines, published on our ESG website (<https://www.bawaggroup.com/BAWAGGROUP/IR/EN/ESG>).

G1-1.10g: Business Conduct training policy

Our organization conducts regular training on business conduct, targeting all employees of BAWAG Group and covering a wide range of topics such as anti-corruption, ethical business practices, and corporate social responsibility. These trainings occur every two years and are designed to deepen the understanding and implementation of our business conduct policies. The Securities Compliance Office monitors the participation of all employees. In addition, the Securities Compliance Office conducts further training measures such as reviews, webinars and specialized training courses. The responsibility for implementation lies with the Management Board.

This topic relates to the identified material impacts, risks or opportunities of corporate culture and bribery and corruption prevention.

G1-1.10h: At-risk departments

Functions most at risk in respect of corruption and bribery are those with external downstream and upstream business relationships.

G1-3: Prevention and detection of corruption or bribery

G1-3.18a: Prevention, detection and addressing allegations or incidents of corruption and bribery

We take responsibility for helping to protect the broader financial system and consequently the economy, with zero-tolerance for corruption, financial crime and bribery. Before setting measures for prevention we start with minimizing exposure to corruption and bribery. This approach defines our strategy in the markets we operate in and the kind of business we do.

The implementation and monitoring of regulations in regard to corruption and bribery is the responsibility of the Securities Compliance Office. This unit is independent of from the operating business. To be able to fulfill our responsibilities, we continuously improve our processes, controls, and policies based on advances in technology and better knowledge to minimize the risk for the bank. We have established various procedures to prevent, detect, and address potential cases of corruption and bribery, be it internally or externally. The Anti-Corruption Policy defines our framework for managing the risk of corruption from employees, clients, us as an organization as well as other third parties, and applies to all subsidiaries and branches of the Group.

Other policies such as the code of conduct, support this framework. It raises awareness of the fact that all attempts at bribery or other unlawful gratuities, such as facilitation payments, must be refused. All our employees are obliged to sign and follow the code of conduct.

Benefits have to be recorded in a gift log after the approval process by the manager in order to enable a retrospective review and to ensure transparency. In addition, the Securities Compliance Office reviews the gift log annually.

Based on an annual risk assessment, the Securities Compliance Office also conducts audits of selected organizational units at least once a year to address anti-corruption and ethics issues.

G1-3.18b: Committee separate from the chain of management involved in the matter

BAWAG Group established a whistleblowing system for the anonymous receipt and processing of information as early as

2013. The third-party system is an internet-based system accepting tip-offs concerning acts of economic crime in German and English language. In addition, employees can report suspected cases confidentially to the Securities Compliance Office, which investigates independently and separately from the chain of management.

G1-3.18c: Reporting of outcomes, if any, to the administrative, management and supervisory bodies

Any violation of the Anti-Corruption Policy by our employees or third parties and any major risk through clients is reported to the Securities Compliance Office and, in the event that it materializes, also to the respective regulatory bodies. We refrain from entering into client relationships where we see potential issues. In the case of existing clients, any unacceptable risk will lead to the termination of the business relationship.

G1-3.20: Communication of policies

The anti-corruption policy is made available in the intranet, both in German and English language. In addition, a guide summarizing the most important anti-corruption obligations of employees is provided.

G1-3.21a,c: Nature, scope and depth of anti-corruption and anti-bribery training programs

All employees (including part-time) of the Group complete tailored training on ethics and anti-corruption at least every two years, including a mandatory test. In addition, ad hoc training may be conducted following specific incidents or as a result of a regular anti-corruption risk assessment. Ad hoc trainings can be specifically designed for individuals, departments or provided as information for the entire organization.

Members of the Management Board and the Supervisory Board also receive specific training on ethics and anti-corruption without a mandatory test.

During 2024, BAWAG Group provided training to its employees on its Anti-Corruption Policy. For at-risk functions, the training is mandatory.

	At-risk functions	Managers	Administrative, management and supervisory body.	Other own workers
Training coverage				
Total receiving training	97%	95%	100%	97%
Delivery method and duration				
Classroom training (hours)	—	—	1	—
Computer-based training (hours)	1	1	—	1
Voluntary computer-based training (hours)	—	—	—	—
Frequency				
How often training is required (in years)	Every 2 years	Every 2 years	Every 2 years	Every 2 years
Topics covered				
Definition of corruption	YES	YES	YES	YES
Explanation: Benefits and Consequences of Violations	YES	YES	YES	YES
Differences between Benefits in the Private and Public Sector	YES	YES	YES	YES
Policy	YES	YES	YES	YES
Procedures on suspicion/detection	YES	YES	YES	YES

G1-3.21b: Percentage of functions-at-risk covered by training programs

100% of the functions-at-risk which are Procurement, Sales and Marketing, Supply Chain Management, Finance and Business Units are covered by the training programs.

G1-4: Incidents of corruption or bribery

G1-4.24: Incidents of corruption or bribery

Incidents of corruption or bribery	
	2024
Number of convictions for violation of anti-corruption and anti- bribery laws	0
Amount of fines for violation of anti-corruption and anti- bribery laws	0

This data is derived from a list of incidents that the Securities Compliance Office maintains and updates continuously. As there were no incidents of corruption or bribery in 2024, no external validation was carried out.

Securities Compliance

For compliant conduct regarding internal and external regulations, BAWAG Group aims to identify possible risks at an early stage and to communicate the appropriate measures. This pertains to all securities-related business, including advisory business for customers, personal trading obligations of employees and Management Board members, and rules to prevent market abuse, insider trading, and conflicts of interest. We have implemented Group-wide policies, processes, and controls which combine with other comprehensive measures and procedures to determine risk-based approaches. Our securities compliance strategy is based on regular risk assessments, securities-related data, and processes throughout the Group.

The policies implemented stem from the applicable legal frameworks, including EU regulations such as MiFID II and the Market Abuse Regulation (MAR) as well as related national laws such as the Austrian Securities Act (WAG 2018) and the Austrian Stock Exchange Act (BörseG 2018).

BAWAG Group's Securities Compliance Policies provide clear guidance for employees. Mandatory, designated, and tailored securities compliance trainings for all employees are conducted at least every two years. These trainings are self-learning programs and face-to-face trainings by compliance officers. The mandatory Securities Compliance and Employee Obligations self-learning program covers aspects of the Group's Compliance Policy and Conflicts of Interest Policy.

Adherence to the guidelines is reviewed by the Securities Compliance Office, conducted in line with a risk-analysis-based annual plan as approved by the Audit and Compliance Committee of the Supervisory Board. Daily securities transaction monitoring is technically supported within the Group to ensure high standards and to help prevent market abuse and insider trading. Employees of the Securities Compliance Office receive ongoing internal and external training throughout the year.

Anti-Money Laundering and Combating Terrorism Financing

We are committed to combating financial crime and ensure that accounts held at our organization are not misused for illegal activities, such as money laundering or terrorism financing. We have implemented group-wide policies, processes, and controls concerning anti-money laundering (AML) and counter terrorism financing (CTF). These policies are based on the applicable legal frameworks, such as the Austrian Financial Market Money Laundering Act and the applicable EU regulations.

Our AML/CTF strategy is closely aligned with the defined ESG risks and aims for customers with a low AML/CTF risk profile. The strategy defines any prohibited and restricted countries, customers, industries, and products, and it sets the minimum requirements for know your customer (KYC), customer due diligence (CDD), and enhanced due diligence (EDD). We fully support international and national authorities in combating illicit activities, including terrorism financing, tax fraud, and other illegal activities.

AML/CTF prevention is supported by risk classification, customer transaction screening, and by an automated monitoring system that screens customers against

internationally recognized lists. Transactions are monitored in real-time (for sanctions and CTF) and ex-post via specific AML/CTF scenarios and defined thresholds, depending on the customer risk class.

BAWAG Group has internal control systems in line with applicable laws. These systems ensure efficient and high-quality processes, with potential customer cases and transactions reported on a regular basis to BAWAG Group's AML & CTF Office;. any out-of-the-ordinary findings are reported immediately.

Our AML/CTF policies provide for clear instructions and guidance for employees on all AML, CTF and sanctions related topics, with mandatory, designated trainings conducted via self-learning programs and via face-to-face training by compliance officers or external companies.

Adherence to the guidelines is reviewed by the AML & CTF Office in compliance reviews, which are conducted in line with a risk-analysis-based annual plan approved by the Audit and Compliance Committee of the Supervisory Board. These reviews also include subsidiaries of BAWAG Group. Further details on BAWAG Group's approach towards AML and CTF can be found in the Anti-Money Laundering Policy, which is published on our ESG website (<https://www.bawaggroup.com/BAWAGGROUP/IR/EN/ESG>).

6 March 2025

A stylized blue ink signature in cursive script.

Anas Abuzaakouk
Chief Executive Officer

A stylized blue ink signature in cursive script.

Enver Sirucic
Member of the Management Board

A stylized blue ink signature in cursive script.

Sat Shah
Member of the Management Board

A stylized blue ink signature in cursive script.

David O'Leary
Member of the Management Board

A stylized blue ink signature in cursive script.

Andrew Wise
Member of the Management Board

A stylized blue ink signature in cursive script.

Guido Jestädt
Member of the Management Board

Independent assurance report on the non-financial reporting pursuant to Section 267a UGB

We have performed a limited assurance engagement in the connection with the consolidated non-financial reporting pursuant to Section 267a UGB (hereafter "non-financial reporting") for the financial year 2024 of the BAWAG Group AG, Vienna, Austria (hereinafter also referred to as "BAWAG Group AG" or "Company").

Conclusion with limited assurance

Based on our procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial reporting (hereafter "non-financial reporting") is not prepared, in all material respects, in compliance with:

- the statutory provisions of the Austrian Sustainability and Diversity Improvement Act (Section 267a of the Austrian Commercial Code (UGB)),
- the reporting requirements according to Article 8 of the EU Regulation 2020/852 (hereinafter referred to as "EU-Taxonomy-Regulation"),
- the requirements of the delegated regulation (EU) 2023/2772 (hereinafter referred to as "ESRS"), and
- the process carried out by the company to identify the information to be included in the consolidated non-financial reporting in accordance with the legal requirements and standards for non-financial reporting (hereinafter referred to as „double materiality assessment process“); with the description set out in disclosure IRO-1 ESRS 2. in the currently valid version.

Basis for conclusion with limited assurance

Our limited assurance engagement on the non-financial reporting was conducted in accordance with the statutory requirements and Austrian Standards on Other Assurance Engagements and additional expert opinions as well as the International Standard on Assurance Engagements (ISAE 3000 (Revised) applicable to such engagements. An independent assurance engagement with the purpose of expressing a conclusion with limited assurance ("limited assurance engagement") is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance

("reasonable assurance engagement"), thus providing reduced assurance.

Our responsibility under those requirements and standards is further described in the „Responsibility of the auditor of the consolidated non-financial reporting“ section of our assurance report.

- We are independent the Group in accordance with the Austrian professional regulations and we have fulfilled our other ethical responsibilities in accordance with these requirements.
- Our audit firm is subject to the provisions of KSW-PRL 2022, which essentially corresponds to the requirements of ISQM 1, and applies a comprehensive quality management system, including documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.
- We believe that the evidence we have obtained up to the date of the limited assurance report is sufficient and appropriate to provide a basis for our conclusion as of that date.

Other information

Management is responsible for the other information. The other information comprises all information included in the annual report but does not include non-financial reporting and our independent assurance report.

Our conclusion on the non-financial reporting does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our limited assurance engagement on the non-financial reporting, our responsibility is to read the other information when available and, in doing so, consider whether the other information is materially inconsistent with the non-financial reporting or our knowledge obtained in the limited assurance engagement or otherwise appears to be misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

Responsibility of the management

Management is responsible for the preparation of a non-financial reporting including the determination and implementation of the double materiality assessment processes in accordance with legal requirements and standards. This responsibility includes:

- identification of the actual and potential impacts, as well as the risks and opportunities associated with sustainability aspects and assessing the materiality of these impacts, risks and opportunities,
- preparing of a non-financial reporting in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act pursuant to section 267a UGB, including compliance with the ESRS,
- inclusion of disclosures in the consolidated non-financial reporting in accordance with the EU-Taxonomy-Regulation, and
- designing, implementing and maintaining of internal controls that management consider relevant to enable the preparation of sustainability report that is free from material misstatement, whether due to fraud or error; and to enable the double materiality assessment process to be carried out in accordance with the requirements of the ESRS.

This responsibility includes also the selection and application of appropriate methods for non-financial reporting and the making of assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances.

Inherent limitations in the preparation of non-financial reporting

When reporting forward-looking information, the company is obliged to prepare this forward-looking information based on disclosed assumptions about events that could occur in the future and possible future actions by the company. Actual results are likely to differ as expected events often do not occur as assumed.

When determining the disclosures in accordance with the EU-Taxonomy-Regulation, the management is obliged to interpret undefined legal terms. Undefined legal terms can be interpreted differently, also regarding the legal conformity of their interpretation and are therefore subject to uncertainties.

Responsibility of the auditor of the consolidated non-financial reporting

Our objectives are to plan and perform a limited assurance engagement to obtain limited assurance about whether the non-financial reporting, including the procedures performed to determine the information to be reported and the reporting in accordance with the EU-Taxonomy, is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered.

In a limited assurance engagement, we exercise professional judgement and maintain professional scepticism throughout the assurance engagement.

Our responsibilities include

- performing risk-related assurance procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of expressing a conclusion on the effectiveness of the Group's internal controls;
- design and perform assurance procedures responsive to disclosures in the non-financial reporting, where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Procedures - Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the non-financial reporting.

Our engagement does not include the assurance of prior period figures, printed interviews or other additional voluntary information of the company, including references to websites or other additional reporting formats of the company.

The nature, timing and extent of assurance procedures selected depend on professional judgement, including the identification of disclosures likely to be materially misstated in the non-financial reporting, whether due to fraud or error.

In conducting our limited assurance engagement on the non-financial reporting, we proceed as follows:

- We obtain an understanding of the company's processes relevant to the preparation of non-financial reporting.
- We assess whether all relevant information identified by the double materiality assessment process carried out by the company has been included in the non-financial reporting.
- We evaluate whether the structure and presentation of the non-financial reporting is in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act as of section 267a UGB, including the ESRS.
- We perform inquiries of relevant personnel and analytical procedures on selected disclosures in the non-financial reporting.
- We perform risk-oriented assurance procedures, on a sample basis, on selected disclosures in the non-financial reporting.
- We reconcile selected disclosures in the non-financial reporting with the corresponding disclosures in the consolidated financial statements and Group management report.
- We obtain evidence on the methods for developing estimates and forward-looking information.
- We obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in non-financial reporting.

Our assurance report may only be distributed to third parties together with the consolidated non-financial reporting and only in complete and unabridged form. Because our report is prepared solely on behalf of and for the benefit of the company, its contents may not be relied upon by any other third party, and consequently, we shall not be liable for any other third party claims.

Auditor responsible for the assurance engagement

The auditor responsible for the assurance engagement of the non-financial reporting is Mr. Georg Blazek .

Vienna, March 6, 2025

KPMG Austria GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

Mag. Georg Blazek
Wirtschaftsprüfer
(Austrian Chartered Accountant)

Limitation of liability, publication and terms of engagement

This limited assurance engagement is a voluntary assurance engagement. We issue this conclusion based on the assurance contract concluded with the client, which is also based, with effect on third parties, on the „General Conditions of Contract for the Public Accounting Professions“ issued by the Chamber of Tax Advisors and Auditors. These can be viewed online on the website of the Chamber of Tax Advisors and Auditors (currently at <https://ksw.or.at/berufsrecht/mandatsverhaeltnis/>). With regard to our responsibility and liability under the contractual relationship, point 7 of the AAB 2018 applies.

UN GLOBAL COMPACT MITTEILUNG ÜBER DIE FORTSCHRITTE (COP)

Communication on Progress (COP)

As a signatory to the UN Global Compact, BAWAG Group is committed to complying with the ten principles focusing on labor rights, human rights, environmental protection and anti-corruption and, since signing the UN Global Compact Women's Empowerment Principles (WEP) in 2015, to complying with the

seven WEP. This CSR Report 2024 is thus also a report in the sense of the annual "Communication on Progress" (COP). For each principle, examples have been given of how they have been and are being implemented at BAWAG Group.

The TEN principles of the UN Global Compact and examples of implementation

The ten principles	Examples of implementation
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence. (COP 1)	p. 314, 315, 337, 340, 347, 348 General/principles/guidelines: Code of Conduct, Supplier Code of Conduct, Human Rights Policy
Principle 2: Businesses should make sure that they are not complicit in human rights abuses. (COP 2)	p. 314, 315, 337, 340, 347, 348 General/principles/guidelines: Code of Conduct, Supplier Code of Conduct, Human Rights Policy
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. (COP 3)	General/principles/guidelines: Freedom of association and the registration of trade unions are enshrined in law in our core markets. There is an ongoing exchange of information between management and the Works Council, and new works agreements are concluded regularly.
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor. (COP 4)	p. 348 General/principles/guidelines: Supplier Code of Conduct; the majority of our suppliers come from the DACH region. The topics of freedom of negotiation, forced labor, working hours and wages are part of the Supplier Code of Conduct item 3 "Respect for fundamental rights, health and safety of employees."
Principle 5: Businesses should uphold the effective abolition of child labor. (COP 5)	p. 348 General/principles/guidelines: Supplier Code of Conduct
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation. (COP 6)	p. 314, 315, 318, 320, 322, 337, 340, 347, 348 General/principles/guidelines: Code of Conduct, Supplier Code of Conduct, recruiting policies, Women's Advancement Plan, Mentoring Program
Principle 7: Businesses should support a precautionary approach to environmental challenges. (COP 7)	p. 237, 252, 299, 300, 301 Energy efficiency, financing of renewable energy, sustainable activities
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. (COP 8)	p. 237, 252, 299, 300, 301 Energy efficiency, financing of renewable energy, sustainable activities
Principle 9: Businesses should encourage the development and diffusion of environmentally-friendly technologies (COP 9).	p. 252, 300, 301 Financing of renewable energy and sustainable projects
Principle 10: Businesses should work against corruption in all its forms, including~ extortion and bribery. (COP 10)	p. 335, 337, 348, 349, 350, 351, 352 General/principles/guidelines: Code of Conduct, Supplier Code of Conduct, anti-corruption and gift acceptance policy, conflict of interests policy. New entrants in Austria must successfully complete training on the prevention of money laundering. Employees must complete training on topics such as anti-corruption and fraud prevention.

The SEVEN principles of the UN Global Compact Women's Empowerment Program and examples of implementation

The seven principles	Examples of implementation
Principle 1: Establish high-level corporate leadership for gender equality (WEP 1)	p. 320, 322, 324 Women's Advancement Plan, Women's Mentoring Program, flexible working time models, focus topic in management programs
Principle 2: Treat all women and men fairly at work – respect and support human rights and nondiscrimination (WEP 2)	p. 315, 320, 321, 322, 323, 327, 349 Recruiting policy, Code of Conduct, flexible working time models, Supplier Code of Conduct, Women's Advancement Plan, part-time parental leave, part-time leadership roles, dad month
Principle 3: Ensure the health, safety and well-being of all women and men workers (WEP 3)	p. 318, 320, 321, 323 Work and family audit, information events for expectant parents, welcome back events for parents returning from parental leave, company day care centers, workplace health promotion, occupational health services
Principle 4: Promote education, training and professional development for women (WEP 4)	p. 320, 322 Women's Advancement Plan, Mentoring Program
Principle 5: Implement enterprise development, supply chain and marketing practices that empower women (WEP 5)	p. 320 Women's Initiative
Principle 6: Promote equality through community initiatives and advocacy (WEP7)	p. 314, 320, 322 Women's Initiative, Diversity & Inclusion Policy
Principle 7: Measure and publicly report on progress to achieve gender equality (WEP7)	p. 320, 322, 324 Report on measures, objectives and target achievement as part of the annual CSR Report and the Communication on Progress (COP); proportion of female managers; ESG target related to Women's quota in SLT and SB

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) of the stock.
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 of the stock.
Book value per share	Common equity (excluding AT1 capital and dividends) / 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.
Common equity	Equity attributable to the owners of the parent	Common equity as presented in the consolidated financial statements.
Common Equity Tier 1 (CET1) capital	Based on IFRS CRR regulatory figures (BAWAG Group), excluding any transitional capital (fully loaded)	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 incl. deposits held for sale start:Bausparkasse Germany	Deposits to customers including own issues sold through retail network and private placements and incl deposits held for sale of start:Bausparkasse Germany for FY 2023.
Customer funding (segment view)	Customer deposits incl. own issues incl. deposits held for sale start:Bausparkasse Germany	Deposits to customers, covered bonds and senior bonds sold through retail network and private placements incl deposits held for sale of start:Bausparkasse Germany.
Customer deposits average / Customer	Daily average	Averages based on daily figures.
Customer loans	Customer loans measured at amortized cost and held for sale start:Bausparkasse Germany	The book value of customer loans measured at amortized cost and assets held for sale start:Bausparkasse Germany.
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 the dividend is shown is the shares outstanding at period end plus the respective tranches of the LTIP from the following year.
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) of the stock.
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.
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.

Key performance indicator	Definition / Calculation	Explanation
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	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). The ratio reflects the quality of the portfolio and of the Group's credit risk management.
Non-performing loans (NPL) coverage ratio	Stage 3 incl. prudential filter and collateral / NPL exposure economic	The total of stage 3 impairments including prudential filter and collateral relative to the NPL exposure economic.
Non-performing loans (NPL) cash coverage ratio	Stage 3 incl. prudential filter / NPL exposure economic	The total of stage 3 impairments including 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 $\geq 100\%$ 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 and dividends and dividend accruals	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.
Return on tangible common equity (RoTCE)	Net profit / average tangible common equity excluding AT1 capital and dividends and dividend accruals	
Risk-weighted assets	Based on IFRS CRR regulatory figures (BAWAG Group, fully loaded)	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). "Fully loaded" refers to the full application of the CRR without any transitional rules.
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 and dividends) / 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.

Key performance indicator	Definition / Calculation	Explanation
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 IFRS CRR regulatory figures (BAWAG Group), excluding any transitional capital (fully loaded)	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.
ILLAP	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.
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).
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.
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.

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