

BAWAG GROUP ACQUIRES DEUTSCHER RING BAUSPARKASSE

► In addition, signing of a Memorandum of Understanding with Basler Versicherungen Germany

VIENNA, Austria – December 14, 2017 – BAWAG Group today announces:

- The entering of a definitive agreement to purchase 100% of Deutscher Ring Bausparkasse from Basler Versicherungen and Signal Iduna Group
- The signing of a Memorandum of Understanding with Basler Versicherungen Germany, part of the Baloise Group, to pursue a long-term strategic cooperation

Deutscher Ring Bausparkasse AG, headquartered in Hamburg, is a regional building society bank that has been offering building society products and services since 1972. The bank complements BAWAG Group's business model while providing a bolt-on opportunity for retail growth in Germany.

Anas Abuzaakouk, CEO of BAWAG Group: *"Today is an important step forward as we continue to execute on our strategy. The German Bausparkassen sector has been facing challenges recently. We believe in a transformation underpinned by a focus on risk-adjusted pricing, technology and driving operational excellence. The acquisition of Deutscher Ring Bausparkasse creates a solid foundation for BAWAG Group to expand its footprint and customer base in northern Germany. I'm excited to welcome our new colleagues into the BAWAG Group and am confident that they will be a great partner as we continue to pursue our growth strategy."*

In addition, today we announce our commitment to work with Basler Versicherungen Germany, member of the Baloise Group, in order to drive strategic cooperations in Germany by offering simple and transparent banking products to their customer base. Baloise is an ideal partner with expertise in insurance and financial services, a long-standing tradition and solid franchise."

The transaction is subject to customary closing conditions and regulatory approvals. The parties involved have agreed not to disclose the purchase price or any details of the agreement.

About Deutscher Ring Bausparkasse

Deutscher Ring Bausparkasse AG, headquartered in Hamburg, is a regional building society bank that has been offering building society and retail housing products and services since 1972. The bank reported total assets of EUR 551 million by year-end 2016 and employs approximately 100 persons. The majority shareholder of Deutscher Ring Bausparkasse are Basler Versicherungen, minority shareholder is Signal Iduna Group.

About BAWAG Group

BAWAG Group AG is the holding company of BAWAG P.S.K., with its headquarters in Vienna. With more than 2.2 million customers, BAWAG P.S.K. is one of Austria's largest and best capitalized banks operating under a well-recognized national brand. BAWAG P.S.K. applies a low-risk, efficient, simple and transparent business model focused on Austria and other developed markets. BAWAG P.S.K. serves Austrian retail, small business and corporate customers across the country, offering comprehensive savings, payment, lending, leasing, investment, building society and insurance products and services. BAWAG P.S.K.'s Austrian business is complemented by international activities focused on retail, corporate, commercial real estate and portfolio lending in developed countries within Western Europe.

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