

BAWAG Group AG
Vienna, FN 269842 b
(the „Company“ or „BAWAG“)

PROPOSAL FOR THE APPROPRIATION OF PROFIT

of the

Management Board

of

BAWAG Group AG

registered under FN 269842 b with the companies register held by the Commercial Court Vienna

on **AGENDA ITEM 1** of the **EXTRAORDINARY GENERAL MEETING**

which will be held on 3 March 2021, 11.00 am, Vienna Time,
at the Company's headquarters, Wiedner Gürtel 11, 1100 Vienna, Austria
Tower 17, first floor (*Turm 17, erster Stock*)

as follows:

Of the profit available for distribution recognized in the annual financial statements of BAWAG Group AG as of 31 December 2019 in the amount of EUR 3,023,991,382.12, each share entitled to a dividend on the dividend record date (11 March 2021) will receive EUR 0.4551, adding up to a maximum of EUR 40,438,000.00, and the remaining amount will be carried forward to new account. The Company does not have any rights to receive dividends with regard to the own shares held by the Company. The dividend will be paid out on 12 March 2021, the ex-dividend date is 10 March 2021.

The dividend payment is classified as a repayment of capital under Austrian tax law (Section 4 para 12 of the Austrian Income Tax Act). The dividend is therefore not subject to Austrian withholding tax and tax neutral in Austria for natural persons. The dividend will therefore be distributed to shareholders on the dividend payment date without deduction of Austrian withholding tax of 27.5%. The repayment of capital, however, reduces the acquisition costs of BAWAG Group AG shares applicable for Austrian tax purposes. The reduction of the acquisition costs can result in increased taxable capital gains, particularly for natural persons who are resident for tax purposes in Austria, if the BAWAG Group AG shares are sold at a profit at a later point in time.

Vienna, this February 2021

The Management Board