

BAWAG P.S.K. UPGRADED TO BAA1 BY MOODY'S

VIENNA, Austria – July 2, 2015 – Yesterday Moody's Investors Service announced several rating upgrades of BAWAG P.S.K. The Bank's long-term deposit, senior unsecured and issuer ratings were all raised by one notch to Baa1 from Baa2. The outlook was changed to "positive". In addition, the Bank's stand-alone rating (baseline credit assessment) as well as its senior subordinate rating were upgraded to baa3 and Ba1, respectively.

According to Moody's, the rating upgrades reflect "the stronger and higher-quality capital adequacy ratios and the bank's underlying recovery in profitability that have allowed the bank to reduce on-balance sheet risks, as well as its significantly strengthened loss-absorption capacity." The rating agency indicates further upside potential for the stand-alone rating over a 12-18 months outlook horizon.

Byron Haynes, Chief Executive Officer of BAWAG P.S.K., said: "The rating upgrades yesterday are a testament to the Bank's successful developments over the past few years. We stick to our low-risk Austrian-focused strategy and will further optimize our processes and drive operational excellence to become the most efficient player in the market. This positions us well to win in a competitive European banking landscape."

Further details are available on our Investor Relations website under the "Ratings" section:
<https://www.bawagpsk.com/BAWAGPSK/IR/EN/Ratings>

About BAWAG P.S.K.

BAWAG P.S.K. is one of Austria's largest banking institutions with 1.6 million customers and a well-recognized national brand. The Bank focuses on three business segments: **Retail Banking and Small Business** offers simple, fair and transparent products and services which includes lending, savings, payment, card, investment and insurance services for private and small business customers. Based on a long term and traditional cooperation with Österreichische Post AG (Austrian Post) these products and services are available through our branches all over Austria which are complemented by our digital sales channels.

Austrian corporate businesses as well as international activities are managed within the **Corporate Lending and Investments** segment. The majority of the Bank's lending activities are within Austria. The international business is focused on corporate, commercial real estate and portfolio financing transactions primarily in Western Europe and the United States of America.

Treasury Services and Markets includes all activities associated with providing trading and investment services for the Group's treasury activities and the management of the Bank's portfolio of financial securities.

BAWAG P.S.K. focuses on a capital efficient, low risk and low leverage business model while targeting to be one of the most efficient, centrally managed banks across Europe. Delivering simple, transparent and best-in-class products and services to our customers is the core of our strategy.

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