

BAWAG P.S.K. – first Austrian bank to prematurely start repayment of participation capital in the amount of EUR 50 million

Partial redemption of participation capital approved by resolution of the shareholders' meeting

Vienna, June 7th, 2013 – As announced at the annual results press conference by CEO Byron Haynes in March 2013, BAWAG P.S.K. now prematurely starts to redeem the participation capital of EUR 550 million subscribed by the Republic of Austria by the end of 2009. Pursuant to the resolution of the shareholders' meeting as of June 7th, 2013 BAWAG P.S.K. – as the first Austrian bank – will pay back EUR 50 million to the Republic of Austria due to its further strengthened capital base.

By the end of December 2012 the Bank's owners, primarily Cerberus Capital Management, L.P. and GoldenTree Asset Management L.P., subscribed a capital raise of EUR 200 million. This capital investment was a strong sign of the continued financial commitment of the shareholders and investors and demonstrates substantial confidence in BAWAG P.S.K.'s ability to further drive sustainable profitability in the future as it executes its business plans.

BAWAG P.S.K. thus becomes the first Austrian bank to start the repayment of the participation capital. Added to the dividend of EUR 51.2 million already paid on the participation capital for 2012, the Bank transfers over EUR 100 million to the Republic of Austria in first half 2013. Overall a total amount of about EUR 230 million has been paid by BAWAG P.S.K. to the Republic of Austria in the last four years.

Due to the capital raise by the end of 2012 and the continued optimization programme for risk weighted assets this year, BAWAG P.S.K. could additionally strengthen its capital position in the first months of 2013. Thus the Bank reports a Core Equity Tier I (CET 1 acc. to CRR/Basel 2.5) capital ratio of 11.2% by the end of the first quarter 2013. Tier I capital ratio amounts to 11.9%, the own funds ratio to 14.0%.¹ These capital ratios would only slightly decline by about 0.3 percentage points by this partial repayment.

This makes BAWAG P.S.K. one of the best capitalised Austrian banks and able to continue to invest in support of our core franchises.

This repayment is a partial redemption of the emitted participation capital in a pro rata nominal amount of EUR 50 million. By the end of 2009 the Bank has issued participation certificates with an aggregate nominal value of EUR 550 million, which has entirely been subscribed by the Republic of Austria pursuant to the Austrian Act on Financial Stability. Redemption Effective Date is the day of the publication of the resolution of the shareholders' meeting in the official gazette "Amtsblatt zur Wiener Zeitung".

¹ These capital ratios are based on the classification of own funds according to Basel III. Valuation, recognition and risk weighted assets are based on Basel 2.5.

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