

## **BAWAG P.S.K. announces an additional EUR 150 million redemption of Participation Capital**

**Vienna, December 2<sup>nd</sup>, 2013 – In the further execution of its strategic and capital plans, BAWAG P.S.K. today announces the redemption of an additional EUR 150 million of the participation capital held by the Republic of Austria.**

Together with the EUR 50 million notional repayment that occurred in June 2013, BAWAG P.S.K. will have paid back EUR 200 million of the total EUR 550 million of participation capital which was invested in the Bank. However, when also including dividends paid to date to the Republic and the pro-rata dividend for 2013 which will be paid in early 2014, BAWAG P.S.K.'s total payment to the Republic of Austria will stand at approximately EUR 427 million.

The Bank also confirms its recently announced target to reach a fully loaded Basel III CET I ratio of at least 9.0% by year end 2013<sup>1</sup>. This equates a CET I ratio according to Basel 2.5 of greater than 14.0%, including the current repayment of participation capital<sup>2</sup>. This will make BAWAG P.S.K. one of the best capitalised banks in Austria and allows the Bank to execute its strategic business plans without relying on any non permanent common capital elements such as participation capital.

**Byron Haynes**, CEO of BAWAG P.S.K. comments: *“This further redemption of participation capital of EUR 150 million reflects the significant strengthening of the capital position of BAWAG P.S.K. during the course of year 2013 through the reduction of non-core assets, derisking activities and core earnings growth. A solid capital position remains the cornerstone of our strategic and operational plans.*

*At the same time, we have continued to invest in our core retail and corporate franchises while also addressing the necessary cost restructuring actions which should allow the Bank to be competitive and solidly profitable in a more challenged banking environment that is expected to persist for the foreseeable future.”*

The repayment is a pro-rata redemption of the remaining participation capital in the nominal amount of EUR 150 million. At year end 2009 the Bank had issued participation capital with an aggregate nominal value of EUR 550 million, which has entirely been held by the Republic of Austria pursuant to the Austrian Act on Financial Stability prior to the redemptions. Redemption effective date is the day of the publication of the resolution of the shareholders' meeting in the official gazette “Amtsblatt zur Wiener Zeitung”.

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<sup>1</sup> Excluding participation capital, hybrid capital instruments and minorities according to fully loaded Basel III rules

<sup>2</sup> CET I ratio acc. to Basel 2.5 as of 30.06.2013: 12.3%

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