

BAWAG P.S.K. GROUP TO ACQUIRE START:BAUSPARKASSE AND IMMO-BANK FROM VOLKSBANKEN-VERBUND

VIENNA, Austria – June 22, 2016 – BAWAG P.S.K. Group and Volksbanken-Verbund announce that BAWAG P.S.K. Group will acquire 100% of the Volksbanken Group's shares in start:bausparkasse (formerly ABV) and IMMO-BANK. A corresponding agreement was successfully concluded by both parties today.

start:bausparkasse and IMMO-BANK, which are operated under the group name "start:gruppe" since September 2014, combine the expertise and long-standing tradition of two specialists in the housing and real estate finance sector and will thus make a significant contribution to the expansion of BAWAG P.S.K. Group's core business.

Byron Haynes, CEO of BAWAG P.S.K., comments: *"Building society savings have been traditional and popular forms of saving in Austria for many years. Therefore, the acquisition of start:bausparkasse is an optimal addition to BAWAG P.S.K. Group's portfolio. BAWAG P.S.K. Group already focuses on providing simple, transparent products with low risk in its retail business. We expect this move to further expand our business with Austrian customers in retail residential financing."*

Byron Haynes also sees the acquisition of these two companies clearly strengthening BAWAG P.S.K. Group's domestic business: *"Thanks to our successful efforts in recent years, BAWAG P.S.K. Group has a strong capital base today, enabling us to grow organically and inorganically, to play offensive, and to expand our core business by acquisitions."*

The acquisition of a savings and loan association is another important step for becoming the leading retail bank in Austria and extends BAWAG P.S.K. Group's expertise with regard to building society savings.

Additionally, the acquisition of IMMO-BANK is aiming at strengthening BAWAG P.S.K. Group's position in the Austrian corporate segment. BAWAG P.S.K. Group expects this transaction to result in a significant increase in the financing volume with real estate companies and social housing associations. In addition, IMMO-BANK has an extensive network of partners in the real estate industry from which the entire BAWAG P.S.K. Group will benefit. Both acquisitions are value accretive day 1.

IMMO-BANK reported a balance sheet total of EUR 1.6 billion as of 31 December 2015. The balance sheet total of start:bausparkasse amounted to EUR 2.0 billion. Both companies will be integrated into BAWAG P.S.K. Group and fully consolidated.

CEO Gerald Fleischmann, Chairman of the Managing Board at VOLKSBANK WIEN AG, comments: *"The Volksbanken Group focuses on its core businesses such as deposits, loans and payment services and relies on strong collaborative partnerships with product specialists such as the TeamBank Austria and Union Investment Austria GmbH, having top level expert knowledge and top quality in their business areas. We also look forward to continuing our successful cooperation with our partner start:bausparkasse. Thus, the Volksbanken have taken another step towards an efficient, successful advisory bank."*

The transaction is expected to close in the fourth quarter 2016 and is still subject to customary closing conditions and regulatory approvals. Both parties have agreed not to disclose the purchase price or the any details of the agreement.

Finally, **Byron Haynes** concluded: *"We are looking forward to welcoming our new colleagues from start:bausparkasse and IMMO-BANK in the BAWAG P.S.K. Group. They will add additional, extensive expertise and competence for residential financing, allowing us to serve our customers even better – from the initial idea all the way to the realization of their housing construction plans."*

About start:bausparkasse

Founded in 1929, start:bausparkasse (Allgemeine Bausparkasse / ABV until 2014) is Austria's oldest savings and loan association and is the fourth largest player in the Austrian market today. It currently serves approximately 500,000 savings customers and 23,000 loan customers and has a market share of 10%.

About IMMO-BANK

As part of Austria's "Wohnbaubank" residential finance system, IMMO-BANK provides financing for projects in the not-for-profit and for-profit residential construction segment and also offers services related to real estate – for property developers, investors, property managers, trustees, and private parties. It currently serves 3.500 customers.

Media contacts:

BAWAG P.S.K. Group – Press Office

Georgia Schütz-Spörl
Tel. +43 (0) 5 99 05-31210
E-mail: presse@bawagpsk.com

VOLKSBANK WIEN – Marketing & Communications

Dir. Wolfgang Layr
Tel. +43 (1) 40137-3550
E-mail: wolfgang.layr@volksbankwien.at