

BAWAG P.S.K. PLANS ACQUISITION OF SÜDWESTBANK AG (STUTTGART)

STUTTGART / VIENNA, May 24, 2017 – BAWAG P.S.K. and Südwestbank today announce the planned 100% acquisition of Südwestbank AG by BAWAG P.S.K. Negotiations between the buyer and current shareholders are under way.

Südwestbank AG, headquartered in Stuttgart, is a medium-sized regional private bank that has been offering commercial banking services in Baden-Württemberg since 1922. It ideally complements the business model of BAWAG P.S.K. with its focus on retail, corporate and private banking. Südwestbank offers the buyer a solid foundation for growth in the German market.

The parties have agreed to keep details about the acquisition process confidential. The contracting parties plan to provide information about any signing in due course.

About BAWAG P.S.K.

Headquartered in Vienna, BAWAG P.S.K. resulted from a merger of two individual banks, BAWAG (founded in 1922) and P.S.K. (founded in 1883), in 2005 and today serves more than 2.2 million retail and corporate customers across Austria. The Bank operates under a well-recognized national brand and ranks among the four largest, most profitable and best capitalized banks in Austria with total assets of EUR 40 billion, an RoTE of 17.9% and a fully loaded CET1 ratio of 15.1% as of year-end 2016. The Bank applies a low-risk, highly efficient, simple and transparent business model focused on Austria and selected West European markets with focus on the DACH region – with two-thirds of its customer loans within Austria.

Delivering simple, transparent and best-in-class products and services is BAWAG P.S.K.'s consistent strategy across all business units. The Bank serves Austrian retail, small business and corporate customers across the country through a nationwide branch network complemented by digital sales channels. BAWAG P.S.K. offers comprehensive savings, payment, lending, leasing, investment, building society and insurance products and services. The international business is focused on retail, corporate, commercial real estate and portfolio lending in developed western countries. This strategy provides BAWAG P.S.K. with earnings diversification and growth opportunities while maintaining a conservative risk profile.

BAWAG P.S.K. is owned by the controlling shareholder Cerberus Capital Management LP (52%) and the minority shareholder GoldenTree Asset Management LP (40%). The remaining shares are held by a variety of Austrian and non-Austrian minority shareholders.

About Südwestbank

Südwestbank AG is a Stuttgart-based independent medium-sized private bank that was founded in 1922 as Württembergische Landwirtschaftsbank. It has been operating under its present name as a stock corporation under German law (Aktiengesellschaft) since 1970 and serves approximately 100,000 retail and business customers in Baden-Württemberg. Südwestbank reports total assets of over EUR 7 billion by year-end 2016 and employs approximately 650 persons.

Südwestbank's strategy is based on a branch network with 28 outlets and on maintaining close customer relationships. It strives to build long-term, trusting relationships with its clients and often serves families over generations. As an independent institution, Südwestbank provides an individualized and needs-oriented range of products and a high level of advisory quality. Business focuses on lending and deposit-taking in the fields of

retail and corporate banking as well as on asset and wealth management. Its strong regional base and decades of experience make Südwestbank one of the most important regional universal banks in Germany. The majority shareholder of Südwestbank is Santo Vermögensverwaltung GmbH.

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This text can also be downloaded from BAWAG P.S.K.'s website: <https://www.bawagpsk.com>