

ACQUISITION OF SÜDWESTBANK (STUTTGART) BY BAWAG P.S.K. (VIENNA) – AGREEMENT SIGNED

VIENNA / STUTTGART, July 17, 2017 – BAWAG P.S.K. and Südwestbank today announced the signing of the full sale and purchase of Südwestbank AG by BAWAG P.S.K.

Südwestbank AG, headquartered in Stuttgart, is a medium-sized regional private bank that has been offering commercial banking services in Baden-Württemberg since 1922. The bank is focused on retail, corporate and private banking and complements BAWAG P.S.K.'s business model, while providing a solid foundation for growth in the German market.

Anas Abuzaakouk, CEO of BAWAG P.S.K.: *“The expertise and long-standing tradition of Südwestbank, which operates in a very strong economic region of Germany, make the bank an ideal partner to help us expand our footprint and customer base. This transaction is part of our larger DACH regional strategy and will provide us access to excellent customers in a highly attractive market. I am excited to welcome our new Südwestbank colleagues into the BAWAG P.S.K. family and am very confident that they will be a great partner enabling us to collectively succeed in the German market.”*

Dr. Andreas Strüngmann, one of the shareholders and Chairman of the Supervisory Board of Südwestbank, comments: *“With Südwestbank, BAWAG P.S.K. will receive a solid and regionally well-established foundation in Germany, with a balance sheet total and equity base that have more than doubled over the past ten years. We are proud that we have been able to accompany the successful growth of Südwestbank for more than 13 years and are excited to have found in BAWAG P.S.K. a new owner that – based on its capital strength, commercial banking experience and digital know-how – will bring Südwestbank to the next level of successful development.”*

The transaction is expected to close in 2017 and is subject to customary closing conditions and regulatory approvals. Both parties have agreed not to disclose the purchase price or any details of the agreement.

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.

Contacts:

BAWAG P.S.K.

Benjamin del Fabro (Head of Investor Relations & Communications)

Georg-Coch-Platz 2

1018 Vienna, Austria

Tel: +43 (0) 5 99 05-22456

E-mail: investor.relations@bawagpsk.com

Web: <http://www.bawagpsk.com>

BAWAG P.S.K.

Georgia Schütz-Spörl (Press Officer)

Georg-Coch-Platz 2

1018 Vienna, Austria

Tel: +43 (0) 5 99 05-31210

E-mail: communications@bawagpsk.com

Web: <http://www.bawagpsk.com>

SÜDWESTBANK AG

Jochen Sautter (Head of Marketing)

Rotebühlstraße 125

70178 Stuttgart, Germany

Tel: +49 (0) 711 6644-1300

E-mail: jochen.sautter@suedwestbank.de

Web: <http://www.suedwestbank.de>

SÜDWESTBANK AG

Dr. Isabell Sprenger (Team Leader of Press and Public Relations)

Rotebühlstraße 125

70178 Stuttgart, Germany

Tel: +49 (0) 711 6644-1310

E-mail: isabell.sprenger@suedwestbank.de

Web: <http://www.suedwestbank.de>

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