

First Supplement
dated 2 November 2020
to the Base Prospectus dated 4 September 2020

This first supplement (the "First Supplement") constitutes a supplement within the meaning of Art. 23 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation") relating to two base prospectuses: (i) the base prospectus of BAWAG Group AG ("BAWAG", together with its consolidated subsidiaries, including BAWAG P.S.K. (as defined herein) "BAWAG Group") in respect of non-equity securities within the meaning of Article 2 point (c) of the Prospectus Regulation ("Non-Equity Securities") and (ii) the base prospectus of BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft ("BAWAG P.S.K.", together with its consolidated subsidiaries, "BAWAG P.S.K. Group" and BAWAG and BAWAG P.S.K. the "Issuers" and each an "Issuer") in respect of Non-Equity Securities (together, the "Debt Issuance Programme Prospectus" or the "Base Prospectus").



BAWAG Group AG

Vienna, Republic of Austria
– Issuer –

**BAWAG P.S.K. Bank für Arbeit und Wirtschaft und
Österreichische Postsparkasse Aktiengesellschaft**

Vienna, Republic of Austria
– Issuer –

**EUR 10,000,000,000
Debt Issuance Programme
(the "Programme")**

The Issuers have requested the *Commission de Surveillance du Secteur Financier* of the Grand Duchy of Luxembourg (the "CSSF") in its capacity as competent authority under the Luxembourg act relating to prospectuses for securities securities dated 16 July 2019 (*Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières et portant mise en œuvre du règlement (UE) 2017/1129*), as amended (the "Luxembourg Law") to approve this First Supplement and to provide the competent authorities in the Federal Republic of Germany and the Republic of Austria with a certificate of approval attesting that the First Supplement has been drawn up in accordance with the Prospectus Regulation (the "Notification"). The Issuer may request the CSSF to provide competent authorities in additional host Member States within the European Economic Area with a Notification.

This First Supplement has been prepared following the publication of BAWAG's quarterly financial information and in order to account for recent regulatory requirements for own funds and eligible liabilities instruments and to add some further recent developments.

The Prospectus was published on 4 September 2020, in accordance with article 21 paragraph 2 of the Prospectus Regulation in electronic form on the website of the BAWAG Group AG (www.bawaggroup.com). This First Supplement will also be published in accordance with article 23 paragraph 1 and article 21 paragraph 2 of the Prospectus Regulation in electronic form on the website of BAWAG Group AG (www.bawaggroup.com) and will be available free of charge at the specified offices of the Issuers.

This First Supplement has been approved by the CSSF, has been filed with said authority and will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of BAWAG Group (www.bawaggroup.com).

This First Supplement should only be distributed in connection with the Base Prospectus. It should only be read in conjunction with the Base Prospectus.

Each Issuer accepts responsibility for the information contained in this First Supplement and hereby declares, that having taken all reasonable care to ensure that such is the case, the information contained in this First Supplement is, to the best of its

knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this First Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Terms defined or otherwise attributed meanings in the Base Prospectus have the same meaning in this First Supplement.

In accordance with article 23 paragraph 2 of the Prospectus Regulation, where the Base Prospectus relates to an offer of Notes to the public, investors who have already agreed to purchase or subscribe for Notes before this First Supplement is published have the right, exercisable within a time limit of two working days after the publication of this First Supplement, until 4 November 2020, to withdraw their acceptances provided that the new factor, mistake or inaccuracy referred to in article 23 paragraph 2 of the Prospectus Regulation arose before the final closing of the offer to the public and the delivery of the Notes.

This First Supplement may only be used for the purpose for which it has been published as set out below. This First Supplement may not be used for the purpose of an offer or solicitation by and to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

This First Supplement does not constitute an offer or an invitation to subscribe for or purchase any of the Notes.

The following changes are made to the Base Prospectus:

- 1. In the section "2.1.2.1 BAWAG Group may experience severe economic disruptions induced by pandemics, epidemics, outbreaks of infectious diseases or other serious public health concerns such as the worldwide COVID-19 pandemic, which may have significant negative effects on BAWAG Group and its clients" on page 15 of the Base Prospectus, the second paragraph shall be deleted and replaced by the following information:**

"Given the ongoing uncertainty of the lasting effect of the COVID-19 pandemic, the financial impact on the global economy still cannot be determined. If the rapid spread of COVID-19 worldwide continues, it could significantly adversely affect global economies and financial markets in the medium or long term, resulting in a prolonged economic downturn and even a global recession. The COVID-19 pandemic carries supply chain implications, including limitations on the global movement of people and goods, disruption of industrial and other production, restrictions on travel and public transportation, prolonged closures of workplaces and the reduction of private consumption amongst others, which may have an indirect effect on BAWAG Group. A prolonged economic downturn resulting from new restrictions due to the COVID-19 pandemic could lead to a deterioration of BAWAG Group's customers' financial positions and could adversely affect BAWAG Group. As a result, BAWAG Group's loan portfolio quality could suffer or deteriorate, and non-performing loans may increase, because BAWAG Group's customers may not, or not timely, be able to repay their loans, and/or collateral securing these loans may become insufficient. If the economic conditions worsen, this could result in credit losses exceeding the amount of the Issuer's loan loss provisions. The effects of the COVID-19 pandemic have so far resulted in a significant increase of risk costs in the first three quarters of 2020, lower transaction levels, and a significantly reduced demand for consumer loans, which reduced fee revenues from insurance products related to the loans. The macroeconomic variables applied for the year 2020 to date ECL calculations are reflecting BAWAG Group's conservative stance with regard to the to the further development of the COVID-19 pandemic, as well as the speed of economic recovery and potential setbacks from a second wave.

Although there were some indications during the summer of 2020 that the spread of the COVID-19 pandemic was slowing down slightly and that the global economy was beginning to recover to some extent, the number of people infected with SARS-CoV-2 has been rising sharply worldwide in recent months. This can be regarded as a definite sign that a second wave of infections has already begun. Therefore, governments in various countries are implementing increasingly strict measures to counteract the rapidly accelerating spread of the COVID-19 pandemic. In some countries lockdown measures have already been imposed again. Given the ongoing uncertainty of the lasting effect and duration of a second wave of infections, the impact on the global economy is currently not foreseeable. However, should governments decide to impose stricter regulations or to tighten, prolong or extend existing lockdown measures, this could result in a further deterioration of the global economy and financial position of certain customers of BAWAG Group."

- 2. In the section "2.1.4.2 Minimum requirements for own funds and eligible liabilities, both to be required by the relevant resolution authority under the BaSAG and the SRM Regulation, may adversely affect the profitability of BAWAG Group. The Issuers may not be able to meet minimum requirements for own funds and eligible liabilities." on page 27 of the Base Prospectus, the fifth paragraph shall be deleted and replaced by the following information:**

"Based on BAWAG P.S.K.'s financial information as of 30 September 2020 and applying the hybrid approach, an additional € 0.4 billion of MREL instruments would be necessary to meet the new 11.93% MREL requirement, which is only binding from the second calendar quarter of 2023."

- 3. In the section "2.1 Risks relating to BAWAG Group, including BAWAG P.S.K. and BAWAG P.S.K. Group", sub-heading "2.1.4.10 The mandatory ex-ante funding of the Deposit Guarantee Scheme pursuant to the EU Deposit Guarantee Schemes Directive and its implementation by way of a Federal Act on the Deposit Guarantee and Investor Compensation by Credit Institutions (ESAEG), and possibly higher contributions could have an adverse effect on BAWAG Group's business, financial condition, results of operations and prospects" on page 32 of the Base Prospectus, the first paragraph shall be replaced by the following information:**

"The Deposit Guarantee Scheme Directive (Directive 2014/49/EU, the "DGSD") requires each EU member state to have in place one or more deposit guarantee schemes ("DGS") and further requires that, until 3 July 2024, each national DGS is provided with financial means collected through ex-ante contributions of the participating banks at a target level of, in general, 0.8% of covered deposits of all its member banks. The DGSD has been implemented into Austrian law through the Federal Act on the Deposit Guarantee and Investor Compensation by Credit Institutions (Bundesgesetz über die Einlagensicherung und Anlegerentschädigung bei Kreditinstituten – "ESAEG"). Further, in case the regular contributions to the DGS are not sufficient to cover a protection event, in total an additional contribution per calendar year of up to 0.5% – or more if approved by the FMA – of covered deposits of its members will have to be paid. In this regard and due to a recently conducted fraud by Commerzialbank, the deposit insurance contribution increased by approximately € 12 million additional charges in the third quarter of the fiscal year 2020. Any further burden in this context could have an adverse effect on

BAWAG Group's business, financial condition, results of operations and prospects, and may therefore adversely affect the respective Issuer's ability to meet its obligations under the Notes."

4. **In the section "7.3.2 Recent developments and outlook", the text under the sub-heading "Economic Developments" on pages 285 to 286 shall be supplemented by the following information:**

"Since the COVID-19 pandemic had regained momentum, the number of cases increased almost exponentially and thus once again threatened to overburden the health system, stricter restrictions were again introduced by governments in Europe from October 2020. However, it is not yet certain whether this will lead to a noticeable economic crash in Germany and Austria."

5. **In the section "7.3.2 Recent developments and outlook", the text under the sub-heading "Recent funding activities" on page 286 of the Base Prospectus shall be supplemented by the following information:**

"On 9 September 2020, BAWAG issued undated Additional Tier 1 Notes in the amount of EUR 175 million. Further, on 16 September 2020, BAWAG issued Tier 2 Callable Subordinated Notes due September 2030 in the amount of EUR 200 million under the Programme."

On 23 September 2020, BAWAG P.S.K. issued notes covered by a mortgage-backed pool of assets due September 2030 in the amount of EUR 750 million under the Programme."

6. **In the section "7.3.2 Recent developments and outlook", the third paragraph under the sub-heading "Outlook" on page 286 of the Base Prospectus shall be deleted and replaced by the following information:**

"Following recent funding activities, BAWAG Group targets a CET 1 ratio of 12.25%."

7. **In the section "7.3.2 Recent developments and outlook", the following information shall be added after the last paragraph on page 288 of the Base Prospectus:**

"Changes in the composition of the management boards of BAWAG and BAWAG P.S.K.

On 10 September 2020, the Supervisory Boards of BAWAG and BAWAG P.S.K. decided to reduce the number of Management Board members of BAWAG and BAWAG P.S.K., respectively, from six to five members. Stefan Barth's appointments for each of the Management Boards of BAWAG and BAWAG P.S.K. will end on 31 December 2020. The appointments of the remaining five members of each of the Management Boards of BAWAG and BAWAG P.S.K. were extended to the end of March 2026."

Merger of BAWAG P.S.K. Wohnbaubank Aktiengesellschaft and IMMO-Bank Aktiengesellschaft

On 29 September 2020, BAWAG Group's subsidiary IMMO-Bank Aktiengesellschaft (as transferring entity) was merged into BAWAG Group's subsidiary BAWAG P.S.K. Wohnbaubank Aktiengesellschaft (as absorbing entity).

Annual general meeting 2020

On 30 October 2020, the annual general meeting of BAWAG, on the proposal of the Management Board of BAWAG, resolved to not pay dividends for the fiscal year 2019 and carry forward the entire profit available for distribution until further guidance will be provided in December 2020.

However, the earmarked 2019 dividend of EUR 230 million will be distributed independent of any potential dividend for the financial year 2020 and will be presented to be resolved upon to the next (extraordinary) general meeting in 2021, in line with BAWAG Group AG's dividend policy, and taking into consideration any further formal guidance or recommendations from the European Central Bank or governmental bodies."

8. In the section "7.4.1.1 Current members of the Management Board" on page 288 of the Base Prospectus, the text shall be deleted and replaced by the following information:

"The following table lists the positions of the members of the Management Board of BAWAG, the year they were first appointed, the expiration of their current term and activities outside of BAWAG Group where these are significant with respect to BAWAG:

Name	Position / Area of Responsibility	Year first appointed	End of Current Term	Activities outside BAWAG Group
Anas Abuzaakouk.....	Chief Executive Officer	2017	March 2026	–
Enver Sirucic	Chief Financial Officer, Deputy CEO	2017	March 2026	Member of the management board of Verband österreichischer Banken und Bankiers; member of the supervisory board of Einlagensicherung AUSTRIA Ges.m.b.H.
Stefan Barth	–	2017	December 2020	Member of the management board of Österreichische Bankwissenschaftliche Gesellschaft
David O'Leary.....	Chief Risk Officer	2017	March 2026	Member of the supervisory board of Amundi Austria GmbH
Andrew Wise	Chief Investment Officer, Head of Non-Retail Lending	2017	March 2026	–
Sat Shah	Head of Retail & SME, Deputy CEO	2017	March 2026	–

Source: Company information."

9. In the section "8.2 Structure of BAWAG P.S.K. Group" on page 293 of the Base Prospectus, the text shall be deleted and replaced by the following information:

"BAWAG P.S.K. is part of BAWAG Group and a subsidiary of BAWAG (see "8.5 Major shareholders" below). For a description of the structure of BAWAG Group see "7.2 Structure of BAWAG Group" above.

The following table provides an overview of major and other important direct and indirect subsidiaries of BAWAG P.S.K. as of the date of this Base Prospectus:

List of Subsidiaries	Registered Office
Major subsidiaries	
SÜDWESTBANK AG ¹⁾	Stuttgart
start:bausparkasse AG.....	Vienna
start:bausparkasse AG.....	Hamburg
Other important subsidiaries	
easyleasing GmbH.....	Vienna
BAWAG P.S.K. Versicherung Aktiengesellschaft	Vienna
BAWAG P.S.K. Wohnbaubank Aktiengesellschaft	Vienna
¹⁾ Intended to be merged into BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft (as absorbing entity)."	

10. In the section "8.4.1.1 Current members of the Management Board" on page 294 of the Base Prospectus, the text shall be deleted and replaced by the following information:

"The following table lists the positions of the members of the Management Board of BAWAG P.S.K., the year they were first appointed and the expiration of their current term:

Name	Position / Area of Responsibility	Year first appointed	End of Current Term
Anas Abuzaakouk.....	Chief Executive Officer	2014	March 2026
Enver Sirucic	Chief Financial Officer, Deputy CEO	2017	March 2026
Stefan Barth	–	2015	December 2020
David O'Leary.....	Chief Risk Officer	2017	March 2026
Andrew Wise	Chief Investment Officer, Head of Non-Retail Lending	2017	March 2026
Sat Shah.....	Head of Retail & SME, Deputy CEO	2015	March 2026

Source: Company information.

For activities of the members of BAWAG P.S.K.'s Management Board outside of BAWAG Group, see "7.4.1.1 Current members of the Management Board" above."

11. In the section "8.9.2 Report of Fitch Ratings Ltd." on page 296 of the Base Prospectus, the text shall be deleted and be replaced by the following information:

"On 30 October 2020, Fitch Ratings Ltd. withdrew BAWAG P.S.K.'s ratings for commercial reasons."

12. In the section "9.3.4 Safe and secure" on page 300 of the Base Prospectus, the second paragraph shall be deleted and replaced by the following information:

"Following recent funding activities, BAWAG Group targets a CET 1 ratio of 12.25%."

13. The section "9.4.2 Asset decomposition and asset split by region" on pages 301 to 303 of the Base Prospectus shall be supplemented by the following information:

"Asset decomposition as of 30 September 2020

The following table provides an overview of the asset decomposition of BAWAG Group's segments Retail & SME and Corporates & Public:

Asset decomposition	30 September 2020
(in € million)	(unaudited)
Retail & SME	
Housing loans	11,749
Consumer and SME.....	5,539
Portfolios.....	1,781
Total	19,069
Corporates & Public	
Corporate lending.....	4,264
Asset-backed lending.....	4,986
Public clients	4,335
Total	13,585

Source: Company information.

Asset split by region as of 30 September 2020

The following table provides an overview of the asset split by region of BAWAG Group's segments Retail & SME and Corporates & Public:

Asset split by region	30 September 2020
(in € million)	(unaudited)
Retail & SME	

DACH	15,984
thereof: Austria.....	12,949
Germany / CH.....	3,035
Western Europe / USA	3,085
Total	19,069
Corporates & Public	
DACH	6,853
thereof: Austria.....	5,047
Germany / CH.....	1,806
Western Europe / USA	6,732
Total	13,585

Source: Company information."

14. After the section "10.1.2.2 Selected financial information for the six-month period ended 30 June 2020" on pages 308 to 311 of the Base Prospectus, a new section "10.1.2.3 Selected financial information for the nine-month period ended 30 September 2020" is inserted with the following information:

"The following tables show selected financial information of BAWAG Group that are taken from the internal reporting of BAWAG Group:

Financial position	30 September 2020
(in € million)	(unaudited)
Cash reserves	626
Financial assets held for trading	413
Financial assets at fair value through profit or loss.....	755
Fair value through other comprehensive income.....	5,060
Financial assets at amortised cost	42,504
thereof: Customers.....	31,545
Debt instruments.....	2,280
Credit institutions	8,679
Valuation adjustment on interest rate risk hedged portfolios	20
Hedging derivatives.....	367
Tangible non-current assets	493
Intangible non-current assets	553
Tax assets for current taxes	15
Tax assets for deferred taxes	6
Other assets.....	228
Total assets	51,238
Average interest-bearing assets	40,367
Total liabilities	46,996
Financial liabilities designated at fair value through profit or loss	335
Financial liabilities held for trading	353
Financial liabilities at amortized cost.....	44,161
thereof: Customers.....	30,427
Issued bonds, subordinated and supplementary capital	6,197
Credit institutions	7,537
Financial liabilities associated with transferred assets	321

Financial position	30 September 2020
Valuation adjustment on interest rate risk hedged portfolios	373
Hedging derivatives	74
Provisions	464
Tax liabilities for current taxes	32
Tax liabilities for deferred taxes	97
Other obligations	786
Total equity	4,242
thereof: Equity attributable to the owners of the parent (ex AT 1 capital)	3,766
AT 1 capital	471
Non-controlling interests	5
Total liabilities and equity	51,238

Source: Company information.

(in € million)	30 September 2020
	(unaudited)
Customer deposits and own issues ¹⁾	36,959

¹⁾ Calculated by adding the line items 'financial liabilities designated at fair value through profit or loss', 'financial liabilities – at amortized costs – customers' and 'financial liabilities – at amortized costs – issued bonds, subordinated and supplementary capital' from BAWAG Group's internal reporting.

Source: Company information.

Profit and loss statement	For the 3-month period ended 30 September 2020	For the 9-month period ended 30 September 2020
(in € million)	(unaudited)	(unaudited)
Net interest income	234.8	682.6
Net fee and commission income	62.8	190.5
Core Revenues¹⁾	297.6	873.1
Gains and losses on financial instruments and other operating income and expenses ²⁾	(7.4)	(3.0)
Operating income	290.2	870.1
Operating expenses²⁾	(125.3)	(375.0)
Regulatory charges ²⁾	(14.2)	(53.1)
Total risk costs	(49.7)	(179.3)
Share of the profit or loss of associates accounted for using the equity method	0.3	(0.1)
Profit before tax	101.3	262.6
Income taxes	(22.3)	(60.9)
Net profit	78.8	201.2

¹⁾ The number or ratio is an APM. For a definition, see "10.1.3 Alternative performance measures" below.

- 2) In accordance with IFRS, the item 'Other operating income and expenses' also includes regulatory charges. The item 'Operating expenses' includes regulatory charges as well. However, BAWAG Group's management considers regulatory charges as a separate expense. Accordingly, they are shown separately.
- 3) Unaudited.

Source: Company information.

The following tables show selected financial information from the segment reporting of BAWAG Group for its business segments Retail & SME and Corporates & Public:

Retail & SME	For the 3-month period ended 30 September 2020	For the 9-month period ended 30 September 2020
(in € million)	(unaudited)	(unaudited)
Net interest income	165.3	499.6
Net fee and commission income	54.2	163.6
Core Revenues¹⁾	219.6	663.2
Operating income	222.3	670.1
Operating expenses	(90.3)	(270.3)
Regulatory charges	(1.0)	(26.9)
Total risk costs	(27.0)	(104.9)
Profit before tax	104.1	268.0
Net profit	78.1	201.0

¹⁾ The number or ratio is an APM. For a definition, see "10.1.3 Alternative performance measures" below.

Source: Company information.

Corporates & Public	For the 3-month period ended 30 September 2020	For the 9-month period ended 30 September 2020
(in € million)	(unaudited)	(unaudited)
Net interest income	59.3	177.2
Net fee and commission income	9.3	28.9
Core Revenues¹⁾	68.6	206.1
Operating income	67.5	206.8
Operating expenses	(19.6)	(61.3)
Regulatory charges	(1.0)	(8.5)
Total risk costs	(20.9)	(61.0)
Profit before tax	26.1	76.0
Net profit	19.6	57.0

¹⁾ The number or ratio is an APM. For a definition, see "10.1.3 Alternative performance measures" below.

Source: Company information."

15. After the section "10.1.3.2 Six-month period ended 30 June 2020" on pages 313 to 314 of the Base Prospectus, a new section "10.1.3.3 Nine-month period ended 30 September 2020" is inserted with the following information:

"The tables below sets out certain APMs that are based on the internal reporting, including segment reporting, of BAWAG Group:

	30 September 2020
	(unaudited)
BAWAG Group	
Common equity less dividend accruals (in € million)	3,435
Tangible common equity less dividend accruals (in € million)	2,882

Source: Company information.

	For the 3- month period ended 30 September 2020	For the 9- month period ended 30 September 2020
	(unaudited)	(unaudited)
BAWAG Group		
Return on common equity	9.3%	8.0%
Return on tangible common equity	11.1%	9.6%
Net Interest Margin	2.31%	2.30%
Cost-Income Ratio	43.2%	43.1%
Core Revenues (in € million) ...	297.6	873.1
Risk Cost Ratio	0.49%	0.60%
Retail & SME		
Return on tangible common equity	25.1%	21.2%
Core Revenues (in € million)	219.6	663.2
Cost-Income Ratio	40.6%	40.3%
Corporates & Public		
Return on tangible common equity	9.0%	8.8%
Core Revenues (in € million)	68.6	206.1
Cost-Income Ratio	29.0%	29.6%

Source: Company information."

16. After the section "11.1.3 Regulatory figures and ratios for the six-month period ended 30 June 2020" on pages 318 to 319 of the Base Prospectus, a new section "11.1.4 Regulatory figures and ratios for the three month period ended 30 September 2020" is inserted with the following information:

"The following table shows key regulatory figures and ratios of BAWAG Regulatory Group, including information for the business segments Retail & SME and Corporates & Public:

	As of
Regulatory figures and ratios¹⁾	30 September 2020
	(unaudited)
BAWAG Group	
Common Equity Tier 1 capital (in € million) ¹⁾	2,832
Own funds (in € million) ¹⁾	3,971
Total risk-weighted assets (in € million)	20,246
Common equity tier 1 (CET 1) ratio (fully loaded) ¹⁾	14.0%
Tier 1 ratio ¹⁾	16.3%
Total capital ratio ¹⁾	19.6%

Regulatory figures and ratios ¹⁾	As of
	30 September 2020
Leverage ratio (fully loaded) ²⁾	6.4%
Liquidity coverage ratio ³⁾	190%
NPL ratio ³⁾	1.5%
Retail & SME	
NPL ratio ³⁾	1.9%
Corporates & Public	
NPL ratio ³⁾	1.1%

¹⁾ Calculated in accordance with regulatory requirements.

²⁾ Includes deductions of approximately € 230 million dividend earmarked for the financial year 2019 and accruals of approximately € 101 million for the nine-month period ended 30 September 2020 (dividend accrual in line with BAWAG Group's dividend policy of 50% payout ratio of net profits).

³⁾ The leverage ratio is calculated pursuant to Article 429 CRR as an institution's capital measure divided by that institution's total exposure measure, expressed as a percentage, and is designed to discourage the build-up of excessive leverage by the Issuer.

⁴⁾ Calculated in accordance with Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions. The liquidity coverage ratio, according to Article 412 (1) CRR, is designed to promote short-term resilience of the BAWAG Regulatory Group's liquidity risk profile and aims to ensure that the Issuer has an adequate stock of unencumbered high quality liquid assets (HQLA) to meet its liquidity needs for a 30 calendar day liquidity stress scenario.

⁵⁾ Calculated as the sum of non-performing loans and advances divided by total gross loans and advances (exposure) in accordance with the European Banking Associations' Implementing Technical Standard (ITS) on Supervisory Reporting (Forbearance and non-performing exposures).

Source: Company information."

17. In the section "11.2 Minimum requirement for own funds and eligible liabilities" on pages 319 to 320 of the Base Prospectus, the fifth paragraph shall be deleted and replaced by the following information:

"Based on BAWAG P.S.K.'s financial information as of 30 September 2020 and applying the hybrid approach, an additional € 0.4 billion of MREL instruments would be necessary to meet the new 11.93% MREL requirement, which is only binding from the second calendar quarter of 2023."

ADDRESSES

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