

Fourth Supplement
dated 21 October 2022
to the Base Prospectus dated 4 April 2022

This fourth supplement (the "**Fourth Supplement**") constitutes a supplement within the meaning of Article 23 paragraph 1 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 –

**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 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 Fourth 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 this Fourth 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 Fourth 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 April 2022, 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). The First Supplement was published on 10 May 2022, the Second Supplement was published on 8 August 2022 and the Third Supplement was published on 2 September 2022, each 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). This Fourth 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 Fourth Supplement has been approved by the CSSF, has been filed with said authority and will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of BAWAG Group (www.bawaggroup.com).

This Fourth Supplement should only be distributed in connection with the Base Prospectus, the First Supplement, the Second Supplement and the Third Supplement. It should only be read in conjunction with the Base Prospectus, the First Supplement, the Second Supplement and the Third Supplement.

Each Issuer accepts responsibility for the information contained in this Fourth Supplement and hereby declares, that having taken all reasonable care to ensure that such is the case, the information contained in this Fourth 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 Fourth Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Base Prospectus.

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

In accordance with Article 23 paragraph 2a of the Prospectus Regulation, investors who had already agreed to purchase or subscribe for the securities before this Fourth supplement was published and where the securities had not yet been delivered to the investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted, have the right, exercisable within three working days after the publication of this Supplement, to withdraw their acceptances. The final date of the right of withdrawal will be 26 October 2022. Investors should contact BAWAG Group's head of investor relations (investor.relations@bawaggroup.com) for the exercise of the right of withdrawal.

This Fourth Supplement may only be used for the purpose for which it has been published as set out below. This Fourth 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 Fourth 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 "7.3.1 Statement of no material adverse change / significant changes" on page 306 of the Base Prospectus, the second paragraph as supplemented by the Third Supplement shall be deleted and replaced by the following information:

"There has been no significant change in the financial performance of BAWAG Group since 30 September 2022, the end of the last financial period for which financial information has been published, to the date of this Base Prospectus."

2. In the section "7.3.2 Recent developments and outlook", the second paragraph under the sub-heading "Recent funding activities" on page 306 of the Base Prospectus as supplemented by the Third Supplement shall be deleted and replaced by the following information:

"On the back of € 1.0 billion mortgage covered bond issuances in 2019, BAWAG P.S.K. issued notes covered by a mortgage-backed pool of assets in the amount of € 500 million and € 750 million under the Programme in the first and third quarter 2020, respectively, followed by further issuances: notes covered by a mortgage-backed pool of assets in the amount of € 500 million in the fourth quarter 2020 (both with 0.01% coupon), notes covered by a mortgage-backed pool of assets in the amount of € 500 million in the first quarter 2021 (due 2041 with 0.0375% coupon), notes covered by a mortgage-backed pool of assets in the amount of € 500 million in the second quarter 2021 (due 2031 with 0.100% coupon), notes covered by a mortgage-backed pool of assets in the amount of € 500 million in the third quarter 2021 (due 2029 with 0.01% coupon), notes covered by a mortgage-backed pool of assets in the amount of € 500 million in the first quarter 2022 (due 2032 with 0.25% coupon), notes covered by a mortgage-backed pool of assets in the amount of € 750 million in the second quarter 2022 (due 2028 with 1.125% coupon), notes covered by a mortgage-backed pool of assets in the amount of € 1,250 million in the third quarter 2022 (due 2032 with 2.000% coupon) and senior preferred notes in the amount of CHF 125 million also in the third quarter (due 2025 with 2.870% coupon)."

3. In the section "7.7 Significant change in the financial position of BAWAG GROUP", the first paragraph on page 310 of the Base Prospectus as supplemented by the Third Supplement shall be deleted and replaced by the following information:

"No significant change in the financial position of BAWAG Group has occurred since 30 September 2022."

4. The section "9.4.2 Asset decomposition and asset split by region" on page 323 of the Base Prospectus as supplemented by the Second Supplement shall be supplemented by the following information:

"Asset decomposition as of 30 September 2022

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

Asset decomposition	30 September 2022
(in € million)	(unaudited)
Retail & SME	
Housing loans	16,160
Consumer and SME	6,348
Total	22,508
Corporates, Real Estate & Public Sector	
Corporates	4,085
Real Estate	6,607
Public Sector	4,246
Short-term/money market lending	487

Asset decomposition	30 September 2022
Total	15,425

Source: Company information.

Asset split by region as of 30 September 2022

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

Asset split by region	30 September 2022
(in € million)	(unaudited)
Retail & SME	
DACH/NL.....	20,628
Western Europe / USA.....	1,880
Total	22,508
Corporates, Real Estate & Public Sector	
DACH/NL.....	6,677
Western Europe / USA.....	8,748
Total	15,425

Source: Company information."

5. In the section "10.1.3 Selected financial information" on pages 326 to 330 of the Base Prospectus, after the sub-heading "*Selected financial information for the six month period ended 30 June 2022*" (as supplemented by the Second Supplement), a new sub-heading "*Selected financial information for the nine month period ended 30 September 2022*" is inserted with the following information:

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

Financial position	30 September 2022
(in € million)	(unaudited)
Total assets	
Cash reserves.....	965
Financial assets held for trading	156
Financial assets at fair value through profit or loss	610
Financial assets at fair value through other comprehensive income	2,687
Financial assets at amortised cost.....	50,821
thereof: Customers	36,705
Debt instruments	2,973
Credit institutions	11,143
Financial assets at valuation adjustment on interest rate risk hedged portfolios	(635)
Financial assets at hedging derivatives	149
Tangible non-current assets.....	369
Intangible non-current assets.....	529

Financial position	30 September 2022
Tax assets for current taxes	26
Tax assets for deferred taxes	15
Other assets	300
Non-current assets held for sale	5
Total assets	55,997
Average interest-bearing assets¹⁾ ...	44,733
Total liabilities	51,952
Financial liabilities designated at fair value through profit or loss	207
Financial liabilities held for trading	773
Financial liabilities at amortized cost ...	49,732
thereof: Customers	33,985
Issued securities	8,617
Credit institutions	7,130
Financial liabilities associated with transferred assets	393
Valuation adjustment on interest rate risk hedged portfolios	(846)
Hedging derivatives	405
Provisions	276
Tax liabilities for current taxes	26
Tax liabilities for deferred taxes	84
Other obligations	902
Total equity	4,045
thereof: Shareholders' equity	3,569
AT 1 capital	471
Non-controlling interests ...	5
Total liabilities and equity	55,997

¹⁾ Interest-bearing assets are calculated as the sum of the line items financial assets at fair value through profit or loss, fair value through other comprehensive income and financial assets at amortised cost, each as shown in the table above, less assets held at central banks. Average interest-bearing assets as of the end of a quarterly period ending on the dates shown in the table above are calculated by adding the amount of interest-bearing assets as of the end of such quarterly period and the amount of interest-bearing assets as of the end of the immediately preceding quarterly period and dividing such sum by two.

Source: Company information.

(in € million)	30 September 2022 (unaudited)
Customer deposits and own issues ¹⁾ ..	42,809
Customer loans (average)	36,804
Customer deposits (average)	34,219

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 9-month period ended 30 September 2022	For the 9-month period ended 30 September 2022 adjusted¹⁾
(in € million)	(unaudited)	(unaudited)
Net interest income	751.4	751.4
Net fee and commission income	234.2	234.2
Core Revenues¹⁾	985.6	985.6
Gains and losses on financial instruments and other operating income and expenses ²⁾	7.5	7.5
Operating income	993.1	993.1
Operating expenses²⁾	(356.7)	(356.7)
Pre-Provision Profit¹⁾	636.4	636.4
Regulatory charges ²⁾	(49.0)	(49.0)
Total risk costs.....	(340.1)	(85.8)
ECL Management overlay.....	(82)	(82)
Share of the profit or loss of associates accounted for using the equity method.....	2.1	2.1
Profit before tax	249.4	503.7
Income taxes.....	(62.8)	(126.6)
Net profit	186.4	376.9

¹⁾ Adjusted: Values without the effect of the City of Linz court decision (excludes write-off of City of Linz receivable of €254 million (€190 million after tax)).

¹⁾ The number or ratio is an APM. For a definition, see "10.1.4 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.

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, Real Estate & Public Sector:

Retail & SME	For the 9-month period ended 30 September 2022
(in € million)	(unaudited)
Net interest income	546.3
Net fee and commission income	209.5
Core Revenues¹⁾	755.8
Operating income	759.2
Operating expenses	(257.4)
Pre-Provision Profit¹⁾	501.8
Regulatory charges.....	(19.9)
Total risk costs.....	(58.8)
Profit before tax	423.1
Income taxes.....	(105.8)
Net profit	317.3

¹⁾ Calculated as the line item 'Operating income' less the line item 'Operating expenses'.

Source: Company information.

Corporates, Real Estate & Public Sector	For the 9-month period ended 30 September 2022
(in € million)	(unaudited)
Net interest income	196.4
Net fee and commission income	25.8
Core Revenues¹⁾	222.2
Operating income	242.4
Operating expenses	(54.4)
Pre-Provision Profit¹⁾	188.0
Regulatory charges.....	(11.2)
Total risk costs.....	(23.0)
Profit before tax	153.8
Income taxes.....	(38.4)
Net profit	115.4

¹⁾ Calculated as the line item 'Operating income' less the line item 'Operating expenses'.

Source: Company information."

6. In the section "10.1.4 Alternative performance measures" on pages 331 to 334 of the Base Prospectus, after the sub-heading "*Financial information for the six months period ended 30 June 2022*" (as supplemented by the Second Supplement), a new sub-heading "*Financial information for the nine month period ended 30 September 2022*" 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 2022
	(unaudited)
BAWAG Group	
Shareholders' equity	3,569
Dividend accruals (in € million)	207
Common Equity	3,207
Shareholders equity.....	3,569
Intangible non-current asset.....	529
Dividend accruals (in € million)	207
Tangible Common Equity (in € million)	2,678

Source: Company information.

	For the 9- month period ended 30 September 2022	For the 9- month period ended 30 September 2022 adjusted ¹⁾
	(unaudited)	(unaudited)
BAWAG Group		
Return on common equity	7.6%	15.4%
Return on Tangible Common Equity	9.1%	18.4%
Net Interest Margin	2.29%	2.29%
Cost-Income Ratio	35.9%	35.9%
Core Revenues (in € million)	985.6	985.6
Pre-Provision Profit (in € million) ..	636.4	636.4
Risk Costs/interest bearing assets	1.04%	0.26%
Retail & SME		
Return on Common Equity	28.2%	
Return on Tangible Common Equity	33.2%	
Core Revenues (in € million)	755.8	
Pre-Provision Profit (in € million) ..	501.8	
Cost-Income Ratio	33.9%	
Risk Costs/interest bearing assets	0.36%	
Corporates, Real Estate & Public Sector		
Return on Common Equity	14.6%	
Return on Tangible Common Equity	18.2%	
Core Revenues (in € million)	222.2	
Pre-Provision Profit (in € million) ..	188.0	
Cost-Income Ratio	22.4%	
Risk Costs/interest bearing assets	0.20%	

¹⁾ Adjusted: Values without the effect of the City of Linz court decision (excludes write-off of City of Linz receivable of €254 million (€190 million after tax)).

Source: Company information."

7. After the section "11.1.4 Regulatory figures and ratios for the six month period ended 30 June 2022" on page 338 of the Base Prospectus (as supplemented by the Second Supplement), a new section "11.1.5 Regulatory figures and ratios for the nine month period ended 30 September 2022" 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, Real Estate & Public:

Regulatory figures and ratios ^{*)}	As of 30 September 2022 (unaudited)
BAWAG Group	
Common Equity Tier 1 capital (in € million) ¹⁾	2,764
Own funds (in € million) ¹⁾	3,993
Total risk-weighted assets (in € million)	21,343
Common equity tier 1 (CET 1) ratio (fully loaded) ¹⁾	13.0%
Tier 1 ratio ¹⁾	15.1%
Total capital ratio ¹⁾	18.0%
Leverage ratio (fully loaded) ²⁾	5.7%
Liquidity coverage ratio ³⁾	207%
NPL ratio ⁴⁾	1.0%
Retail & SME	
NPL ratio ⁴⁾	1.9%
Risk-weighted assets (in € million)	9,500
Corporates, Real Estate & Public	
NPL ratio ⁴⁾	0.7%
Risk-weighted assets (in € million)	8,287

^{*)} Calculated in accordance with regulatory requirements.

¹⁾ Includes deductions of approximately € 207 million dividend earmarked for the financial year 2022. In addition to the dividend, share buybacks in an amount of € 325 million are deducted. Based on the deduction of the ongoing share buyback, the CET 1 ratio would be 13.0%.

²⁾ The leverage ratio is calculated pursuant to Article 429 CRR II 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.

³⁾ 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 II, 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. As of 30 September 2022, the liquidity buffer amounts to € 10.1 billion and € 12.6 billion including other marketable securities, respectively.

⁴⁾ 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."

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