

SUPREME COURT DECISION: SWAP CONTRACT BETWEEN CITY OF LINZ AND BAWAG IS INVALID

VIENNA, August 29, 2022 – Today, the Austrian Supreme Court ruled in favor of the City of Linz regarding the contractual validity of the swap contract entered into between BAWAG and the City of Linz 15 years ago. BAWAG has firmly held to the belief that the contract was valid; however, today's judgment of contract invalidity now clarifies one aspect of a prolonged legal case.

As a result of the ruling, BAWAG will be taking a full write-off of € 254 million related to the City of Linz receivable on the balance sheet. This write-off will have no impact on our capital distribution plans, as the bank has fully absorbed the impact in regulatory capital in prior years. No decision has yet been passed on the mutual claims; however, BAWAG will pursue damage claims against the City of Linz in the absence of a reasonable settlement.

"Unfortunately, the Austrian Supreme Court has ruled that the contract with the City of Linz was deemed invalid. It is now time to turn the chapter and look to the future. I hope that reasonable parties come together and settle outstanding damages tied to this contract", comments CEO **Anas Abuzaakouk** on today's ruling of the Austrian Supreme Court.

About BAWAG Group

BAWAG Group AG is a publicly listed holding company headquartered in Vienna, Austria, serving 2.2 million retail, small business, corporate, real estate and public sector customers across Austria, Germany, Switzerland, Netherlands, Western Europe, and the United States. The Group operates under various brands and across multiple channels offering comprehensive savings, payment, lending, leasing, investment, building society, factoring and insurance products and services. Our goal is to deliver simple, transparent, and affordable financial products and services that our customers need.

BAWAG Group's Investor Relations website <https://www.bawaggroup.com/ir> contains further information, including financial and other information for investors.

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