

**BAWAG Group AG**  
Vienna, FN 269842 b  
(the „Company“ or „BAWAG“)

**PROPOSAL FOR THE APPROPRIATION OF PROFIT**

of the

**Management Board**

of

**BAWAG Group AG**

registered under FN 269842 b with the companies register held by the Commercial Court Vienna

on **AGENDA ITEM 2** of the **ANNUAL GENERAL MEETING**

which will be held on April 30, 2019, 11:00 a.m., Vienna Time,  
Studio 44, Rennweg 44, 1038 Vienna

as follows:

*Of the profit available for distribution recognized in the annual financial statements of BAWAG Group AG as of December 31, 2018 in the amount of EUR 3,282,219,411.72, each share entitled to a dividend will receive EUR 2.1782, adding up to a maximum of EUR 215,200,000.00, and the remaining amount will be carried forward to new account. The Company does not have any rights to receive dividends with regard to the own shares held by the Company. The dividend will be paid out on May 10, 2019.*

*The dividend payment is classified as a repayment of capital under Austrian tax law (Section 4 para 12 of the Austrian Income Tax Act). The dividend is therefore not subject to Austrian withholding tax and tax neutral in Austria for natural persons. The dividend will therefore be distributed to shareholders on the dividend payment date without deduction of Austrian withholding tax of 27.5%. The repayment of capital, however, reduces the acquisition costs of BAWAG Group AG shares applicable for Austrian tax purposes. The reduction of the acquisition costs can result in increased taxable capital gains, particularly for natural persons who are resident for tax purposes in Austria, if the BAWAG Group AG shares are sold at a profit at a later point in time.*

Vienna, this March 2019

The Management Board