

**Third Supplement dated 20 December 2019  
to the Base Prospectus dated 18 March 2019  
as supplemented by  
the First Supplement dated 5 June 2019, and  
the Second Supplement dated 19 August 2019**

*This document constitutes a supplement (the "Third Supplement") for the purposes of Article 13 of the Luxembourg Law on Prospectuses (as defined below) in connection with Article 46 para. 3 of Regulation (EU) 2017/1129 to two base prospectuses: (i) the base prospectus of BAWAG Group AG in respect of non-equity securities within the meaning of Article 22 (6) no.(4) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended, ("Non-Equity Securities") and (ii) the base prospectus of BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft in respect of Non-Equity Securities (together, the "Debt Issuance Programme Prospectus" or the "Base Prospectus").*

This Third Supplement is supplemental to, and should be read in conjunction with the Debt Issuance Programme Prospectus dated 18 March 2019, as supplemented by the First Supplement dated 5 June 2019 (the "First Supplement") and the Second Supplement dated 19 August 2019 (the "Second Supplement").



**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 dated 10 July 2005 (*Loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières*), as amended (the "**Luxembourg Law on Prospectuses**"), to provide the competent authorities in the Federal Republic of Germany and the Republic of Austria as soon as possible after approval of this Third Supplement has been granted, with a certificate of such approval (the "**Notification**") attesting that the Third Supplement has been drawn up in accordance with the Luxembourg Law on Prospectuses. The Issuer may request the CSSF to provide competent authorities in additional host Member States within the European Economic Area with a Notification.

This Third Supplement has been prepared following the publication of the half-year financial reports by BAWAG Group AG and BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft, respectively, and in order to account for recent changes of regulatory banking laws.

This Third Supplement will be published in the same way as the Debt Issuance Programme Prospectus in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and will be available free of charge at the specified offices of the Issuers.

**In accordance with Article 13 paragraph 2 of the Luxembourg Law on Prospectuses, where the Debt Issuance Programme Prospectus relates to an offer of Notes to the public, investors who have already agreed to purchase or subscribe for Notes before this Third Supplement is published have the right, exercisable within a time limit of two working days after the publication of this Third Supplement, until 24 December 2019, to withdraw their acceptances provided that the new factor, mistake or inaccuracy referred to in Article 13 paragraph 1 of the Luxembourg Law on Prospectuses arose before the final closing of the offer to the public and the delivery of the Notes.**

**This Third Supplement may only be used for the purpose for which it has been published as set out below. This Third 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 Third Supplement does not constitute an offer or an invitation to subscribe for or purchase any of the Notes.**

BAWAG with its registered office in Vienna, Austria, and BAWAG P.S.K. with its registered office in Vienna, Austria, accept responsibility for the information given in this Third Supplement.

Each Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Third Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

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

This Third Supplement shall only be distributed in connection with and should only be read in conjunction with the Base Prospectus.

To the extent that there is any inconsistency between any statement in this Third Supplement and any other statement in or incorporated by reference in the Base Prospectus, the statements in this Third Supplement will prevail.

Save as disclosed in this Third 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.

Each Issuer has confirmed to the Dealers that the Base Prospectus and this Third Supplement contain all information with regard to the Issuers and the Notes which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuers and the rights attaching to the Notes which is material in the context of the Programme and the issue and offering of Notes thereunder; that the information contained therein with respect to the Issuers and the Notes is accurate and complete in all material respects and is not misleading; that the opinions and intentions expressed therein with respect to the Issuers and the Notes are honestly held; that there are no other facts with respect to the Issuers or the Notes the omission of which would make the Base Prospectus and this Third Supplement misleading in any material respect; and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained therein.

No person has been authorised to give any information which is not contained in or not consistent with the Base Prospectus or this Third Supplement or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as in the public domain and, if given or made, such information must not be relied upon as having been authorised by the Issuers, the Dealers or any of them.

To the extent permitted by the laws of any relevant jurisdiction, neither the Arranger nor any Dealer nor any other person mentioned in the Base Prospectus or this Third Supplement, excluding the Issuers, is responsible for the information contained in the Base Prospectus or this Third Supplement or any Final Terms or any other document incorporated therein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

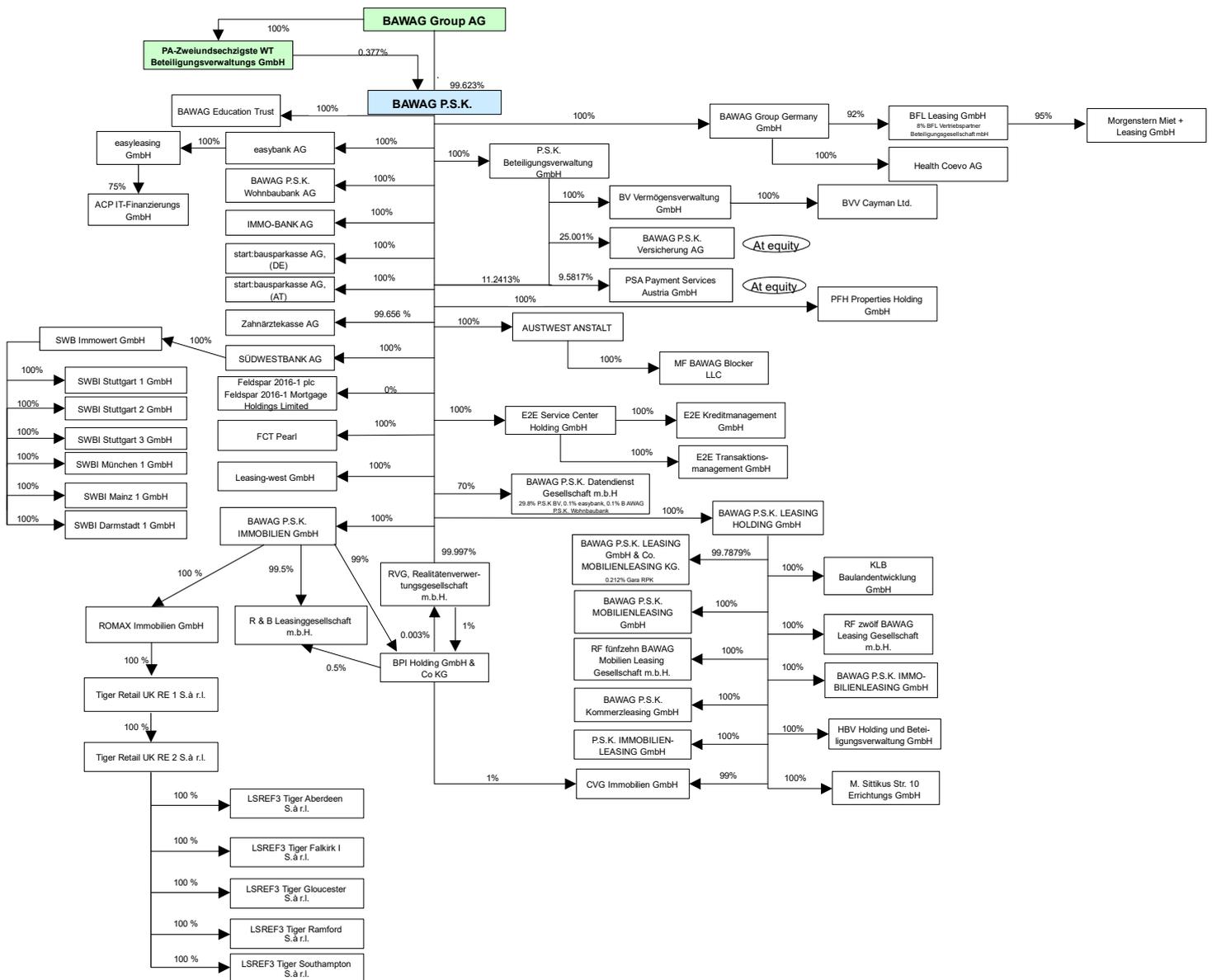
**The following changes are made to the Base Prospectus**

**1. The following information shall replace Element B.5 of the Summary on pages 10 and 11 of the Base Prospectus:**

**"B.5 Issuer's Group and its position within**

BAWAG is the parent company of the BAWAG group (BAWAG together with its consolidated subsidiaries, the "**BAWAG Group**", and together with its subsidiaries which are subject to consolidated supervision, the "**BAWAG Regulatory Group**"). BAWAG's business activities are carried out by its operating subsidiary BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft ("**BAWAG P.S.K.**"). Major holdings of BAWAG P.S.K. comprise, *inter alia*, easybank AG, start.bausparkasse AG (Vienna, Republic of Austria), BAWAG P.S.K. Wohnbaubank Aktiengesellschaft, IMMO-BANK Aktiengesellschaft, start.bausparkasse AG (Hamburg, Federal Republic of Germany) and SÜDWESTBANK AG.

The chart below shows BAWAG Group as of 20 December 2019:



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**2. The following information shall replace Element B.13 of the Summary on page 13 of the Base Prospectus (as replaced by the Second Supplement):**

**"B.13 Recent Developments** On 26 November 2019, BAWAG published the results of its share repurchase offer. 10,857,763 shares in BAWAG were repurchased at a price of € 36.84 per share and cancelled with effect as of 4 December 2019.

On 29 October 2019, BAWAG published quarterly results as of and for the nine-month period ended 30 September 2019 for BAWAG Group, including the following key figures set out in the tables below (unaudited):

Statement of financial position	30 September 2019	30 September 2018
<b>(in € million)</b>		
<b>Total assets</b> .....	<b>45,970</b>	<b>44,864</b>
<b>Customer loans and receivables</b> .....	<b>30,737</b>	<b>30,305</b>
<b>Customer deposits and own issues</b> .....	<b>35,408</b>	<b>35,397</b>
IFRS equity <sup>1)</sup> .....	3,803	3,648
IFRS tangible equity .....	3,247	3,151
Risk-weighted assets <sup>2)</sup> .....	20,612	20,305

<sup>1)</sup> Equity attributable to the owners of the parent; excl. minorities and AT1 capital.

<sup>2)</sup> Based on regulatory IFRS CRR figures (BAWAG Group, fully loaded).

Profit or loss statement	As of and for the nine-month period ended 30 September	
	2019	2018
<b>(in € million)</b>		
Net interest income .....	655.0	624.2
Net fee and commission income .....	213.5	212.6
<b>Core Revenues<sup>1)</sup></b> .....	<b>868.5</b>	<b>836.8</b>
Gains and losses on financial instruments and other operating income and expenses .....	57.7	44.0
<b>Operating income</b> .....	<b>926.2</b>	<b>880.8</b>
<b>Operating expenses<sup>2)</sup></b> .....	<b>(395.8)</b>	<b>(381.1)</b>
Regulatory charges <sup>2)</sup> .....	(39.2)	(41.6)
Total risk costs .....	(44.3)	(31.9)
<b>Profit before tax</b> .....	<b>450.5</b>	<b>430.1</b>
Income taxes .....	(107.6)	(101.9)
<b>Net profit<sup>3)</sup></b> .....	<b>342.9</b>	<b>328.1</b>

<sup>1)</sup> The figure or ratio is an APM. For a description, see Element "B.12 Selected historical key financial information".

<sup>2)</sup> In accordance with IFRS, the item other operating income and operating expenses also includes regulatory charges. However, BAWAG's management considers regulatory charges as a separate expense. Accordingly, it is shown in a separate expense line.

<sup>3)</sup> Profit after tax attributable to owners of the parent.

Key ratios	30 September 2019	30 September 2018
	<b>(unaudited)</b>	
Common Equity Tier 1 (CET 1) ratio (fully loaded) .....	15.7% <sup>1)</sup>	15.2%
Total capital ratio (fully loaded) .....	19.5%	17.2%

<sup>1)</sup> Considering normalized regulatory charges (85% of the regulatory charges for the financial year 2019 were booked in the first quarter of 2019), the share buyback in a total amount of € 400 million, the dividend payment in a total amount of approximately € 215 million for the financial year 2018 in 2019 and the dividend accrual for the first three quarters of 2019, the Common Equity Tier 1 (CET 1) ratio (fully loaded) of BAWAG Group would have been 13.0% as of 30 September 2019.

Key ratios	For the nine-month period ended 30 September	
	2019	2018
	(unaudited)	
Return on common equity <sup>1)</sup> .....	12.2%	12.3%
RoTCE <sup>2)</sup> .....	14.2% <sup>4)</sup>	14.3%
Net Interest Margin <sup>3)</sup> .....	2.28%	2.19%
Cost-Income Ratio <sup>3)</sup> .....	42.7%	43.3%

- 1) Prior to 1 January 2019, BAWAG reported this key ratio as 'Return on equity' or 'RoE'. The method of calculation has remained unchanged. The ratio is an APM. For a description, see Element "B.12 Selected historical key financial information".
- 2) Return on Tangible Common Equity. Prior to 1 January 2019, BAWAG reported this key ratio as 'Return on Tangible Equity' or 'RoTE'. The method of calculation has remained unchanged. The ratio is an APM. For a description, see Element "B.12 Selected historical key financial information".
- 3) The ratio is an APM. For a description, see Element "B.12 Selected historical key financial information".
- 4) Considering normalized regulatory charges (85% of the regulatory charges for the financial year 2019 were booked in the first quarter of 2019), the share buyback in a total amount of € 400 million and the dividend accrual for the first three quarters of 2019, the Common Equity Tier 1 (CET 1) ratio (fully loaded) of BAWAG Group would have been 13.0% as of 30 September 2019. On this basis, RoTCE for the nine-month period ended 30 September 2019 would have been 17.7%."

**3. The following information shall replace Element B.16 of the Summary on page 14 of the Base Prospectus (as replaced by the First Supplement):**

**"B.16 Controlling Persons** Major shareholders of BAWAG Group AG are several funds and accounts under management of GoldenTree ("**GoldenTree Shareholders**") as well as several funds and accounts under management of T. Rower Price Group, Inc., and several funds and accounts under management of Wellington Management Group LLP holding 21.82%, 5.61% and 4.91% of BAWAG Group AG's total number of outstanding shares as at 4 December 2019, respectively. The remaining free float shares of BAWAG are held by a variety of Austrian and non-Austrian minorities."

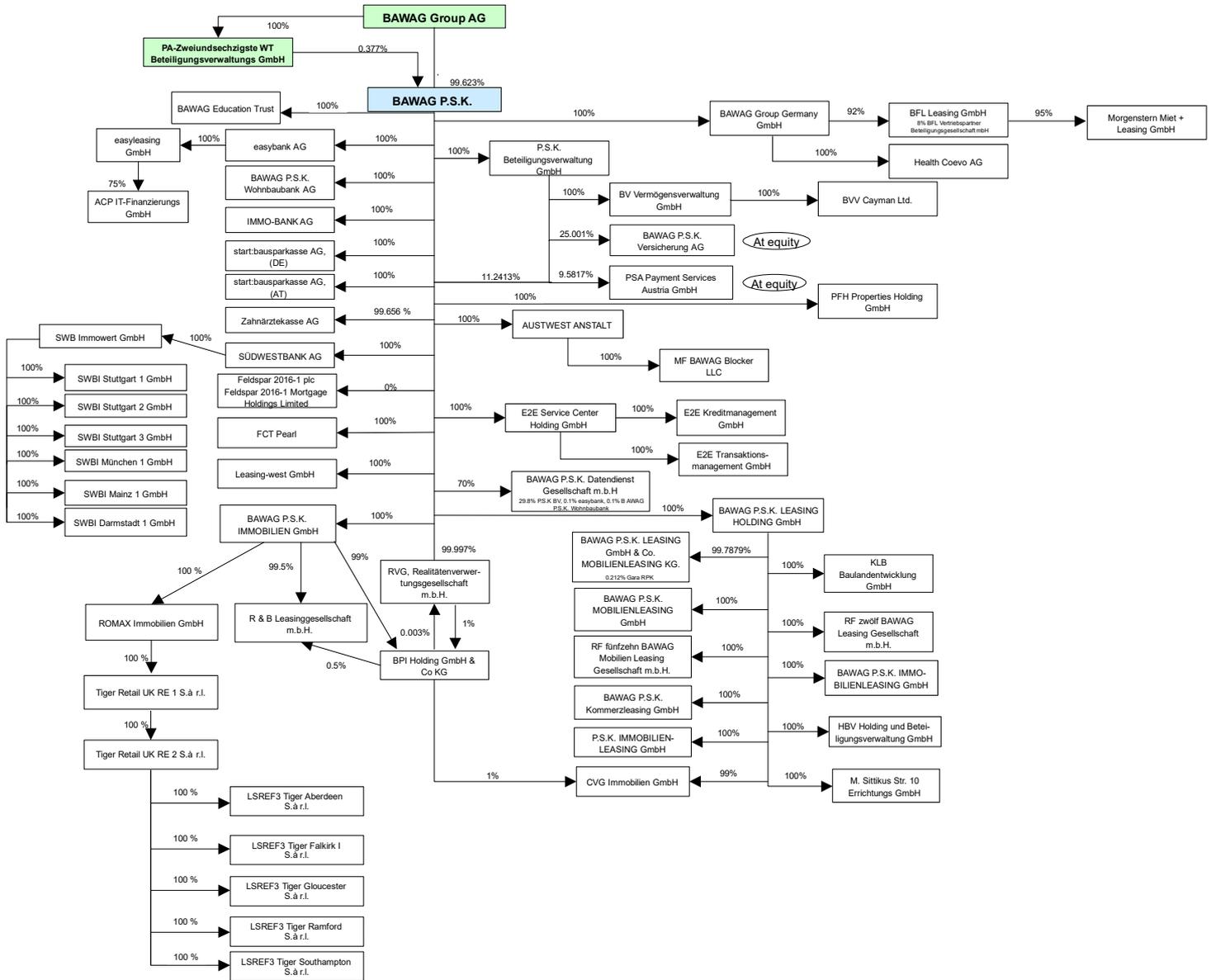
**4. The following information shall replace Element B.5 of the Summary on pages 16 and 17 of the Base Prospectus:**

**"B.5 Issuer's Group and its position within** The Issuer is wholly owned (directly and indirectly) by BAWAG Group AG (BAWAG Group AG together with its consolidated subsidiaries, the "**BAWAG Group**", and together with its subsidiaries which are subject to consolidated supervision, the "**BAWAG Regulatory Group**"), a stock corporation, the shares of which are listed on the Vienna Stock Exchange.

Major holdings of the Issuer comprise, *inter alia*, easybank AG, start.bausparkasse AG (Vienna, Republic of Austria), BAWAG P.S.K. Wohnbaubank Aktiengesellschaft, IMMO-BANK Aktiengesellschaft, start.bausparkasse AG (Hamburg, Federal Republic of Germany) and SÜDWESTBANK AG (BAWAG P.S.K. together with its

consolidated subsidiaries, the "BAWAG P.S.K. Group").

The chart below shows BAWAG Group, including BAWAG P.S.K. Group, as of 20 December 2019:



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**5. The following information shall replace Element B.16 of the Summary on page 20 of the Base Prospectus (as replaced by the First Supplement):**

**"B.16 Controlling Persons**

The Issuer is wholly owned (directly and indirectly) by BAWAG Group AG. Major shareholders of BAWAG Group AG are several funds and accounts under management of GoldenTree ("GoldenTree Shareholders") as well as several funds and accounts under management of T. Rower Price Group, Inc., and several funds and accounts under management of Wellington Management Group LLP holding 21.82%, 5.61% and 4.91% of BAWAG Group AG's total

number of outstanding shares as at 4 December 2019, respectively. The remaining free float shares of BAWAG Group AG are held by a variety of Austrian and non-Austrian minorities."

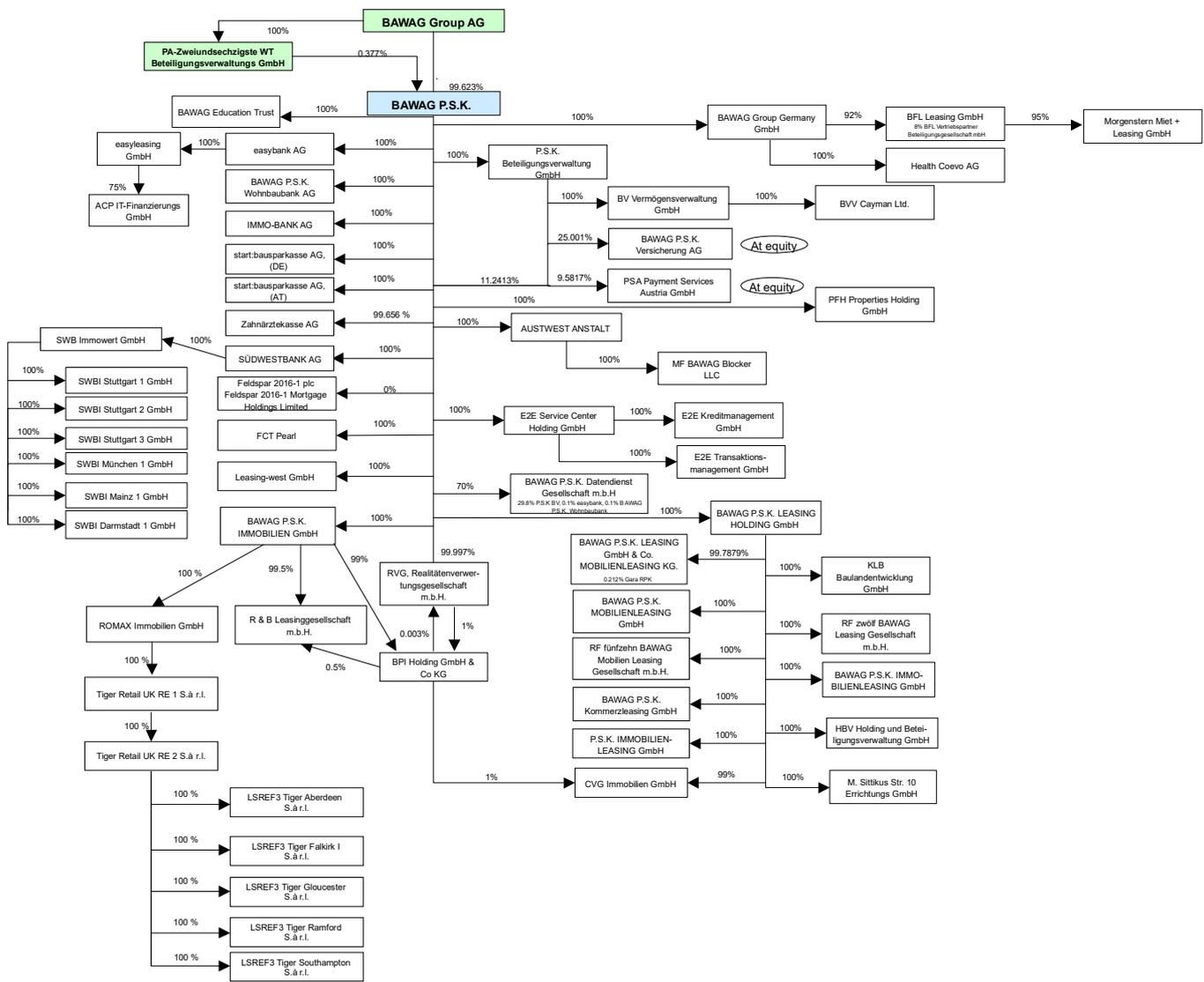
**6. The following information shall replace Element B.5 of the German Translation of the Summary on pages 37 and 38 of the Base Prospectus:**

**"B.5 Beschreibung der Gruppe und der Stellung der Emittentin darin**

BAWAG ist die Muttergesellschaft der BAWAG Gruppe (BAWAG gemeinsam mit ihren konsolidierten Tochtergesellschaften die "**BAWAG Gruppe**" und gemeinsam mit ihren Tochterunternehmen, die der konsolidierten Aufsicht unterliegen, die "**Regulatorische BAWAG Gruppe**").

Die Geschäftstätigkeiten der BAWAG werden von ihrer operativen Tochtergesellschaft BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft ("**BAWAG P.S.K.**") durchgeführt. Wesentliche Beteiligungen der BAWAG P.S.K. umfassen, unter anderem, easybank AG, start:bausparkasse AG (Wien, Republik Österreich), BAWAG P.S.K. Wohnbaubank Aktiengesellschaft, IMMO-BANK Aktiengesellschaft, start:bausparkasse AG (Hamburg, Bundesrepublik Deutschland), und SÜDWESTBANK AG.

Das nachfolgende Konzerndiagramm zeigt die BAWAG Gruppe zum 20. Dezember 2019:



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**7. The following information shall replace Element B.13 of the German Translation of the Summary on page 40 of the Base Prospectus (as replaced by the Second Supplement):**

**"B.13 Jüngste Entwicklungen**

Am 26. November 2019 veröffentlichte die BAWAG die Ergebnisse ihres Aktienrückkaufs. 10.857.763 Aktien der BAWAG wurden zu einem Preis von € 36,84 je Aktie zurückgekauft und mit Wirkung zum 4. Dezember 2019 eingezogen.

Am 29. Oktober 2019 veröffentlichte die BAWAG Quartalsfinanzergebnisse zum und für den am 30. September 2019 endenden 9-Monats-Zeitraum für die BAWAG Gruppe, einschließlich der nachfolgenden Kennzahlen wie in den untenstehenden Tabellen aufgeführt (ungeprüft):

Bilanz (in Mio. €)	30. September 2019	30. September 2018
<b>Bilanzsumme</b>	<b>45.970</b>	<b>44.864</b>
<b>Kredite und Forderungen an Kunden</b>	<b>30.737</b>	<b>30.305</b>

<b>Kundeneinlagen und eigene Emissionen</b>	<b>35.408</b>	<b>35.397</b>
IFRS-Eigenkapital <sup>1)</sup>	3.803	3.648
IFRS-Eigenkapital abzgl. Immaterieller Vermögenswerte	3.247	3.151
Risikogewichtete Aktiva <sup>2)</sup>	20.612	20.305

<sup>1)</sup> Eigenkapital, das den Eigentümern des Mutterunternehmens zurechenbar ist; exklusive nicht beherrschende Anteile.

<sup>2)</sup> Basierend auf regulatorischen Werten nach IFRS CRR (BAWAG Gruppe, fully loaded).

Erfolgsrechnung (in Mio. €)	Zum und für den 9-Monats-Zeitraum bis zum 30. September	
	2019	2018
Nettozinsertrag	655,0	624,2
Provisionsüberschuss	213,5	212,6
<b>Operative Kernerträge<sup>1)</sup></b>	<b>868,5</b>	<b>836,8</b>
Gewinne und Verluste aus Finanzinstrumenten und sonstige betriebliche Erträge und Aufwendungen	57,7	44,0
<b>Operative Erträge</b>	<b>926,2</b>	<b>880,8</b>
<b>Operative Aufwendungen<sup>2)</sup></b>	<b>-395,8</b>	<b>-381,1</b>
Regulatorische Aufwendungen <sup>2)</sup>	-39,2	-41,6
Risikokosten	-44,3	-31,9
<b>Gewinn vor Steuern</b>	<b>450,5</b>	<b>430,1</b>
Steuern vom Einkommen	-107,6	-101,9
<b>Nettogewinn<sup>3)</sup></b>	<b>342,9</b>	<b>328,1</b>

<sup>1)</sup> Die Zahl oder Quote ist ein APM. Für eine Beschreibung siehe Element "B.12 Ausgewählte historische Finanzinformationen".

<sup>2)</sup> Dieser Posten umfasst nach IFRS auch die regulatorischen Aufwendungen. Das Management der BAWAG betrachtet die regulatorischen Aufwendungen jedoch als gesonderten Aufwandsposten. Die regulatorischen Aufwendungen werden daher separat dargestellt.

<sup>3)</sup> Jahresüberschuss nach Steuern, der den Eigentümern des Mutterunternehmens zurechenbar ist.

Kennzahlen	30. September 2019	30. September 2018
	(ungeprüft)	
Common Equity Tier 1 (CET 1) Quote (fully loaded) .....	15,7% <sup>1)</sup>	15,2%
Gesamtkapitalquote (fully loaded) .....	19,5%	17,2%

<sup>1)</sup> Unter Berücksichtigung normalisierter regulatorischer Aufwendungen (85% der regulatorischen Aufwendungen für das Geschäftsjahr 2019 wurden bereits im ersten Quartal 2019 verbucht), dem Aktienrückkauf in einem Gesamtbetrag von € 400 Millionen und der Abgrenzung für Dividenden in den ersten drei Quartalen 2019 würde die Common Equity Tier 1 (CET 1) Quote (fully loaded) 13,0% zum 30. September 2019 betragen.

Kennzahlen	Für den 9-Monats-Zeitraum bis zum 30. September	
	2019	2018
	(ungeprüft)	
Return on common equity <sup>1)</sup>	12,2%	12,3%
RoTCE <sup>2)</sup>	14,2% <sup>4)</sup>	14,3%
Net Interest Margin <sup>3)</sup>	2,28%	2,19%
Cost-income Ratio <sup>3)</sup>	42,7%	43,3%

- <sup>1)</sup> Vor dem 1. Januar 2019 berichtete die BAWAG diese Kennzahl als 'Return on equity' or 'RoE'. Die Berechnungsmethode ist unverändert geblieben. Die Zahl oder Quote ist ein APM. Für eine Beschreibung siehe Element "B.12 Ausgewählte historische Finanzinformationen."
- <sup>2)</sup> Return on Tangible Common Equity. Vor dem 1. Januar 2019 berichtete die BAWAG diese Kennzahl als 'Return on Tangible Equity' or 'RoTE'. Die Berechnungsmethode ist unverändert geblieben. Die Zahl oder Quote ist ein APM. Für eine Beschreibung siehe Element "B.12 Ausgewählte historische Finanzinformationen."
- <sup>3)</sup> Die Zahl oder Quote ist ein APM. Für eine Beschreibung siehe Element "B.12 Ausgewählte historische Finanzinformationen."
- <sup>4)</sup> Unter Berücksichtigung normalisierter regulatorischer Aufwendungen (85% der regulatorischen Aufwendungen für das Geschäftsjahr 2019 wurden bereits im ersten Quartal 2019 verbucht), dem Aktienrückkauf in einem Gesamtbetrag von € 400 Millionen und der Abgrenzung für Dividenden in den ersten drei Quartalen 2019 würde die Common Equity Tier 1 (CET 1) Quote (fully loaded) 13,0% zum 30. September 2019 betragen. Auf dieser Basis würde der RoTCE für den am 30. September 2019 endenden 9-Monats-Zeitraums 17,7% betragen."

**8. The following information shall replace Element B.16 of the German Translation of the Summary on pages 41 to 42 of the Base Prospectus (as replaced by the First Supplement):**

**"B.16 Beteiligungs- und Beherrschungsverhältnis** Hauptaktionäre der BAWAG sind verschiedene von GoldenTree (die "**GoldenTree Aktionäre**") verwaltete Fonds und Depotkonten, von T. Rowe Price Group, Inc. verwaltete Fonds und Depotkonten und von Wellington Management Group LLP verwaltete Fonds und Depotkonten mit einem Anteil von 21,82%, 5,61% bzw. 4,91% an der Gesamtzahl der ausstehenden Aktien der BAWAG Group AG per 4. Dezember 2019. Die restlichen Streubesitzanteile der BAWAG befinden sich im Besitz verschiedener in- und ausländischer Minderheitsaktionäre."

**9. The following information shall replace Element B.5 of the German Translation of the Summary on pages 43 and 44 of the Base Prospectus:**

**"B.5 Beschreibung der Gruppe und der Stellung der Emittentin darin** Die Emittentin steht (direkt und indirekt) im Alleineigentum der BAWAG Group AG (die BAWAG Group AG zusammen mit ihren konsolidierten Tochtergesellschaften die "**BAWAG Gruppe**", und gemeinsam mit ihren Tochterunternehmen, die der konsolidierten Aufsicht unterliegen, die "**Regulatorische BAWAG Gruppe**"), einer Aktiengesellschaft, deren Aktien an der Wiener Börse notiert sind.

Wesentliche Tochtergesellschaften der Emittentin umfassen unter anderem easybank AG, start:bausparkasse AG (Wien, Republik Österreich), BAWAG P.S.K. Wohnbaubank Aktiengesellschaft, IMMO-BANK Aktiengesellschaft, start:bausparkasse (Hamburg,



Streubesitzanteile der BAWAG befinden sich im Besitz verschiedener in- und ausländischer Minderheitsaktionäre."

**11. The first paragraph under the heading "3.1.1.2 An "exit" by any current member of the EU or the eurozone would be unprecedented, and the consequences currently cannot be assessed. Such event may have a material adverse effect on the financial system and the general economic climate in the EU, including Austria, and a significant negative impact on BAWAG Group's business, financial condition, results of operations and prospects." on pages 67 to 68 of the Base Prospectus (as replaced by the First Supplement) shall be replaced by the following information:**

"The result of the U.K.'s referendum to leave the EU and the subsequent initiation of the legal process pursuant to Article 50 of the Lisbon Treaty that must, unless extended, concluded or otherwise terminated, end in March 2019 with the U.K. exiting the EU, commonly referred to as "Brexit", may have significant, unpredictable consequences for the economies and financial markets in both the U.K. and the EU and, thus, on the business of BAWAG Group. On 14 November 2018, the European Commission published a draft Article 50 Withdrawal Agreement which will need to be concluded by the European Council, the European Parliament and the U.K. The British Parliament voted against this Article 50 Withdrawal Agreement on 15 January 2019. After the EU and the U.K. agreed to extensions of the withdrawal deadline, Brexit will become effective on 31 January 2020 unless the U.K.'s withdrawal declaration is unilaterally revoked or a further extension of the January 31 deadline is agreed. Given the uncertainty of the ongoing process of the U.K.'s withdrawal from the EU, it is difficult to determine the exact impact on BAWAG Group over the long term. BAWAG Group is also unable to determine with any precision the impact of Brexit on its business operations in the U.K. in the short-term, as there remains limited clarity on the details or timing of the changes. In addition, BAWAG Group's business operations in the U.K. largely consist of a performing residential mortgage loan portfolio which means that it would be primarily affected if Brexit resulted in an increase of defaults of the borrowers in its residential mortgage loan portfolio or if a substantial devaluation of the GBP which could force it to write down the value of its portfolio. Regardless of the ultimate terms and date of exit from the EU, the referendum has created significant political, financial and macroeconomic turmoil and uncertainty. Therefore, Brexit could result in significant macroeconomic deterioration including, in particular, increased volatility of foreign exchange markets (as evidenced by the result of the U.K. general election of 8 June 2017), a further devaluation of the euro against other leading currencies and a decrease of the gross domestic product in the EU. Any of these developments could have a severe adverse impact on the economic situation and consumer climate in the EU, including Austria and Germany (for which the U.K. is an important trade partner)."

**12. The text under the heading "3.1.1.13 The international business of BAWAG Group is subject to credit risks, market risks, concentration risks, transfer risks, convertibility risks and political risks." on page 73 of the Base Prospectus (as amended by the First Supplement) shall be replaced by the following information:**

"BAWAG Group also conducts certain transactions outside of Austria with key international accounts within a pre-defined risk framework. Outside of Austria, BAWAG Group focuses predominantly on Germany, other Western European countries and the United States. BAWAG Group's focus on Germany is evidenced by the recently completed acquisitions of Südwestbank, DEUTSCHER RING Bausparkasse AG (now renamed to start:bausparkasse AG), BFL Leasing GmbH and EOS Health Honorarmanagement AG.

The business activities of BAWAG Group and its subsidiaries and associated companies outside of Austria are subject to the typical risks of international business activities which arise from, among other things, the necessary development and expansion of the business infrastructure, different economic conditions and different legal and taxation systems. For example, in connection with its retail business BAWAG Group must deploy significant resources to observe different consumer protection regimes. Furthermore, in connection with its real estate business BAWAG Group must deal with different legal regimes regarding the enforcement of security interests over real estate assets.

BAWAG P.S.K.'s subsidiary easygroup holds performing residential mortgage loan portfolios in France and the U.K. In respect of both portfolios, BAWAG Group is subject to, among others, credit risks (see also "3.1.1.9 BAWAG Group is exposed to risks concerning customer and counterparty credit quality which could have a material adverse effect on BAWAG Group's business, financial condition, results of

*operations and prospects.*"). In particular, the mortgages securing the loans may not be sufficient to cover losses in case real estate prices deteriorate. In addition, in view of amortisation of the loan portfolios, BAWAG Group faces the risk of failing to find reinvestment opportunities generating equivalent net interest income at an equivalent level of risk. This reinvestment pressure may cause BAWAG Group to enter into transactions with lower margins and/or higher risk profiles. The reinvestment pressure may intensify, for example, if borrowers opt for an early repayment of their loans.

Furthermore, as of 31 December 2018, 54.9% of the loans in the residential mortgage loan portfolio in the U.K. are bullet loans (0% for the French residential mortgage loan portfolio). These are loans that only require interest payments during the term of the loan, with the principal to be repaid in full at the end of the term. In most cases, the entire principal must either be repaid or refinanced at the end of the term, which results in repayment or refinancing risks which are greater than those of loans where the monthly instalments consist of interest and principal components. In view of the full payment falling due at maturity of the loans, bullet loans represent a higher default risk at maturity compared to amortising loans. Further, in the U.K. in particular it is common market practice for the principal to be repaid using the proceeds from the sale of the underlying real estate. Any adverse movements in the market price of the underlying real estate may increase the credit risk resulting from the gap between sales proceeds and outstanding loan amount.

Moreover, BAWAG Group's international business is subject to greater credit risk concentrations than its retail business particularly due to high volume financings which it extends to corporate customers as part of its international business.

In addition, as the economic success of certain international corporate customers directly correlates with the development of commodity prices and, in particular, oil prices, BAWAG Group's international business could be negatively affected by adverse developments in commodity prices.

The international business of BAWAG Group also exposes it to a greater degree of political, social and economic risks as described in more detail above (see risk factor "*3.1.1.1 BAWAG Group's business success is dependent on the political and general macroeconomic conditions of the economies in which BAWAG Group is active.*").

A materialisation of any of these risks could have a material 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."

**13. The text under the heading "3.1.1.20 A termination or reduction of BAWAG Group's close cooperation with its distribution partners could have a material adverse effect on its business, financial condition, results of operations and prospects." on pages 77 to 78 of the Base Prospectus shall be replaced by the following information:**

"Partnerships play an important role for BAWAG Group. A cornerstone of its strategy is to cooperate with product providers in Austria on a long-term basis. For example:

- through BAWAG P.S.K. Versicherung AG, a joint venture company that is 25% owned by BAWAG Group and 75% owned by the Generali Group, BAWAG Group offers its customers insurance products;
- in cooperation with its partner Amundi, BAWAG Group offers its customers investment products; and
- in cooperation with its partner Wüstenrot, BAWAG Group offers building savings loans.

If any such cooperation agreement was to be terminated or its scope to be narrowed and BAWAG Group was not able to substitute such cooperations by other means (e.g., through its own distribution channels), or if the targets or plans cannot or only in part be realised, it could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects, and may therefore adversely affect the ability of the Issuer to meet its obligations under the Notes.

The termination of the cooperation agreement with Österreichische Post Aktiengesellschaft ("Austrian Post") may not result in the intended cost savings and may negatively impact the customer experience during the transition period or as a result of a smaller branch network resulting in the loss of customers and business opportunities or may have other adverse effects on BAWAG Group.

BAWAG P.S.K.'s network of approximately 426 branches is operated under a cooperation agreement with Austrian Post, whereby Austrian Post provides certain financial services, including cash deposits, payments and withdrawals, on behalf of BAWAG P.S.K. at branches owned or leased by Austrian Post. At the end of 2017, BAWAG Group terminated the cooperation agreement with effect as of 31 December 2020. Following the termination of the cooperation agreement by BAWAG Group, BAWAG Group and Austrian Post have agreed to work towards a materially complete separation already by the end of 2019. The separation agreement is intended to also adjust pricing for services provided by Austrian Post to market rates and based on performance for transaction services and advisory activity in the transitional period through 2019. During the transition period, BAWAG Group intends to create a standalone branch network of approximately 90 branches through the opening of approximately 25 new branches to supplement the approximate 70 branches that BAWAG P.S.K. currently owns or leases. Furthermore, BAWAG Group plans to hire and train new advisors to replace, in part, a portion of the advisors currently provided by Austrian Post, although at significantly reduced staffing levels. Currently approximately 70 of the nearly 800 advisors in the BAWAG P.S.K. network are Austrian Post employees, trained and managed by BAWAG P.S.K. All personnel in the highly dispersed network would be consolidated to the target network.

As much of BAWAG P.S.K.'s current branch network is staffed by Austrian Post personnel, the level of service provided in the branch network may be adversely affected prior to the effective date of the termination. If customer service is negatively affected during the three-year transition period, BAWAG P.S.K. may experience a loss of customers and business opportunities that is greater than anticipated.

Although BAWAG Group terminated the cooperation agreement because it believes that a smaller, focused network controlled by it would result in significantly lower costs and better customer service, the realised cost savings may be less and the loss of customers and business opportunities may be significantly greater than anticipated. The reduction in the number of branches may negatively impact customer experience and revenues, particularly if the transition of customers to online and mobile services is less rapid than expected. The streamlining of the network may also lead to greater customer loss than expected, including the loss of deposits held by these customers, if BAWAG Group fails to retain anticipated customers numbers associated with consolidated branches.

If BAWAG Group fails to achieve its business and strategic objectives by streamlining its branch network or if its related assumptions prove to be incorrect, the termination of the cooperation agreement could have a material 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."

**14. The text under the heading "3.1.1.22 BAWAG Group is exposed to operational risks related to failings of its key outsourcing suppliers, such as service interruptions." on page 78 of the Base Prospectus shall be replaced by the following information:**

"BAWAG Group outsources parts of its business to third-party suppliers. All decisions on the outsourcing of any business activities are taken in line with a framework which BAWAG Group has implemented for this purpose. The most significant outsourcing arrangements relate to the outsourcing of various IT operations, certain collection processes and the management of loan originations and portfolios in Germany and the Netherlands. Outsourcing to third-party suppliers is crucial to the efficient operation of BAWAG Group. However, the outsourcing of services to third-party suppliers involves certain risks, including legal risks, performance risks, the suitability of the service provider, loss of know-how, service interruptions, lack of service quality, leaking of confidential information, sudden terminations of service contracts, insolvency of the provider or similarly disruptive events. Additionally, BAWAG Group may not be able to exercise the same level of control over third-party service providers as with its own employees, which could limit BAWAG Group's ability to ensure the quality of the service provided. These risks, if they materialise, could have a material 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."

**15. The text under the heading "3.1.2.1.3 Increased capital and liquidity requirements, including leverage ratio requirements and enhanced supervisory powers to demand further own funds or liquidity under CRD IV/CRR and proposed amendments may adversely affect the profitability of BAWAG Group." on pages 84 to 85 of the Base Prospectus (as replaced by the Second Supplement) shall be replaced by the following information:**

"In December 2010, the BCBS published a set of comprehensive changes to the international capital adequacy framework, known as 'Basel III', which have been implemented into EU law by a legislative package. This legislative package consists of the directly applicable CRR and the CRD IV (together, the "**CRD IV/CRR**" package) which has been implemented in Austria by amendments to the BWG. The implementation of Basel III into European and Austrian law brought stricter requirements on the eligibility of capital instruments and items as regulatory own funds, higher minimum capital ratios, introduced new capital buffers and a binding liquidity coverage ratio (the "**LCR**") and equipped the competent supervisors with discretion to a certain extent as regards additional buffers. The CRD IV/CRR package became effective on 1 January 2014, with some regulatory requirements gradually phasing in through 1 January 2023.

The minimum capital requirements (so-called 'Pillar 1 requirements') for EU and thus Austrian credit institutions are primarily set forth in the CRR. The CRR requires each credit institution to maintain an adequate level of regulatory capital in relation to its risks. Relevant risks include, in particular, credit risk, market risk and operational risk (including, among other things, risks related to certain external factors, as well as to technical errors and errors of employees). Common Equity Tier 1 ("**CET 1**") capital forms the key component of a credit institution's regulatory capital for compliance with the capital requirements under the CRR. CET 1 capital primarily consists of share capital, retained earnings and other reserves, subject to certain regulatory adjustments. Another component of regulatory capital is AT 1 capital which includes, for example, certain unsecured subordinated perpetual capital instruments and related share premium accounts. Generally, the terms and conditions of all instruments recognized as CET 1 capital must require that the principal amount of the instruments will be written down, or converted into CET 1 capital when the CET 1 capital ratio of the relevant institution falls below a minimum of 5.125% (or such higher level as the issuing institution may determine), although regulators may require a higher trigger, for example for stress-testing purposes. CET 1 capital and AT 1 capital together constitute "Tier 1" capital. Tier 1 capital requirements are aimed at ensuring the ability to absorb losses on a "going concern" basis. Tier 2 capital forms the lower tier of the regulatory capital and generally consists of long-term subordinated debt instruments with loss absorption capacity only on a "gone concern" basis. Tier 1 capital and tier 2 capital together constitute the "own funds" of a credit institution. The CRR gradually excludes certain existing capital instruments (which have been issued in the past) from their eligibility as own funds (so-called 'phasing out') or reclassifies those instruments to a lower own funds quality. For example, existing hybrid capital instruments will, over time, be phased out as AT 1 capital. Furthermore, the former Tier 3 capital is no longer recognized as own funds under the CRR.

The minimum requirements for Tier 1 capital amount to 6% since 1 January 2015. The total capital ratio without capital buffers has remained at 8% of risk-weighted assets.

The introduction of capital buffers is addressed in the CRD IV and implemented into Austrian law by the BWG and the Capital Buffers Regulation (*Kapitalpuffer-Verordnung – KP-V*). All capital buffers have to consist of CET 1 capital. The BWG requires Austrian credit institutions to have a permanent capital conservation buffer of 2.5% of risk-weighted assets. Furthermore, the following additional capital buffers may be prescribed by national legislators or supervisory authorities: (a) a countercyclical capital buffer of up to 2.5% of risk-weighted assets generated in the respective EU member state (for Austria and Germany, the relevant national countercyclical capital buffer rates have been set by the FMA and the BaFin at 0% as of 2019, respectively; as of 1 July 2019, BaFin set the relevant national countercyclical capital buffer at 0.25%, applicable as of 1 July 2020); (b) a systemic risk buffer (for Austrian credit institutions, the systemic risk buffer may be set between 1 and 2% and is relevant since 1 January 2016; for BAWAG Regulatory Group, a systemic risk buffer has been set by the FMA at 1%), and further (c) a buffer for global systemically important institutions (which does not apply to BAWAG Regulatory Group) and (d) a buffer for other systemically important institutions (which generally applies to BAWAG Regulatory Group, but is not materially relevant since the systemic risk buffer is higher than the buffer for other systemically important institutions and only the higher of those two buffers is applied; under CRD V (see below), which must be implemented by the EU member states by 29 December 2020, the buffer for other systemically important institutions will however be applied cumulatively with the systemic risk buffer). On a risk-weighted basis for the financial year 2018, the consolidated countercyclical buffer for BAWAG Regulatory Group amounted to 0.11%.

In addition, the regulatory authorities that oversee BAWAG Regulatory Group, in particular the ECB within the SSM, may, in connection with the SREP or otherwise, conduct stress tests and have discretion to impose additional capital requirements for risks that are not otherwise recognized in the statutory capital requirements or other surcharges depending on the individual situation of the bank and may also take or require to be performed, other measures such as restrictions on or changes to a bank's business. In this context, the ECB has imposed and is expected to impose in the future on an annual basis on BAWAG Regulatory Group individual capital requirements resulting from the SREP which are referred to as 'Pillar 2 requirements'. Pillar 2 requirements must be fulfilled with CET 1 capital in addition to the statutory capital and buffer requirements, and any non-compliance may have immediate legal consequences such as restrictions on dividend payments and other distributions. For 2018, the Pillar 2 requirement has been set at 2.25%.

In sum, BAWAG Regulatory Group must fulfill a SREP capital ratio (fully loaded) of 10.36% (comprising the 4.5%, Pillar 1 base requirement (minimum CET 1 capital ratio), the capital conservation buffer of 2.5% of risk-weighted assets, the countercyclical buffer of 0.11% (based on risk-weighted assets as of 31 December 2018), the systemic risk buffer of 1% and the 2.25% additional Pillar 1 requirement).

Also following the SREP, the ECB may communicate to individual banks or banking groups, including BAWAG Regulatory Group, (and has done so in the past) an expectation to hold further CET 1 capital, the so-called 'Pillar 2 guidance'. Although the Pillar 2 guidance is not legally binding and failure to meet the Pillar 2 guidance does not automatically trigger legal action, the ECB has stated that it expects banks to meet the Pillar 2 guidance. For 2018, the Pillar 2 guidance has been set at 1% and will stay at this level for 2019.

On 20 May 2019, the European Union adopted legislative acts to reform the CRD IV and the CRR as well as the BRRD and the SRM Regulation (such legislative acts together the "**Banking Reform Package**"). The Banking Reform Package introduces CRD V, CRR II, BRRD II and SRM Regulation II and came into force on 27 June 2019, with certain provisions gradually being phased-in and other provisions being subject to national implementation. The Banking Reform Package introduces, *inter alia*, a binding leverage ratio of 3% of Tier 1 capital in order to prevent institutions to excessively increase their leverage. In addition, it introduces a binding minimum net stable funding ratio (the "**NSFR**"), more risk-sensitive capital requirements for counterparty credit risk, market risk and exposures to central counterparties and tighter regulation of large exposures, including disclosure or reporting obligations. With regard to the recovery and resolution framework, the Banking Reform Package, *inter alia*, aligns the FSB's standard on a TLAC applying to global systemically important banks with the MREL requirements and changes the ranking of unsecured debt instruments in the insolvency hierarchy by introducing a new class of unsecured non-preferred debt instruments. While BAWAG Regulatory Group does not qualify as a global systemically important banking group subject to

TLAC requirements, the SRM Regulation II and the implementation of the BRRD II will impact the MREL requirements applicable to BAWAG Regulatory Group in the future.

The need to comply with the aforementioned existing and proposed requirements and the change in ranking of certain debt instruments issued or to be issued by BAWAG Regulatory Group could have a material adverse effect on BAWAG Group's profitability, 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. In particular, if the above-mentioned requirements are not met, the Issuers may be required to cancel the payment of distributions on their respective Notes that are scheduled to be paid pursuant to the Terms and Conditions of their respective Notes."

**16. The text under the heading "3.1.2.1.5 Future asset quality reviews, stress tests, internal model reviews and/or transparency exercises by the ECB or the EBA could lead to detrimental results for BAWAG Group and trigger, in particular, an increased demand for provisions and/or strengthened capital requirements." on page 86 of the Base Prospectus shall be replaced by the following information:**

"In October 2014, and in light of the establishment of the SSM, the ECB completed a comprehensive assessment of 130 major European banks (including BAWAG Regulatory Group) in close cooperation with the EBA and national supervisors which consisted of a supervisory risk assessment, an asset quality review ("AQR") and a stress test (jointly referred to as the "**Comprehensive Assessment**").

The EBA is required to at least annually consider whether it is appropriate to carry out EU-wide assessments of the resilience of financial institutions. The EBA decided not to carry out an EU-wide stress test in 2017. In 2017, the ECB also carried out a sensitivity analysis of interest rate risk in the banking book (the so-called 'IRRBB stress test 2017') for all banks under its direct supervision, including BAWAG Regulatory Group, in order to examine how hypothetical changes in the interest rate environment would affect banks in the eurozone. The results were published on 9 October 2017. On 31 January 2018, the EBA launched its next EU-wide stress test and published the results on 2 November 2018. No credit institution within BAWAG Regulatory Group was part of EBA's stress test sample.

On 31 January 2018, the ECB launched a stress test including banks from ten Euro area countries and covering 70% of the banking sector assets in the Euro area in which BAWAG Regulatory Group participated. The results were published in 1 February 2019. In the stress test's adverse scenario, BAWAG Regulatory Group's CET 1 ratio would have been reduced from 13.4% as at year-end 2017 (before restatements made by BAWAG and BAWAG P.S.K. in respect of their financial statements for 2018) by 240bps on a 3-year cumulative basis to 11.0%.

As in the past, EBA decided not to carry out an EU-wide stress test in 2019; while ECB carried out a sensitivity analysis of liquidity risk in 2019 (the so-called 'LiST2019') for all banks under its direct supervision, including BAWAG Regulatory Group, focusing on banks' ability to handle hypothetical idiosyncratic liquidity shocks calibrated based on supervisory experience and without any reference to monetary policy decisions. The exercise ran till June 2019 and the results were fed into the ECB's ongoing supervisory assessments of banks' liquidity risk management frameworks, including the SREP.

On 25 June 2019, EBA announced the next EU-wide stress test, with timeline January – July 2020, providing also the draft EU-wide stress test methodology for discussion. The methodology covers all risk areas and builds on the methodology prepared for the 2018 exercise, while improving some aspects based on the lessons learnt. BAWAG Group expects that, once approved, the methodology will be used also by ECB in its ECB Stress Test exercise 2020.

Any future stress tests or transparency exercises as well as any internal model reviews, such as the ECB's TRIM project, may have detrimental effects on BAWAG Regulatory Group. These include an increased demand for provisions, the requirement to increase own funds or higher refinancing costs due to the publication of the results, all of which could have a material 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."

**17. The text under the heading "3.1.2.1.9 The cost incurred by BAWAG Group for compliance with anti-money laundering, anti-tax evasion, anti-corruption and anti-terrorism financing rules and regulations and sanctions is significant and may further increase. Failure to comply with these and similar rules may have severe legal and reputational**

**consequences." on pages 87 to 88 of the Base Prospectus shall be replaced by the following information:**

"The rules and regulations applicable to the financial sector on the prevention of money laundering, tax evasion, corruption and the financing of terrorism as well as sanctions have been and are subject to ongoing tightening. This trend goes hand in hand with political initiatives to tighten measures against tax fraud to increase tax revenue. On the European level, the Fourth Anti-Money Laundering Directive (Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing) came into force in 2015. Austria has transposed this directive by adopting the Financial Market Anti Money Laundering Act (*Finanzmarkt-Geldwäschegesetz*) which became effective on 1 January 2017 as well as the Austrian Beneficial Ownership Register Act (*Wirtschaftliche Eigentümer Registergesetz*) which became fully effective on 15 January 2018. Meanwhile Austria will set in force the Fifth EU Anti-Money Laundering Directive (Directive (EU) 2018/843 of the European Parliament) with 10. January 2020, which will bring mainly changes in the enhanced due diligence regarding business relationship and transactions with high risk countries.

BAWAG Group engages in business with customers and counterparties from a diverse background. In light of recent U.S. and EU sanctions, particularly against Russian individuals, it cannot be ruled out that some of BAWAG Group's customers or counterparties are or may become subjected to sanctions. Such sanctions may result in BAWAG Group being unable to gain or retain such customers or counterparties or receive payments from them. In addition, association with such individuals or countries may damage BAWAG Group's reputation or result in significant fines.

BAWAG Group dedicates significant funds, personnel, technical and other resources to its compliance with anti-money laundering, anti-tax evasion (including the Foreign Account Tax Compliance Act ("**FATCA**") and the Common Reporting Standard ("**CRS**", transposed into Austrian law by the *Gemeinsamer Meldestandard Gesetz – GMSG*), anti-corruption and anti-terrorism financing rules and sanctions and may even have to step-up these efforts in line with a future tightening of these rules.

Despite these efforts, BAWAG Group cannot guarantee that all applicable anti-money laundering anti-corruption and anti-terrorism financing rules and sanctions as well as all FATCA and CRS regulations are consistently complied with at all times and in all respects. BAWAG Group may in the future become subject to investigations by authorities alleging a violation of such rules, and failure to comply with these and similar rules, or the allegation of such failure may have severe legal, monetary and reputational consequences and could have a material 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."

- 18. The text under the heading "3.1.2.1.11 BAWAG Group's assumptions regarding the deductibility of certain items from its taxable income may prove incorrect which could lead to higher than expected tax payments." on page 88 of the Base Prospectus shall be replaced by the following information:**

"BAWAG Group expects that its deferred tax assets from prior tax loss carryforwards will be fully absorbed through the first half of the financial year 2020. The deductibility of these tax loss carryforwards is based on a number of assumptions, including, among others, the correct recognition of these items, certain earning levels and unchanged tax regulations. If any of these assumptions prove incorrect, BAWAG Group may not be able to deduct these items (in whole or in part) from its taxable income resulting in higher than expected tax payments which could have a material 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."

- 19. The text under the heading "3.1.2.2.2 BAWAG's assumptions regarding the deductibility of certain items from its taxable income may prove incorrect which could lead to higher than expected tax payments." on page 94 of the Base Prospectus shall be replaced by the following information:**

"BAWAG assumes that it will be able to deduct goodwill amortizations and tax loss carryforwards from its taxable income. For the financial years 2019 to 2021 (inclusive), BAWAG expects to deduct goodwill amortizations from the acquisition of BAWAG P.S.K., resulting in a total projected reduction of its taxable income of approximately € 227 million. If this assumption proves incorrect, BAWAG may not be able to deduct this item (in whole or in part) from its taxable income resulting in higher than expected

tax payments which could have a material adverse effect on BAWAG's business, financial condition, results of operations and prospects, and may therefore adversely affect the ability of BAWAG to meet its obligations under the Notes."

**20. The text under the heading "3.2.30 Payments under the Notes may be subject to FATCA withholding." on pages 100 to 101 of the Base Prospectus shall be replaced by the following information:**

"The respective Issuer and other financial institutions through which payments on the Notes are made may be required to withhold at a rate of up to 30% on all, or a portion of such payments pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code and U.S. Treasury regulations promulgated thereunder (commonly referred to as "**FATCA**", the Foreign Account Tax Compliance Act). This withholding does not apply to payments on Notes that are issued prior to the date that is six months after the date on which the final regulations that define "foreign passthru payments" are filed (the "**FATCA Grandfathering Date**") unless such Notes are characterized as equity for U.S. federal income tax purposes. No such final regulations have been issued to date. In addition, under proposed U.S. Treasury regulations (the preamble to which specifies that taxpayers are permitted to rely on them pending finalization) withholding on Notes issued after the FATCA Grandfathering Date will not apply prior to the date that is two years after final regulations that define "foreign passthru payments" are published.

Austria has entered into an intergovernmental agreement with the United States regarding the implementation of FATCA (the "**IGA**"). Pursuant to the IGA, the respective Issuer will be required to report certain information in respect of its accountholders and investors to the IRS, and generally would not be subject to withholding under FATCA on any payments it receives. The IGA leaves open the possibility that the respective Issuer may be required to withhold on certain other payments that are deemed attributable to U.S. sources.

Withholding may be required if: (i) an investor does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the respective Issuer, (ii) an investor does not consent, where necessary, to have its information disclosed to the IRS or (iii) any foreign financial institution ("**an FFI**") that is an investor, or through which payment on the Notes is made, is not exempt from FATCA withholding. An investor that is an FFI that is withheld upon generally will be able to obtain a refund only to the extent an applicable income tax treaty with the United States entitles such institution to a reduced rate of tax on the payment that was subject to withholding under these rules, provided the required information is furnished in a timely manner to the IRS.

If an amount in respect of FATCA were to be deducted or withheld from interest, principal or other payments on the Notes, the respective Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any such withholding or deduction by the respective Issuer, a Paying Agent or any other party, where such person (other than where such person is acting as an agent of the respective Issuer) is not entitled to receive payments free of such withholding. As a result, investors may, if FATCA withholding applies, receive less interest or principal than expected. The determination of whether FATCA withholding may be imposed will depend on the status of each recipient of payments between the respective Issuer and investors.

The respective Issuer does not expect in practice that payments made either by them or by their respective Paying Agents in relation to the Notes held in clearing systems will be subject to FATCA withholding as it is expected that the respective Paying Agents and the relevant clearing systems will be exempt from FATCA withholding. However, it is possible that other parties may be required to withhold on payments on account of FATCA as set out above."

**21. The text under the heading "10.1.2 Corporate history and development" on page 322 of the Base Prospectus shall be replaced by the following information:**

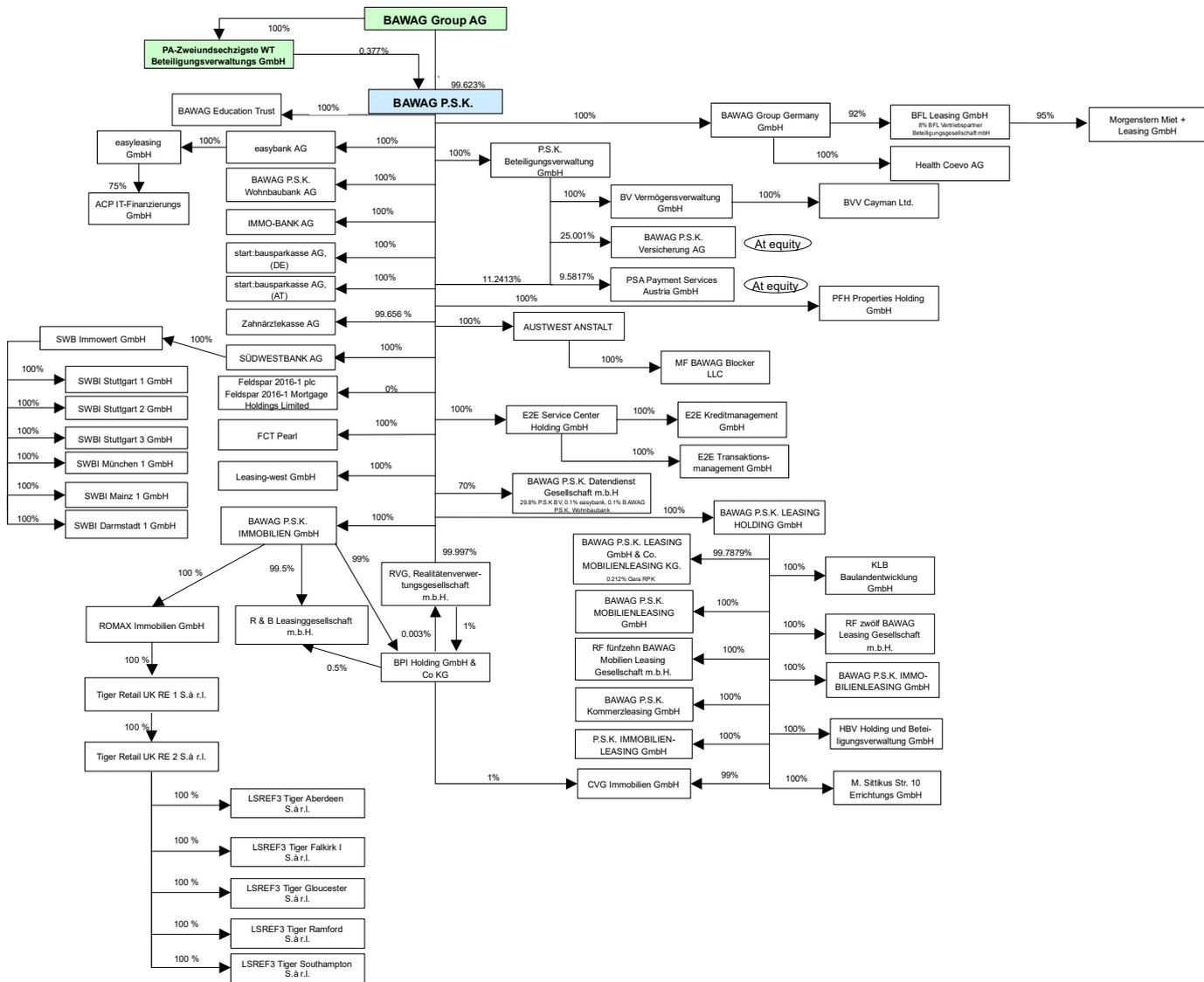
"BAWAG was first registered in the Companies Register on 16 November 2005 as Pa-Zweiundfünfzigste WTP Beteiligungsverwaltungs GmbH, a limited liability company under Austrian law. In December 2006, BAWAG was acquired by Raquert Holding B.V., a Dutch limited liability company which held 100% of the share capital until January 2007. In January 2007, Raquert Holding B.V. transferred its 100% participation in BAWAG to Promontoria Sacher Holding, B.V. ("**PSH**"). On 8 May 2007, PSH as the BAWAG's sole shareholder resolved to increase the BAWAG's share capital by € 99,965,000 to € 100,000,000. The entire capital increase was subscribed by PSH. The capital increase

became effective on 17 May 2007. Following a share repurchase in November 2019, 10,857,763 shares in BAWAG were cancelled with effect as of 4 December 2019 resulting in a reduction of BAWAG's share capital from € 100,000,000.00 by € 10,857,763.00 to € 89,142,237.00. Since then, the share capital of BAWAG has not changed.

On 14 September 2007, PSH as the BAWAG's sole shareholder resolved to change the BAWAG's name to BAWAG Holding GmbH, with the change becoming effective on 5 October 2007. In August 2017, BAWAG was transformed into a stock corporation established under Austrian law (Aktiengesellschaft) for an indefinite period of time. In the course of this transformation, BAWAG's name was changed to BAWAG Group AG. Both the transformation and the name change became effective on 19 August 2017. Since 25 October 2017, BAWAG is listed on the Official Market (Amtlicher Handel) of the Vienna Stock Exchange."

**22. The text under the heading "10.2 Structure of BAWAG Group" on pages 323 to 325 of the Base Prospectus shall be replaced by the following information:**

"The following chart provides an overview of all fully consolidated direct and indirect subsidiaries of BAWAG (unless marked as consolidated "at equity") as of 20 December 2019 in accordance with the IFRS accounting framework:



The following table lists all of BAWAG's fully consolidated subsidiaries and associates accounted for using the equity method in its IFRS financial statements as of the date of this Base Prospectus:

#### List of consolidated subsidiaries

<b>Banks</b>	
BAWAG P.S.K. AG, Vienna.....	100.00%
BAWAG P.S.K. Wohnbaubank Aktiengesellschaft, Vienna.....	100.00%
easybank AG, Vienna.....	100.00%
IMMO-BANK Aktiengesellschaft, Vienna.....	100.00%
start:bausparkasse AG, Vienna.....	100.00%
start:bausparkasse AG, Hamburg (formerly: DEUTSCHER RING Bausparkasse AG).....	100.00%
SÜDWESTBANK AG, Stuttgart.....	100.00%
<b>Real estate</b>	
BAWAG P.S.K. IMMOBILIEN GmbH, Vienna.....	100.00%
BPI Holding GmbH & Co KG., Vienna.....	100.00%
LSREF3 Tiger Aberdeen S.à.r.l., Bertrange.....	100.00%
LSREF3 Tiger Falkirk I S.à.r.l., Bertrange.....	100.00%
LSREF3 Tiger Gloucester S.à.r.l., Bertrange.....	100.00%
LSREF3 Tiger Romford S.à.r.l., Bertrange.....	100.00%
LSREF3 Tiger Southampton S.à.r.l., Bertrange.....	100.00%
R & B Leasinggesellschaft m.b.H., Vienna.....	100.00%
ROMAX Immobilien GmbH, Vienna.....	100.00%
RVG Realitätenverwertungsgesellschaft m.b.H., Vienna.....	100.00%
SWB Immowert GmbH, Stuttgart.....	100.00%
SWBI Stuttgart 1 GmbH, Stuttgart.....	100.00%
SWBI Stuttgart 2 GmbH, Stuttgart.....	100.00%
SWBI Stuttgart 3 GmbH, Stuttgart.....	100.00%
SWBI München 1 GmbH, Stuttgart.....	100.00%
SWBI Mainz 1 GmbH, Stuttgart.....	100.00%
SWBI Darmstadt 1 GmbH, Stuttgart.....	100.00%
Tiger Retail UK RE 1 S.à.r.l., Luxembourg.....	100.00%
Tiger Retail UK RE 2 S.à.r.l., Luxembourg.....	100.00%
<b>Leasing</b>	
ACP IT-Finanzierungs GmbH, Vienna.....	75.00%
BAWAG P.S.K. IMMOBILIENLEASING GmbH, Vienna.....	100.00%
BAWAG P.S.K. Kommerzleasing GmbH, Vienna.....	100.00%
BAWAG P.S.K. LEASING GmbH & Co. MOBILIENLEASING KG., Vienna.....	100.00%
BAWAG P.S.K. LEASING Holding GmbH, Vienna (formerly: BAWAG P.S.K. LEASING GmbH).....	100.00%
BAWAG P.S.K. MOBILIENLEASING GmbH, Vienna.....	100.00%
BFL Leasing GmbH, Eschborn.....	100.00%
CVG Immobilien GmbH, Vienna.....	100.00%
easyleasing GmbH, Vienna (formerly: VB Leasing Finanzierungsgesellschaft m.b.H.).....	100.00%
HBV Holding und Beteiligungsverwaltung GmbH, Vienna.....	100.00%
KLB Baulandentwicklung GmbH, Vienna.....	100.00%
Leasing-west GmbH, Kiefersfelden.....	100.00%
Morgenstern Miet + Leasing GmbH, Eschborn.....	95.00%
P.S.K. IMMOBILIENLEASING GmbH, Vienna.....	100.00%
RF zwölf BAWAG Leasing Gesellschaft m.b.H., Vienna.....	100.00%
<b>Other non credit institutions</b>	
Auswest Anstalt, Triesen.....	100.00%
BAWAG Group Germany GmbH, Eschborn.....	100.00%
BAWAG Education Trust, Wilmington.....	100.00%
BAWAG P.S.K. Datendienst Gesellschaft m.b.H, Vienna.....	100.00%
BAWAG P.S.K. Versicherung Aktiengesellschaft, Vienna.....	25.00% <sup>1)</sup>
BV Vermögensverwaltung GmbH, Vienna.....	100.00%
BVV Cayman Ltd., Grand Cayman.....	100.00%
E2E Kreditmanagement GmbH, Vienna.....	100.00%

## List of consolidated subsidiaries

E2E Service Center Holding GmbH, Vienna.....	100.00%
E2E Transaktionsmanagement GmbH, Vienna.....	100.00%
FCT Pearl, Pantin.....	100.00%
Feldspar 2016-1 Mortgage Holding Limited, London <sup>2)</sup> .....	0.00%
Feldspar 2016-1 PLC, London <sup>2)</sup> .....	0.00%
Health Coevo AG., Hamburg.....	100.00%
M. Sittikus Str. 10 Errichtungs GmbH, Vienna.....	100.00%
MF BAWAG Blocker LLC, Delaware.....	100.00%
Pa-Zweiundsechzigste WT Beteiligungsverwaltungs GmbH, Vienna.....	100.00%
PSA Payment Services Austria GmbH, Vienna.....	20.82% <sup>1)</sup>
PFH Properties Holding GmbH, Vienna.....	100.00%
P.S.K. Beteiligungsverwaltung GmbH, Vienna.....	100.00%
RF fünfzehn BAWAG Mobilien-Leasing Gesellschaft m.b.H., Vienna.....	100.00%
Zahnärztekasse AG, Wädenswil.....	100.00%

<sup>1)</sup> These subsidiaries are consolidated using the equity method.

<sup>2)</sup> These entities are vehicles which BAWAG Group uses to conduct certain operations aimed at ensuring its funding and refinancing. BAWAG Group does not hold any of the shares in these entities. However, due to contractual arrangements it exercises complete control over these entities' operations. Therefore, in accordance with IFRS 10, BAWAG Group must consolidate these entities.

Source: Company information.

### Dependencies from other entities within BAWAG Group

BAWAG Group is dependent on valuations of and dividends from its subsidiaries. BAWAG Group is further dependent from outsourced operations, in particular in the areas of back-office activities as well as IT."

### 23. The text under the heading "10.3.2 Recent developments and outlook" on pages 325 to 327 of the Base Prospectus (as replaced by the Second Supplement) shall be replaced by the following information:

"There have been no relevant events since 30 June 2019 particular to any of the Issuers which are to a material extent relevant to the evaluation of the Issuers' solvency.

#### Economic Developments

##### Macro trends

Economic developments continued to be solid in Austria throughout 2018. Austria's real gross domestic product growth stood at around 2.7% and Germany's at around 1.5% (sources: Austrian Institute of Economic Research, Press release, 30 January 2019; International Monetary Fund, World Economic Outlook Update, January 2019). In Austria, growth was driven by increasing investment activity, solid growth in private consumption and a recovery in demand for Austrian exports. Corporates as well as private households continued to prove financially sound.

##### Market developments

The Austrian lending market saw solid loan demand by private households in 2018. The outstanding volume of loans increased in line with real estate prices. Growing investments by Austrian corporations led to increasing loan demand. The overall balance sheet of the Austrian banking sector increased driven by growth in customer assets and customer liabilities.

#### Outlook

##### Economic outlook

Based on the performance of BAWAG Group over previous years and the positive development of profits before tax (in particular driven by an increase of net interest income) in 2018, BAWAG Group continues to aim for further growth in the coming years.

The recently closed acquisitions of EOS Health Honorarmanagement AG, Zahnärztekasse AG, BFL Leasing GmbH and of start:bausparkasse AG (Hamburg, Federal Republic of Germany) will contribute to the expected growth. Moreover, BAWAG Group will invest in organic growth and pursue earnings-

accretive M&A opportunities whose expected return profiles are consistent with the BAWAG Group targets.

Maintaining a strong focus on cost efficiency, BAWAG Group targets a Cost-Income Ratio of below 43% in 2019 and below 40% in 2020. Over the period 2019–2020, BAWAG Group aims to maintain its RoTCE in a range of 15% to 20% and to maintain a CET 1 ratio (fully loaded) between 12% and 13%.

It should be noted that BAWAG Group's targets do not constitute forecasts or projections, and in no event BAWAG Group may be held responsible if the targets referred to herein are not met. Even if future results of BAWAG Group meet the targets expressed herein, they may not be indicative of the results of any succeeding periods.

#### *CRD V / CRR II / BRRD II / SRM Regulation II reform package*

In May 2019, the European Union adopted legislative acts to amend the CRD IV (Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC), the CRR (Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012) and the BRRD (Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms) and the SRM Regulation (Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010) (the amended acts "**CRD V**", "**CRR II**", "**BRRD II**" and "**SRM Regulation II**", respectively). The amendments include, inter alia, pillar 2 add-ons, liquidity requirements, a binding leverage ratio and a minimum net stable fund ratio. CRD V, CRR II, BRRD II and SRM II came into force in June 2019, with certain provisions coming into force at later points in time. BAWAG Group expects only a de minimis impact from the implementation of CRD V and CRR II as well as BRRD II and SRM Regulation II.

#### *MREL and capital structure*

On 3 June 2019, BAWAG and BAWAG P.S.K. received MREL requirements applicable on the consolidated level of BAWAG P.S.K. The MREL requirement has been set at 11.94%, defined as a percentage of total liabilities and own funds (TLOF). Based on BAWAG P.S.K.'s financial statements as of 31 December 2017, the MREL requirement is 25.6% in terms of risk-weighted assets (RWA). As of 30 September 2019, BAWAG P.S.K. was in full compliance with the MREL requirement (13.8% of TLOF as of 30 September 2019). MREL-eligible instruments of € 6.2 billion comprised € 3.3 billion own funds, € 0.5 billion MREL-eligible instruments issued by BAWAG P.S.K., € 0.5 billion senior non-preferred instruments and € 1.7 billion MREL-eligible instruments issued by subsidiaries of BAWAG P.S.K. as of 30 September 2019. No subordination requirement has been set. BAWAG P.S.K. expects a new MREL requirement to be set for 2020, which could also include a formal subordination requirement as well as the MREL eligibility of instruments being restricted to instruments issued by BAWAG P.S.K. only.

In accordance with BAWAG Group's "safe and secure" strategy (see "*12.3.4 Safe and secure*" below) and to optimize its capital structure within the regulatory requirements, BAWAG Group intends to issue senior non-preferred instruments in a volume of approximately € 1.0 to 1.5 billion until year end 2022, depending on regulatory requirements.

#### *Repurchase and cancellation of own shares*

On 26 November 2019, BAWAG published the results of its share repurchase offer. 10,857,763 shares in BAWAG were repurchased at a price of € 36.84 per share and cancelled with effect as of 4 December 2019. This repurchase and cancellation of own shares led to a corresponding decrease of BAWAG's (and BAWAG Regulatory Group's) CET 1 capital and, on the basis of its risk-weighted assets as of 30 September 2019, of its CET 1 capital ratio by approximately 190 bps.

#### *Changes in the Supervisory Boards of BAWAG and BAWAG P.S.K.*

Following the sale of the majority of the shares in BAWAG held by funds and accounts under management of Cerberus, Dr. Pieter Korteweg, the Cerberus delegated representative and

chairperson of the Supervisory Board of BAWAG, resigned from the Supervisory Boards of BAWAG and BAWAG P.S.K. Simultaneously, his first deputy chairperson, Mr. Christopher Brody, resigned from the Supervisory Boards of BAWAG and BAWAG P.S.K. Mr. Egbert Fleischer and Mr. Kim Fennebresque have assumed the roles as chairperson and deputy chairperson of the Supervisory Boards of BAWAG and BAWAG P.S.K., respectively. Ms. Ingrid Streibel-Zarfl and Ms. Verena Spitz have been appointed as works council representatives to the Supervisory Boards of BAWAG and BAWAG P.S.K.

#### 'Brexit'

By 31 January 2020, after an extension of the previous deadline of 31 October 2020, the United Kingdom will withdraw from the European Union, unless the withdrawal is further postponed or rescinded. BAWAG P.S.K. operates a branch in the United Kingdom. According to BAWAG Group's latest information, a transitional regime may be in place for credit institutions carrying-out cross border activities in the United Kingdom. BAWAG Group is assessing the impact of "Brexit" on its business in the United Kingdom and expects that a so-called "hard Brexit", e.g., without a withdrawal agreement between the EU and the United Kingdom, would have only minor organizational impact on BAWAG P.S.K.'s branch in the United Kingdom.

#### Quarterly results

On 29 October 2019, BAWAG published quarterly results as of and for the nine-month period ended 30 September 2019 for BAWAG Group, including the following key figures set out in the tables below (unaudited):

Statement of financial position	30 September 2019	30 September 2018	Change in %
<b>(in € million)</b>			
<b>Total assets</b> .....	<b>45,970</b>	<b>44,864</b>	2.5
<b>Customer loans and receivables</b> .....	<b>30,737</b>	<b>30,305</b>	1.4
<b>Customer deposits and own issues</b> .....	<b>35,408</b>	<b>35,397</b>	0.0
IFRS equity <sup>1)</sup> .....	3,803	3,648	4.2
IFRS tangible equity .....	3,247	3,151	3.0
Risk-weighted assets <sup>2)</sup> .....	20,612	20,305	1.5

Profit or loss statement	As of and for the nine-month period ended 30 September		Change in %
	2019	2018	
<b>(in € million)</b>			
Net interest income.....	655.0	624.2	4.9
Net fee and commission income.....	213.5	212.6	0.4
<b>Core Revenues<sup>5)</sup></b> .....	<b>868.5</b>	<b>836.8</b>	3.8
Gains and losses on financial instruments and other operating income and expenses <sup>3)</sup> ...	57.7	44.0	31.1
<b>Operating income</b> .....	<b>926.2</b>	<b>880.8</b>	5.2
<b>Operating expenses<sup>3)</sup></b> .....	<b>(395.8)</b>	<b>(381.1)</b>	3.9
Regulatory charges <sup>3)</sup> .....	(39.2)	(41.6)	(5.8)
Total risk costs.....	(44.3)	(31.9)	38.9
<b>Profit before tax</b> .....	<b>450.5</b>	<b>430.1</b>	4.7
Income taxes .....	(107.6)	(101.9)	5.6
<b>Net profit<sup>4)</sup></b> .....	<b>342.9</b>	<b>328.1</b>	4.5

Key ratios	30 September 2019	30 September 2018	Change in pts.
Common Equity Tier 1 (CET 1) ratio (fully loaded) <sup>2)</sup> .....	15.7% <sup>3)</sup>	15.2%	0.5
Total capital ratio (fully loaded) <sup>2)</sup> .....	19.5%	17.2%	2.3
Balance Sheet Leverage <sup>5)</sup> .....	12.1x	12.3x	(0.2x)

Key ratios	For the nine-month period ended 30 September		Change in pts.
	2019	2018	
	(unaudited)		(unaudited)
Return on common equity <sup>6)</sup> .....	12.2%	12.3%	(0.1)
RoTCE <sup>7)</sup> .....	14.2% <sup>8)</sup>	14.3%	(0.1)
Net Interest Margin <sup>5)</sup> .....	2.28%	2.19%	0.09
Cost-Income Ratio <sup>5)</sup> .....	42.7%	43.3%	(0.6)

<sup>1)</sup> Equity attributable to the owners of the parent; excl. minorities and AT1 capital.

<sup>2)</sup> Based on regulatory IFRS CRR figures (BAWAG Group, fully loaded).

<sup>3)</sup> In accordance with IFRS, the item other operating income and expenses also includes the regulatory charges. However, BAWAG's management considers the regulatory charges as a separate expense. Accordingly, it is shown in a separate expense line.

<sup>4)</sup> Profit after tax attributable to owners of the parent.

<sup>5)</sup> The number or ratio is an APM. For a description, see "4.3 Alternative Performance Measures".

<sup>6)</sup> Prior to 1 January 2019, BAWAG reported this key ratio as 'Return on equity'. The method of calculation has remained unchanged. The ratio is an APM. For a description, see "4.3 Alternative Performance Measures".

<sup>7)</sup> Return on Tangible Common Equity. Prior to 1 January 2019, BAWAG reported this key ratio as 'Return on Tangible Equity (RoTE)'. The method of calculation has remained unchanged. The ratio is an APM. For a description, see "4.3 Alternative Performance Measures".

<sup>8)</sup> Considering normalized regulatory charges (85% of the regulatory charges for the financial year 2019 were booked in the first quarter of 2019), the share buyback in a total amount of € 400 million and the dividend accrual for the first three quarters of 2019, the Common Equity Tier 1 (CET 1) ratio (fully loaded) of BAWAG Group would have been 13.0% as of 30 September 2019. On this basis, RoTCE would have been 17.7% for the nine-month period ended 30 September 2019."

**24. The text in section "10.4 Administrative, management and supervisory bodies" on pages 327 to 329 of the Base Prospectus shall be replaced by the following information:**

"In accordance with Austrian law, a stock corporation (*Aktiengesellschaft*), such as BAWAG, has a two-tier board structure comprising of the management board ("**Management Board**") and the supervisory board ("**Supervisory Board**"). The Management Board is responsible for the executive management and represents the company vis-à-vis third parties. The Supervisory Board is responsible for supervising the management and internal controls of the company. Members of the Management Board are appointed by the Supervisory Board. Members of the Supervisory Board are elected by the shareholders' meeting or delegated by shareholders afforded such a delegation right in the Articles of Association. Under Austrian co-determination rules, a stock corporation's works council has the right to delegate one works council representative to the Supervisory Board for every two shareholders' representatives at the Supervisory Board. The corporate bodies of the company are bound in particular by the Articles of Association, the rules of procedure for the Management Board (*Geschäftsordnung für den Vorstand*), the rules of procedure for the Supervisory Board (*Geschäftsordnung für den Aufsichtsrat*) (each as adopted by the Supervisory Board) and the Austrian Corporate Governance Code.

The following is a summary of the most important provisions of the BAWAG's corporate legal framework.

**10.4.1 Members of the administrative, management and supervisory bodies of the Company**

The members of BAWAG's Management Board and Supervisory Board may be contacted at BAWAG's business address at Wiedner Gürtel 11, A-1100 Vienna, Austria.

#### 10.4.1.1 Current members of the Management Board

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

<b>Name</b>	<b>Position</b>	<b>Year first appointed</b>	<b>End of Current Term</b>
Anas Abuzaakouk.....	Chief Executive Officer	2017	2021
Enver Sirucic.....	Chief Financial Officer	2017	2021
Stefan Barth.....	Chief Risk Officer	2017	2021
David O'Leary.....	Head of BAWAG P.S.K. Retail	2017	2021
Andrew Wise.....	Chief Investment Officer	2017	2021
Sat Shah.....	Chief Executive Officer easygroup	2017	2021

Source: Company information.

#### 10.4.1.2 Current members of the Supervisory Board

The following table lists the positions of the current members of the Supervisory Board of BAWAG and in each case the year they were first appointed as members of the Supervisory Board of BAWAG and the expiration of their current term, to the extent applicable:

<b>Name</b>	<b>Position</b>	<b>Year first appointed</b>	<b>End of Current Term</b>
Egbert Fleischer.....	Chairperson	2017	2023
Kim Fennebresque .....	Deputy Chairperson	2017	2023
Frederick Haddad .....	Member <sup>1)</sup>	2017	n/a
Adam Rosmarin.....	Member	2017	2023
Ingrid Streibel-Zarfl .....	Member <sup>2)</sup>	2019	n/a
Verena Spitz .....	Member <sup>2)</sup>	2019	n/a

<sup>1)</sup> Delegated by the GoldenTree Shareholders (cf. "10.4.2.2 Administrative, management and supervisory bodies' potential conflicts of interest" and "10.5 Major shareholders").

<sup>2)</sup> Works council representative.

Source: Company information.

### 10.4.2 Certain information on the members of the Management Board and the Supervisory Board; conflict of interest

#### 10.4.2.1 Activities performed outside BAWAG Group

The following tables set forth the principal activities performed by the members of the Management Board and Supervisory Board of BAWAG outside BAWAG Group where these are significant with respect to BAWAG.

*Members of the Management Board*

<b>Name</b>	<b>Name of the company</b>	<b>Activity performed</b>
Enver Sirucic.....	Verband österreichischer Banken und Bankiers	member of the management board
	Einlagensicherung AUSTRIA Ges.m.b.H.	member of the supervisory board
Stefan Barth.....	Österreichische Bankwissenschaftliche Gesellschaft	member of the management board
David O'Leary.....	Amundi Austria GmbH	member of the supervisory board

*Members of the Supervisory Board*

<b>Name</b>	<b>Name of the company</b>	<b>Activity performed</b>
Egbert Fleischer.....	Wiener Börse AG	member of the supervisory board
	CEESEG Aktiengesellschaft	member of the supervisory board
Kim Fennebresque .....	Ally Financial Inc.	member of the board of directors
	Bluelinx Holdings	non-executive chairman of the board of directors
	Albertsons Companies Inc.	member of the board of directors
	Sonus Networks, Inc.	member of the board of directors
Frederick Haddad .....	ABANA	director
	GoldenTree Asset Management LP	partner, executive committee member and portfolio manager

#### 10.4.2.2 Administrative, management and supervisory bodies' potential conflicts of interest

On the date of this Third Supplement, the Supervisory Board of BAWAG comprises the same persons as the Supervisory board of BAWAG P.S.K. Although the participation in BAWAG P.S.K. is BAWAG's only holding, the interests of BAWAG and the interests of BAWAG P.S.K. may not always be fully aligned.

Other than set out below there are no arrangements or understandings with major shareholders of BAWAG, or with other persons, pursuant to which any member of BAWAG's Management Board or Supervisory Board was appointed a member of such corporate body.

The Risk and Credit Committee of BAWAG P.S.K. approved mortgage loans to members of the Management Board at standard employee terms and conditions; certain funds drawn under these loans remain outstanding and further funds may be drawn in the future.

Mr. Frederick Haddad, who is the member of the Supervisory Board delegated by the GoldenTree Shareholders (see "10.5 Major shareholders"), is a partner, executive committee member and portfolio manager of GoldenTree Asset Management LP, in which role he oversees and manages certain GoldenTree portfolio investments, including BAWAG Group. The interests of BAWAG and BAWAG Group on the one hand and the interests of the GoldenTree Shareholders and GoldenTree Asset Management LP, respectively, on the other hand are not necessarily always aligned and may conflict in certain circumstances. It should be noted, however, that Supervisory Board members must not act in their own interests or in the interests of persons or enterprises with whom they have close relationship if those interests conflict with those of the enterprise or serves to attract businesses opportunities to such members that would otherwise have gone to the enterprise.

Except as described in this section, there are, to the best knowledge of BAWAG, no potential conflicts of interest of any members of the Management Board or the Supervisory Board.

There are no family ties between the members of the Management Board and the Supervisory Board. Except as described in this section, neither BAWAG nor any of its subsidiaries has granted a loan that is still outstanding to any members of the Supervisory Board or the Management Board."

#### 25. The text in section "10.5 Major shareholders" on pages 329 to 330 of the Base Prospectus (as replaced by the First Supplement) shall be replaced by the following information:

"As at 20 December 2019, major shareholders of BAWAG Group AG are several funds and accounts under management of the investor GoldenTree ("**GoldenTree Shareholders**") as well as several funds and accounts under management of the T. Rower Price Group, Inc., and several funds and accounts under management of Wellington Management Group LLP holding percentages of BAWAG's total number of outstanding shares as shown in the table below, based on the most recent major shareholder notifications. The GoldenTree Shareholders and BAWAG entered into a deconsolidation agreement (*Entherrsungsvertrag*, "**Deconsolidation Agreement**"). In essence, under the Deconsolidation Agreement, the GoldenTree Shareholders undertake *vis-à-vis* BAWAG to a level of self-restraint regarding the use of their voting rights in BAWAG in order to ensure that they will not be able to carry a vote on their own in respect to the election and dismissal of supervisory board members, any vote of non-confidence (*Misstrauensvotum*) and management matters (*Geschäftsführungsmaßnahmen*) that are brought before the shareholders' meeting of BAWAG.

The following table shows BAWAG's major shareholders as at 20 December 2019:

<u>Major Shareholders</u>	<u>Shareholding in %</u>
<b>GoldenTree Shareholders</b> .....	<b>21.82</b>
<i>GoldenTree HoldCo Lux 1 S.à r.l.</i> ....	4.66
<i>GoldenTree HoldCo Lux 2 S.à r.l.</i> ....	4.58
<i>GoldenTree HoldCo Lux 3 S.à r.l.</i> ....	3.81
<i>GoldenTree Asset Management     Dutch BV</i> .....	6.70
<i>GN3 SIP LP</i> .....	2.04

Major Shareholders	Shareholding in %
<i>Stichting PGGM Depository</i> .....	0.03
<b>T. Rowe Price Group, Inc.</b> .....	<b>5.61</b>
<b>Wellington Management Group LLP</b> ...	<b>4.91<sup>1)</sup></b>
Wellington Management International Limited .....	<b>0.77<sup>1)</sup></b>
Wellington Management Company LLP .....	<b>4.13<sup>1)</sup></b>

*Source:* This information is based on the most recent major shareholder notifications indicating a shareholding above the initial notification threshold of 4% BAWAG has published pursuant to § 135(2) of the Austrian Stock Exchange Act 2018 (*Börsegesetz 2018 – BörseG 2018*) or the relevant preceding law. According to § 130(1) sentence 1 of the Austrian Stock Exchange Act 2018, if natural persons or legal entities (irrespective of whether domestic or foreign), directly or indirectly, acquire or sell shares in a stock corporation for which Austria is the home member state and the shares of which are listed on the Official Market or the Second Regulated Market of the Vienna Stock Exchange, then these persons or entities are obliged to notify the FMA, the Vienna Stock Exchange as well as BAWAG within two trading days after the acquisition or disposal of a major shareholding, provided that the proportion of the voting rights held reaches, exceeds or falls below a threshold of 4%, 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 75% or 90%, respectively, as a consequence of the acquisition or disposal. The articles of association of a listed company can lower the reporting threshold to 3%. However, the Articles of Association of BAWAG do not provide for such reduced threshold. The notification period commences when the shareholder of a major shareholding gains, or should have gained, knowledge of the acquisition or sale. § 133 of the Austrian Stock Exchange Act 2018 sets out certain cases in which voting rights are attributed to another person or entity.

<sup>1)</sup> This information was calculated by the Company using the information included in the most recent major shareholder notification of Wellington Management Group LLP of December 9, 2019 and giving effect to the reduction of the Company's share capital from € 100,000,000.00 by € 10,857,763.00 to € 89,142,237.00 (divided into 89,142,237 shares).

As at 20 December 2019, there are no arrangements, known to BAWAG Group, the operation of which may at a subsequent date result in a change in control of BAWAG Group."

**26. The section under the heading "11.4 Administrative, management and supervisory bodies" on pages 335 to 336 of the Base Prospectus shall be replaced by the following information:**

"For a general description of BAWAG P.S.K.'s two-tier board structure see "10.4 Administrative, management and supervisory bodies" above. The following is a summary of the most important provisions of the BAWAG P.S.K.'s corporate legal framework.

**11.4.1 Members of the administrative, management and supervisory bodies of the Company**

The members of the Management Board and Supervisory Board may be contacted at BAWAG's business address at Wiedner Gürtel 11, A-1100 Vienna, Austria.

*11.4.1.1 Current members of the Management Board*

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

<b>Name</b>	<b>Position</b>	<b>Year first appointed</b>	<b>End of Current Term</b>
Anas Abuzaakouk.....	Chief Executive Officer	2014	2021
Enver Sirucic.....	Chief Financial Officer	2017	2021
Stefan Barth.....	Chief Risk Officer	2015	2021
David O'Leary.....	BAWAG P.S.K. Retail	2017	2021
Andrew Wise.....	Chief Investment Officer	2017	2021
Sat Shah.....	Chief Executive Officer easygroup	2015	2021

Source: Company information.

#### 11.4.1.2 Current members of the Supervisory Board

The following table lists the positions of the current members of the Supervisory Board of BAWAG P.S.K. and in each case the year they were first appointed as members of the Supervisory Board of BAWAG P.S.K. and the expiration of their current term, to the extent applicable:

<b>Name</b>	<b>Position</b>	<b>Year first appointed</b>	<b>End of Current Term</b>
Egbert Fleischer.....	Chairperson	2017	2023
Kim Fennebresque.....	First Deputy Chairperson	2017	2023
Frederick Haddad.....	Member	2013	2023
Adam Rosmarin.....	Member	2017	2023
Ingrid Streibel-Zarfl.....	Member <sup>1)</sup>	2019	n/a
Verena Spitz.....	Member <sup>1)</sup>	2019	n/a

<sup>1)</sup> Works council representative.

Source: Company information.

### 11.4.2 Certain Information on the Members of the Management Board and the Supervisory Board; Conflict of Interest

#### 11.4.2.1 Activities performed outside BAWAG Group

For activities of the members of BAWAG P.S.K.'s Management Board and Supervisory Board, see "10.4.2.1 Activities performed outside BAWAG Group" above.

#### 11.4.2.2 Administrative, management and supervisory bodies' potential conflicts of interest

On the date of this Third Supplement, the Supervisory Board of BAWAG P.S.K. comprises the same persons as the Supervisory board of BAWAG. Although the participation in BAWAG P.S.K. is BAWAG's only holding, the interests of BAWAG and the interests of BAWAG P.S.K. may not always be fully aligned.

Other than set out below there are no arrangements or understandings with major shareholders of BAWAG P.S.K., or with other persons, pursuant to which any member of BAWAG P.S.K.'s Management Board or Supervisory Board was appointed a member of such corporate body.

The Risk and Credit Committee of BAWAG P.S.K. approved mortgage loans to members of the Management Board at standard employee terms and conditions; certain funds drawn under these loans remain outstanding and further funds may be drawn in the future.

Mr. Frederick Haddad is a partner, executive committee member and portfolio manager of GoldenTree Asset Management LP, in which role he oversees and manages certain GoldenTree portfolio investments, including BAWAG P.S.K. Group. The interests of BAWAG P.S.K. and BAWAG P.S.K. Group on the one hand and the interests of the GoldenTree Shareholders and GoldenTree Asset Management LP, respectively, on the other hand are not necessarily always aligned and may conflict in

certain circumstances. It should be noted, however, that Supervisory Board members must not act in their own interests or in the interests of persons or enterprises with whom they have close relationship if those interests conflict with those of the enterprise or serves to attract businesses opportunities to such members that would otherwise have gone to the enterprise.

Except as described in this section, there are, to the best knowledge of BAWAG P.S.K., no potential conflicts of interest of any members of the Management Board or the Supervisory Board.

There are no family ties between the members of the Management Board and the Supervisory Board of BAWAG P.S.K. Except as described in this section, neither BAWAG P.S.K. nor any of its subsidiaries has granted a loan that is still outstanding to any members of the Supervisory Board or the Management Board of BAWAG P.S.K."

**27. The section under the heading "12.4 Overview of Segments" on pages 342 to 344 of the Base Prospectus (as replaced by the Second Supplement) shall be replaced by the following information:**

"BAWAG Group operates one of Austria's largest retail banks (source: Statista, Leading banks in Austria in 2017, by total assets, 2018) serving, as of 31 March 2019, over 2.5 million customers. BAWAG Group is a major player in the Austrian direct banking market through its easybank business and online and mobile platforms, and it also operates a centralised branch network with a focus on key urban growth areas of Austria, particularly in Vienna. The geographic focus of the business is placed on the DACH region (comprising Austria, Germany and Switzerland), and in particular on BAWAG Group's home market of Austria and, to a lesser extent, Germany. However, BAWAG Group also has corporate and commercial real estate lending and portfolio financing activities in Western Europe outside the DACH region and in the United States. In line with BAWAG Group's focus on developed countries, as of 31 March 2019, approx. 73% of its customer loans were granted to customers in the DACH region and approx. 27% to customers in Western Europe and the United States. BAWAG Group manages the liquidity from its core funding franchise through an investment portfolio of financial securities, with no direct exposure to China, Russia, Hungary or Southeastern European countries.

**12.4.1 Re-Segmentation**

Until 2019, BAWAG Group and BAWAG Group P.S.K. had seven reportable segments, reflecting, among others, BAWAG P.S.K.'s operating subsidiaries, namely (i) BAWAG P.S.K. Retail, (ii) easygroup, (iii) Südwestbank, (iv) DACH Corporates & Public Sector, (v) International Business, (vi) Treasury Services & Markets and (vii) Corporate Center.

For the financial year 2019, BAWAG and BAWAG P.S.K. changed their reportable segments. The former business segments DACH Corporates & Public Sector, International Business, the corporate business from "Südwestbank" and the SME business (formerly in the segment BAWAG P.S.K. Retail) were merged into one new segment Corporates & Public. The segments BAWAG P.S.K. Retail, easygroup and the retail business of Südwestbank were merged into one new segment Retail & SME. The segments Treasury Services & Markets and Corporate Center remained unchanged. BAWAG Group first published segment reporting after the changes for the first quarter of 2019 on 14 May 2019.

**12.4.2 Business segments until 2019**

Until 2019, BAWAG Group's reportable business segments were (i) BAWAG P.S.K. Retail, (ii) easygroup, (iii) Südwestbank and (iv) DACH Corporates & Public Sector.

*12.4.2.1 BAWAG P.S.K. Retail*

The BAWAG P.S.K. Retail segment was operated through a centralised branch network and a digital platform supported by a customer care center. The segment's strategy was to offer simple, transparent and easy to understand products and services using a data-driven approach to product offering and customer relationships through branch, online and direct sales channels and capitalising on BAWAG P.S.K.'s well-recognized national brand. The segment's focus was on the Austrian mass market and aimed at providing a targeted suite of products for its customers to save, invest and achieve their financial goals. This approach relied on the loyalty of the segment's customer base. In addition, the segment offered small and medium enterprises (SMEs) same-day business financing.

*12.4.2.2 easygroup*

easygroup is, in its own assessment, Austria's leading direct banking group and includes the direct banking subsidiary easybank AG. easygroup's clients are retail customers and small business customers. Through online and mobile channels, easygroup offers a full banking product suite ranging from current accounts and savings products to credit cards, consumer loans, housing loans, auto, mobile and real estate leases, investment products, building society loans and savings, as well as lending to international retail borrowers, including own issues covered with an international mortgage portfolio. easygroup seeks to provide its customers with a one-stop solution for all their banking needs, with a core focus on making its customers' lives easier through digital solutions. easygroup's objective is to continue to be, in its own assessment, a leading direct bank in Austria, while expanding into larger Western markets, particularly Germany. easygroup obtained regulatory clearance to open a branch in Germany. The acquisitions of Südwestbank and start:bausparkasse Germany (until January 2019 named DEUTSCHER RING Bausparkasse AG) will further advance and accelerate easybank's expansion in Germany by providing easygroup with a German toehold from which to expand into this country.

#### *12.4.2.3 Südwestbank*

Südwestbank, founded in 1922, is a universal bank with a long history of serving customers in the Baden-Württemberg region of southwest Germany and is headquartered in Stuttgart, Germany. Südwestbank offers a wide range of lending and deposit products and services. Besides the lending and deposit business, Südwestbank offers additional products including insurance, savings contracts with building societies and brokerage services. In 2018, Südwestbank launched BAWAG P.S.K.'s digital consumer lending platform 'Qlick'. Customers are serviced through a physical branch network and online service capabilities. Südwestbank uses different strategic partnerships with other German banks and insurance companies as a complement to its own product offering.

#### *12.4.2.4 DACH Corporates & Public Sector*

This segment comprised BAWAG Group's corporate and public lending activities and other fee-driven financial services, with a focus on term loans, payment services products and security sales. The segment mainly serviced Austrian customers, as well as selected client relationships in Germany and Switzerland. The DACH Corporates & Public Sector segment served corporate and public sector customers, providing financing, investment and foreign exchange products as well as payment service products. In addition, the segment established an originate-to-sell platform in which it organises public sector loans with a view to sell the investments to insurance companies.

#### *12.4.2.5 International Business*

This segment included BAWAG Group's international corporate lending and international real estate financing business outside the DACH region, with a focus on developed countries within Western Europe as well as the United States. The segment aimed at international corporate, real estate and portfolio lending with a preference for secured or unsecured investment grade loans and senior secured non-investment grade loans. The international corporate lending business focused primarily on lending to free cash flow generating companies with defensive business profiles and appropriate capital structures. The international real estate financing business focused on senior loan positions in cash flow generating properties. The segment had a strong credit profile across international assets. BAWAG Group's International Business segment offered a competitive service in terms of response times, reliability and flexibility while maintaining premium pricing. It had limited exposure to land, development and construction financings.

### **12.4.3 Business segments after 2019**

From 2019, BAWAG Group's reportable business segments are (i) Retail & SME and (ii) Corporates & Public.

#### *12.4.3.1 Retail & SME*

The segment Retail & SME covers all physical, online, mobile, phone and broker channels which BAWAG Group offers to its retail clients and is split in the following sub segments:

- *BAWAG P.S.K. Retail.* The sub-segment includes savings, payment, card and lending activities, investment and insurance services for Austrian private customers, small business lending and social housing activities as well as building society savings and loans (for the latter acting as broker) serving 1.2 million private and small business customers through a

centralized branch network as well as online and mobile sales channels supported by a customer care center. The sub-segment focuses on funding through its deposit base, while expanding its lending business and broadening the range of its financial product offerings with strategic partnerships. Growth is focused on its core market in Austria. This sub-segment also includes the volume of own issues covered with retail assets and bonds of BAWAG P.S.K. Wohnbaubank AG.

- *easygroup*. The sub-segment services approximately 1.4 million private and small business customers and borrowers and includes easybank AG, a digital bank, which offers customers financial products ranging from savings and current accounts, consumer loans, housing loans, credit cards (including the acquired business from PayLife), payment solutions and investment products for private and small business customers. easyleasing GmbH, a subsidiary of easybank AG is focused on the distribution of leasing products including vehicle leases, floor plan financing for vehicle dealerships and various other leases of moveable assets for private and business customers as well as the run-off portfolio of real estate leasing. The sub-segment also includes the building societies start:bausparkasse AG, Austria, and start:bausparkasse AG, Germany (until January 2019 named DEUTSCHER RING Bausparkasse AG), a small German building society, both offering building society savings and loans. The international retail business of the sub-segment consists of international performing loan portfolios secured by residential mortgages and the RMBS refinancing volumes.
- *Südwestbank Retail*. This sub-segment includes the business volumes of the fully owned subsidiary Südwestbank AG including savings, payment, card and lending activities, investment and asset management services for private and small business customers in Germany.

#### 12.4.3.2 Corporates & Public

The segment Corporate & Public includes the Austrian, German and international non-retail business:

- *Austrian Corporate business*. The sub-segment – serviced in BAWAG P.S.K. – includes the corporate and public sector lending business and other fee-driven financial services, with a focus on term loans, payment service products and security sales focusing on mainly Austrian customers; it also supports clients in their cross-border activities. The sub-segment services approximately 2,500 commercial clients with a turnover exceeding € 5 million and select real estate clients as well as approximately further 3,500 public sector clients, including the Austrian government, municipalities, public sector entities and social and pension insurance companies and also provides payment services to institutional and major corporate clients in which public sector entities hold a stake. The volume of own issues covered with corporate or public sector assets are included as well.
- *German Corporate business*. The sub-segment – serviced in Südwestbank AG – includes the corporate sector lending business and other fee-driven financial services, with a focus on term loans, payment service products and security sales focusing on mainly German customers.
- *International Business*. This sub-segment includes the international corporate lending and international real estate financing business outside the DACH region with a focus on developed countries within Western Europe as well as the United States. The international corporate lending business focuses primarily on lending to free cash flow generating companies with defensive business profiles and, what BAWAG Group believes to be, appropriate capital structures and strong market positions. The international real estate financing business focuses on senior loan positions in cash flow generating properties and is primarily sponsor-driven, focusing on international private equity investments.

#### 12.4.4 Treasury Services & Markets

BAWAG Group's Treasury Services & Markets segment acts as a service center for all BAWAG Group entities, customers and partners and includes any treasury activities associated with providing trading and investment services such as certain asset-liability management transactions (i.e. the management of interest rates, collateral, capital and FX), funding (secured and unsecured) and the investment results of BAWAG Group's portfolio of financial securities as well as liquidity management, including managing the liquidity reserve of BAWAG Group. The segment maintains a diversified book of

investment grade credits with no direct exposure to China, Russia, Hungary, or Southeastern European countries.

#### 12.4.5 Corporate Center

The Corporate Center contains central functions for BAWAG Group, including providing legal services and managing risks and group asset-liability management. It also includes unallocated expenses such as restructuring expenses, regulatory charges (except contributions to the deposit guarantee scheme) and corporate tax.

#### 12.4.6 Overview of certain key segment figures

##### 12.4.6.1 Financial year ended 31 December 2018

The following table provides an overview of Core Revenues and profit before tax generated by BAWAG Group's seven segments reportable until 2019, namely BAWAG P.S.K. Retail, easygroup, DACH Corporates & Public Sector, International Business, Corporate Center and Treasury Services & Markets, as of and for the financial year ended 31 December 2018:

	<b>BAWAG P.S.K. Retail</b>	<b>easy group</b>	<b>Südwestbank</b>	<b>DACH Corporates &amp; Public Sector</b>	<b>International Business</b>	<b>Treasury Services &amp; Markets</b>	<b>Corporate Center</b>	<b>Total</b>
Core Revenues (in € million, audited) <sup>1)</sup> .....	543.4	222.5	114.9	95.4	134.3	48.7	(35.9)	1,123.3
Core Revenues % (unaudited) .....	48%	20%	10%	8%	12%	4%	(3%)	100%
Profit before tax (in € million, audited) .....	243.2	145.1	49.5	46.1	122.9	45.0	(79.1)	572.7
Profit before tax % (unaudited) ...	42%	25%	9%	8%	21%	8%	(14%)	100%
Cost-Income Ratio <sup>1)</sup> .....	44.9%	31.5%	60.2%	53.3%	19.5%	n/a	n/a	44.2%

<sup>1)</sup> The number or ratio is an APM. For a description, see "4.3 Alternative Performance Measures".

The following table provides an overview of Core Revenues and profit before tax generated by BAWAG Group's four reportable segments from 2019, namely Retail & SME, Corporates & Public, Treasury Services & Markets and Corporate Center, as of and for the financial year ended 31 December 2018 (retrospective application of the re-segmentation and allocation of regulatory charges and taxes to business segments, unaudited):

	<b>Retail &amp; SME</b>	<b>Corporates &amp; Public</b>	<b>Treasury Services &amp; Markets</b>	<b>Corporate Center</b>	<b>Total</b>
Core Revenues (in € million) <sup>1)</sup> .....	811.5	299.0	48.7	(35.9)	1,123.3
Core Revenues % ..	72%	27%	4%	(3%)	100%
Profit before tax (in € million) .....	390.9	198.7	39.8	(56.7)	572.7
Profit before tax % .....	68%	35%	7%	(10%)	100%
Cost-Income Ratio <sup>1)</sup> .....	42.3%	38.7%	n/a	n/a	44.2%

<sup>1)</sup> The number or ratio is an APM. For a description, see "4.3 Alternative Performance Measures".

##### 12.4.6.2 Six-month period ended 30 June 2019

The following table provides an overview of Core Revenues and profit before tax generated by BAWAG Group's four reportable segments Retail & SME, Corporates & Public, Corporate Center and Treasury Services & Markets after re-segmentation as of 30 June 2019 (unaudited) and 30 June 2018 (retrospective application of the re-segmentation and allocation of regulatory charges and taxes to business segments, unaudited):

	Retail & SME		Corporates & Public		Treasury Services & Markets		Corporate Center		Total	
	As of and for the six-month period ended 30 June		As of and for the six-month period ended 30 June		As of and for the six-month period ended 30 June		As of and for the six-month period ended 30 June		As of and for the six-month period ended 30 June	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Core Revenues (in € million) <sup>1)</sup> .....	425.8	407.2	147.7	149.3	23.7	23.9	(19.5)	(23.2)	577.7	557.2
Core Revenues %..	74%	73%	26%	27%	4%	4%	(3%)	(4%)	100%	100%
Profit before tax (in € million).....	184.9	183.8	94.8	92.5	44.3	34.8	(36.9)	(41.5)	287.1	269.6
Profit before tax %.....	64%	68%	33%	34%	15%	13%	(13%)	(15%)	100%	100%
Cost-Income Ratio <sup>1)</sup> .....	43.5%	41.7%	35.7%	40.5%	n/a	n/a	n/a	n/a	42.9%	43.7%

<sup>1)</sup> The number or ratio is an APM. For a description, see "4.3 Alternative Performance Measures".

#### 12.4.6.3 Nine-month period ended 30 September 2019

The following table provides an overview of Core Revenues and profit before tax generated by BAWAG Group's four reportable segments Retail & SME, Corporates & Public, Corporate Center and Treasury Services & Markets after re-segmentation as of 30 September 2019 (unaudited) and 30 September 2018 (retrospective application of the re-segmentation and allocation of regulatory charges and taxes to business segments, unaudited):

	Retail & SME		Corporates & Public		Treasury Services & Markets		Corporate Center		Total	
	As of and for the nine-month period ended 30 September		As of and for the nine-month period ended 30 September		As of and for the nine-month period ended 30 September		As of and for the nine-month period ended 30 September		As of and for the nine-month period ended 30 September	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Core Revenues (in € million) <sup>1)</sup> .....	644.8	606.7	220.2	222.8	34.9	35.9	(31.4)	(28.6)	868.5	836.8
Core Revenues %..	74%	73%	25%	27%	4%	4%	(4%)	(3%)	100%	100%
Profit before tax (in € million).....	288.2	283.9	140.4	138.5	98.9	36.8	(77)	(29.1)	450.5	430.1
Profit before tax %.....	64%	66%	31%	32%	22%	9%	(17%)	(7%)	100%	100%
Cost-Income Ratio <sup>1)</sup> .....	43.7%	42.2%	35.5%	40.0%	19.4%	34.9%	(15.9)%	(33.1)%	42.7%	43.3%

<sup>1)</sup> The number or ratio is an APM. For a description, see "4.3 Alternative Performance Measures".

## 28. The section under the heading "14.1.4 FATCA" on page 353 of the Base Prospectus shall be replaced by the following information:

"A "Foreign Financial Institution" ("FFI") may be required to withhold at a rate of 30% ("FATCA withholding") on certain payments it makes pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code and U.S. Treasury regulations promulgated thereunder, commonly known as FATCA.

A number of jurisdictions, including Austria, have entered into intergovernmental agreements with the United States ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. On 29 April 2014, Austria concluded such IGA (based on the Model II) with the United States requiring Austrian Reporting Financial Institutions to register as "Participating FFIs" and to comply with the requirements of the IGA in order to facilitate the implementation of FATCA for Austrian financial institutions (i.e. custodial institutions, depository institutions, investment entities or specific insurance companies) and to allow the provision of certain information on accounts held by "U.S. Persons" to the U.S. Internal Revenue Service (IRS). The Issuers have registered as a Participating FFI under the Austrian IGA Model II (Global Intermediary Identification Number (GIIN): BAWAG: 26567T.99999.SL.040, BAWAG P.S.K.: CASP5B.00000.LE.040).

If the respective U.S. account holder does not allow the financial institution to forward account specific information to the IRS, the financial institution is still obliged to forward aggregated information on the account to the IRS and such information may serve as basis for group requests by the IRS to the Austrian tax administration in order to obtain more specific information on such accounts.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding on "foreign passthru payments" would be required under FATCA or an IGA, are uncertain and may be subject to change. Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (or unless treated as equity for U.S. federal income tax purposes). However, if additional Notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, under proposed U.S. Treasury regulations (the preamble to which specifies that taxpayers are permitted to rely on them pending finalization) such withholding would not apply prior to the date that is two years after final regulations that define "foreign passthru payments" are published. Under the Austrian IGA, Austria and the United States have committed in Article 5 to work together, along with certain partner jurisdictions, to develop a practical and effective alternative approach to achieve the policy objectives of foreign passthru payments (and gross proceeds withholding) that minimizes burden.

Investors are advised to contact their tax advisor with respect to the consequences of FATCA or an IGA on their investment in the Notes.

**Investors should consult their professional advisers to clarify their position."**

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