

Third Supplement  
dated 29 October 2021  
to the Base Prospectus dated 12 March 2021

This third supplement (the **“Third Supplement”**) constitutes a supplement within the meaning of Art. 23 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the **“Prospectus Regulation”**) relating to two base prospectuses: (i) the base prospectus of BAWAG Group AG (**“BAWAG”**, together with its consolidated subsidiaries, including BAWAG P.S.K. (as defined herein) **“BAWAG Group”**) in respect of non-equity securities within the meaning of Article 2 point (c) of the Prospectus Regulation (**“Non-Equity Securities”**) and (ii) the base prospectus of BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft (**“BAWAG P.S.K.”**, together with its consolidated subsidiaries, **“BAWAG P.S.K. Group”** and BAWAG and BAWAG P.S.K. the **“Issuers”** and each an **“Issuer”**) in respect of Non-Equity Securities (the **“Original Prospectus”**), as supplemented by the first supplement dated 30 April 2021 (the **“First Supplement”**) and the second supplement dated 17 August 2021 (the **“Second Supplement”** and together with the Original Prospectus, the **“Debt Issuance Programme Prospectus”** or the **“Base Prospectus”**).



**BAWAG Group AG**

Vienna, Republic of Austria  
– Issuer –

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

Vienna, Republic of Austria  
– Issuer –

**EUR 10,000,000,000**  
**Debt Issuance Programme**  
**(the “Programme”)**

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

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

The Prospectus was published on 12 March 2021, in accordance with article 21 paragraph 2 of the Prospectus Regulation in electronic form on the website of the BAWAG Group AG ([www.bawaggroup.com](http://www.bawaggroup.com)). The First Supplement was published on 30 April 2021 and the Second Supplement was published on 17 August 2021, each in accordance with article 23 paragraph 1 and article 21 paragraph 2 of the Prospectus Regulation in electronic form on the website of BAWAG Group AG ([www.bawaggroup.com](http://www.bawaggroup.com)). This Third Supplement will also be published in accordance with article 23 paragraph 1 and article 21 paragraph 2 of the Prospectus Regulation in electronic form on the website of BAWAG Group AG ([www.bawaggroup.com](http://www.bawaggroup.com)) and will be available free of charge at the specified offices of the Issuers.

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

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

Each Issuer accepts responsibility for the information contained in this Third Supplement and 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.

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

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

**In accordance with Article 23 paragraph 2a of the Prospectus Regulation, investors who had already agreed to purchase or subscribe for the securities before this Third Supplement was published and where the securities had not yet been delivered to the investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted, have the right, exercisable within three working days after the publication of this Supplement, to withdraw their acceptances. The final date of the right of withdrawal will be 4 November 2021. Investors should contact BAWAG Group's head of investor relations ([investor.relations@bawaggroup.com](mailto:investor.relations@bawaggroup.com)) for the exercise of the right of withdrawal.**

**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.**

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

1. **In the section “7.3.1 Statement of no material adverse change / significant changes” on page 282 of the Base Prospectus, the second paragraph as supplemented by the Second Supplement shall be deleted and replaced by the following information:**

“There has been no significant change in the financial performance of BAWAG Group since 30 September 2021, the end of the last financial period for which financial information has been published, to the date of this Base Prospectus.”

2. **In the section “7.3.2 Recent developments and outlook” in sub-paragraph “Recent Developments” – “Recent funding activities” on page 282 of the Base Prospectus, the following information shall be added after the last paragraph:**

“In the third quarter 2021, BAWAG P.S.K. issued notes covered by a mortgage-backed pool of assets in the amount of € 500 million due September 2029 with 0.01% coupon (Green Bonds) under the Programme.”

3. **In the section “7.3.2 Recent developments and outlook” in sub-paragraph “Outlook” the last three paragraphs as supplemented by the Second Supplement on page 283 of the Base Prospectus shall be deleted and replaced by the following information:**

“BAWAG expects a gradual improvement in 2021 and hopes such year to become a stepping-stone to its mid-term targets in a normalized environment. BAWAG Group anticipates a subdued economic activity from imposed lockdowns during the first half of the year 2021, followed by a normalized environment in the second half of the year 2021. In its outlook for 2021, BAWAG Group targets a Cost-income Ratio of less than 40%. In the medium term, BAWAG Group targets a Return on tangible common equity (RoTCE) of more than 17% and a Cost-Income Ratio of less than 38%.

Following the initial down-payment of EUR 40 million on the total EUR 460 million earmarked dividends from 2019 and 2020 profits in March 2021, the Management Board of BAWAG Group has decided to propose the remaining EUR 420 million dividends from 2019/2020 profits for distribution to the Annual General Meeting on 27 August 2021. The dividend payout took place in October 2021.

Furthermore, an “Investor Day” was held on 20 September 2021, on which new targets and a 4-year plan through 2025 were presented.”

4. **In the section “7.7 Significant change in the financial position of BAWAG GROUP” on page 286 of the Base Prospectus, the text as supplemented by the Second Supplement shall be deleted and replaced by the following information:**

“No significant change in the financial position of BAWAG Group has occurred since 30 September 2021. A serious assessment of the effects of the COVID-19 pandemic is, however, still not possible. Further developments will be closely monitored so that BAWAG Group can take appropriate measures and precautions at any time.”

5. **The section “9.4.2 Asset decomposition and asset split by region” on pages 296 to 297 of the Base Prospectus shall be supplemented by the following information:**

“Asset decomposition as of 30 September 2021

The following table provides an overview of the asset decomposition of BAWAG Group’s segments Retail & SME and Corporates, Real Estate & Public<sup>1)</sup>:

Asset decomposition (in € million)	30 September 2021 (unaudited)
<b>Retail &amp; SME</b>	
Housing loans .....	15,602
Consumer and SME .....	5,204
<b>Total .....</b>	<b>20,806</b>
<b>Corporates, Real Estate &amp; Public</b>	
Corporates .....	4,118
Real Estate .....	5,569
Public Sector .....	4,170

<b>Asset decomposition</b>	<b>30 September 2021</b>
Short-term / money market lending.....	261
<b>Total.....</b>	<b>14,118</b>

Source: Company information.

1) Formerly referred to as: "Corporates & Public"

*Asset split by region as of 30 September 2021*

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

<b>Asset split by region</b>	<b>30 September 2021</b>
<b>(in € million)</b>	<b>(unaudited)</b>
<b>Retail &amp; SME</b>	
DACH/NL.....	19,171
Western Europe / USA	1,635
<b>Total.....</b>	<b>20,806</b>
<b>Corporates, Real Estate &amp; Public</b>	
DACH/NL.....	6,716
Western Europe / USA	7,402
<b>Total.....</b>	<b>14,118</b>

Source: Company information.

1) Formerly referred to as: "Corporates & Public"

6. In the section "10.1.2 Selected financial information" on pages 299 to 302 of the Base Prospectus, after the sub-heading "Selected financial information for the six month period ended 30 June 2021" (as supplemented by the Second Supplement), a new sub-heading "Selected financial information for the nine months period ended 30 September 2021" is inserted with the following information:

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

<b>Financial position</b>	<b>30 September 2021</b>
<b>(in € million)</b>	<b>(unaudited)</b>
Cash reserves.....	999
Financial assets held for trading.....	296
Financial assets at fair value through profit or loss.....	545
Fair value through other comprehensive income.....	3,960
Financial assets at amortised cost.....	47,157
thereof: Customers.....	33,887
Debt instruments.....	2,239
Credit institutions.....	11,031
Valuation adjustment on interest rate risk hedged portfolios.....	(72)
Hedging derivatives.....	212
Tangible non-current assets.....	368
Intangible non-current assets.....	536
Tax assets for current taxes.....	10
Tax assets for deferred taxes.....	5
Other assets.....	354
Non-current assets held for sale.....	0

<b>Financial position</b>	<b>30 September 2021</b>
<b>Total assets</b> .....	<b>54,370</b>
<b>Average interest-bearing assets</b> .....	<b>41,337</b>
<b>Total liabilities</b> .....	<b>50,142</b>
Financial liabilities designated at fair value through profit or loss .....	186
Financial liabilities held for trading.....	259
Financial liabilities at amortized cost ...	47,573
thereof: Customers .....	32,833
Issued bonds, subordinated and supplementary capital.....	7,279
Credit institutions.....	7,461
Financial liabilities associated with transferred assets ... transferred assets	0
Valuation adjustment on interest rate risk hedged portfolios.....	231
Hedging derivatives .....	124
Provisions .....	382
Tax liabilities for current taxes.....	96
Tax liabilities for deferred taxes.....	126
Other obligations.....	1,165
<b>Total equity</b> .....	<b>4,228</b>
thereof: Equity attributable to the owners of the parent (ex AT 1 capital).....	3,753
AT 1 capital .....	471
Non-controlling interests...	4
<b>Total liabilities and equity</b> .....	<b>54,370</b>

Source: Company information.

<b>(in € million)</b>	<b>30 September 2021</b>
	<b>(unaudited)</b>
Customer deposits and own issues <sup>1)</sup> ..	40,298

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

Source: Company information.

<b>Profit and loss statement</b>	<b>For the 3-month period ended 30 September 2021</b>	<b>For the 9-month period ended 30 September 2021</b>
<b>(in € million)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Net interest income</b> .....	<b>233.8</b>	<b>695.0</b>
<b>Net fee and commission income</b> .....	<b>71.7</b>	<b>209.6</b>
<b>Core Revenues</b> <sup>1)</sup> .....	<b>305.5</b>	<b>904.6</b>
Gains and losses on financial instruments and other operating income and expenses <sup>2)</sup> .....	1.7	6.2
<b>Operating income</b> .....	<b>307.2</b>	<b>910.8</b>
<b>Operating expenses</b> <sup>2)</sup> .....	<b>(120.4)</b>	<b>(363.5)</b>

<b>Profit and loss statement</b>	<b>For the 3-month period ended 30 September 2021</b>	<b>For the 9-month period ended 30 September 2021</b>
<b>Pre-Provision Profit<sup>1), 3)</sup>.....</b>	<b>186.8</b>	<b>547.3</b>
Regulatory charges <sup>2)</sup> .....	(4.3)	(60.5)
Total risk costs.....	(21.5)	(74.6)
Share of the profit or loss of associates accounted for using the equity method.....	0.6%	2.0%
<b>Profit before tax.....</b>	<b>161.6</b>	<b>414.2</b>
Income taxes.....	(38.1)	(98.0)
<b>Net profit.....</b>	<b>123.2</b>	<b>316.0</b>

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

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

<sup>3)</sup> Unaudited.

Source: Company information.

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

<b>Retail &amp; SME</b>	<b>For the 3-month period ended 30 September 2021</b>	<b>For the 9-month period ended 30 September 2021</b>
(in € million)	(unaudited)	(unaudited)
<b>Net interest income.....</b>	<b>165.4</b>	<b>491.9</b>
<b>Net fee and commission income.....</b>	<b>64.4</b>	<b>186.4</b>
<b>Core Revenues<sup>1)</sup>.....</b>	<b>229.8</b>	<b>678.3</b>
<b>Operating income.....</b>	<b>230.5</b>	<b>682.4</b>
<b>Operating expenses.....</b>	<b>(87.6)</b>	<b>(263.7)</b>
<b>Pre-Provision Profit<sup>1)</sup>.....</b>	<b>142.9</b>	<b>418.7</b>
Regulatory charges.....	(0.9)	(32.2)
Total risk costs.....	(15.5)	(45.8)
<b>Profit before tax.....</b>	<b>126.5</b>	<b>340.7</b>
Income taxes.....	(31.6)	(85.2)
<b>Net profit.....</b>	<b>94.9</b>	<b>255.5</b>

<sup>1)</sup> Calculated as the line item 'Operating income' less the line item 'Operating expenses'.

Source: Company information.

<b>Corporates, Real Estate &amp; Public</b>	<b>For the 3-month period ended 30 September 2021</b>	<b>For the 9-month period ended 30 September 2021</b>
(in € million)	(unaudited)	(unaudited)
<b>Net interest income.....</b>	<b>64.8</b>	<b>187.5</b>
<b>Net fee and commission income.....</b>	<b>8.3</b>	<b>25.5</b>
<b>Core Revenues<sup>1)</sup>.....</b>	<b>73.1</b>	<b>213.0</b>
<b>Operating income.....</b>	<b>78.2</b>	<b>227.6</b>
<b>Operating expenses.....</b>	<b>(17.5)</b>	<b>(52.8)</b>
<b>Pre-Provision Profit<sup>1)</sup>.....</b>	<b>60.8</b>	<b>174.8</b>
Regulatory charges.....	(1.2)	(9.4)
Total risk costs.....	(5.9)	(30.9)
<b>Profit before tax.....</b>	<b>53.6</b>	<b>134.5</b>

Corporates, Real Estate & Public	For the 3-month period ended 30 September 2021	For the 9-month period ended 30 September 2021
Income taxes.....	(13.4)	(33.6)
<b>Net profit.....</b>	<b>40.2</b>	<b>100.9</b>

<sup>1)</sup> Calculated as the line item 'Operating income' less the line item 'Operating expenses'.

Source: Company information.

<sup>1)</sup> Formerly referred to as: "Corporates & Public"

**7. In the section "10.1.3 Alternative performance measures" on pages 303 to 306 of the Base Prospectus, after the sub-heading "Financial information for the six month period ended 30 June 2021" (as supplemented by the Second Supplement), a new sub-heading "Financial information for the nine month period ended 30 September 2021" is inserted with the following information:**

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

	30 September 2021
	(unaudited)
<b>BAWAG Group</b>	
Equity attributable to the owners of the parent (ex AT 1 capital).....	3,753
Dividend accruals (in € million).....	157
<b>Common equity less dividend accruals (in € million).....</b>	<b>3,595</b>
Equity attributable to the owners of the parent (ex AT 1 capital).....	3,753
Intangible non-current assets.....	536
Dividend accruals (in € million).....	157
<b>Tangible Common Equity Less Dividend Accruals (in € million)</b>	<b>3,059</b>

Source: Company information.

	For the 3-month period ended 30 September 2021	For the 9-month period ended 30 September 2021
	(unaudited)	(unaudited)
<b>BAWAG Group</b>		
Return on common equity.....	13.9%	12.0%
Return on Tangible Common Equity.....	16.4%	14.2%
Net Interest Margin.....	2.24%	2.26%
Cost-Income Ratio.....	39.2%	39.9%
Core Revenues (in € million).....	305.5	904.6
Pre-Provision Profit (in € million)	186.8	547.3
Risk Cost Ratio.....	0.21%	0.24%
<b>Retail &amp; SME</b>		
Return on Tangible Common Equity.....	28.2%	27.8%
Core Revenues (in € million).....	229.8	678.3
Pre-Provision Profit (in € million)	142.9	418.7
Cost-Income Ratio.....	38.0%	38.6%
Risk Cost Ratio	0.30%	0.30%
<b>Corporates, Real Estate &amp; Public</b>		
Return on Tangible Common Equity.....	17.6%	15.8%
Core Revenues (in € million).....	73.1	213.0
Pre-Provision Profit (in € million)	60.8	174.8

	For the 3-month period ended 30 September 2021	For the 9-month period ended 30 September 2021
Cost-Income Ratio .....	22.4%	23.2%
Risk Cost Ratio .....	0.17%	0.30%

Source: Company information.

<sup>1)</sup> Formerly referred to as: "Corporates & Public"

**8. After the section "11.1.3 Regulatory figures and ratios for the three month period ended 30 June 2021" on page 310 of the Base Prospectus (as supplemented by the Second Supplement), a new section "11.1.4 Regulatory figures and ratios for the nine month period ended 30 September 2021" is inserted with the following information:**

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

Regulatory figures and ratios <sup>1)</sup>	As of 30 September 2021 (unaudited)
<b>BAWAG Group</b>	
Common Equity Tier 1 capital (in € million) <sup>1)</sup> .....	2,979
Own funds (in € million) <sup>1)</sup> .....	4,097
Total risk-weighted assets (in € million) .....	20,234
Common equity tier 1 (CET 1) ratio (fully loaded) <sup>1)</sup> .....	14.7%
Tier 1 ratio <sup>1)</sup> .....	17.1%
Total capital ratio <sup>1)</sup> .....	20.2%
Leverage ratio (fully loaded) <sup>2)</sup> .....	6.2%
Liquidity coverage ratio <sup>3)</sup> .....	213.8%
NPL ratio <sup>3)</sup> .....	1.5%
<b>Retail &amp; SME</b>	
NPL ratio <sup>3)</sup> .....	1.9%
Risk-weighted assets (in € million)	8,055
<b>Corporates, Real Estate &amp; Public</b>	
NPL ratio <sup>3)</sup> .....	1.0%
Risk-weighted assets (in € million)	7,803

<sup>1)</sup> Calculated in accordance with regulatory requirements.

<sup>1)</sup> Includes deductions of approximately € 230 million dividend earmarked for the financial year 2019, deductions of approximately € 230 million dividend earmarked for the financial year 2020 and earnings accruals for the financial year 2020.

<sup>2)</sup> The leverage ratio is calculated pursuant to Article 429 CRR II as an institution's capital measure divided by that institution's total exposure measure, expressed as a percentage, and is designed to discourage the build-up of excessive leverage by the Issuer.

<sup>3)</sup> Calculated in accordance with Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions. The liquidity coverage ratio, according to Article 412 (1) CRR II, is designed to promote short-term resilience of the BAWAG Regulatory Group's liquidity risk profile and aims to ensure that the Issuer has an adequate stock of unencumbered high quality liquid assets (HQLA) to meet its liquidity needs for a 30 calendar day liquidity stress scenario.

<sup>4)</sup> Calculated as the sum of non-performing loans and advances divided by total gross loans and advances (exposure) in accordance with the European Banking Associations' Implementing Technical Standard (ITS) on Supervisory Reporting (Forbearance and non-performing exposures).

Source: Company information.

<sup>1)</sup> Formerly referred to as: "Corporates & Public"



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