

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

PROPOSAL FOR THE APPROPRIATION OF PROFIT

of the

Management Board

of

BAWAG Group AG

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

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

which will be held on 31 March 2023, 10.00 am, Vienna Time,
at the Company's headquarters, Wiedner Gürtel 11, 1100 Vienna, Austria
Tower 17, first floor (*Turm 17, erster Stock*)

as follows:

The profit available for distribution recognized in the annual financial statements of BAWAG Group AG as of 31 December 2022 in the amount of EUR 3,535,397,473.21 shall be appropriated in accordance with the Management Board's proposal as follows: Each share which is entitled to a dividend on the record date (5 April 2023) shall receive a dividend in the amount of EUR 3.70, adding up to a maximum of EUR 304,503,630. The remaining amount shall be carried forward to new account. The dividend shall be paid out on 6 April 2023, ex dividend day will be 4 April 2023.

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

Vienna, this March 2023

The Management Board