

Fourth Supplement
dated 16 February 2024
to the Base Prospectus dated 3 April 2023

This fourth supplement (the "**Fourth Supplement**") constitutes a supplement within the meaning of Article 23 paragraph 1 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 (together, 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 –

**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 Fourth 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 Fourth 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 Fourth Supplement has been prepared following the publication of BAWAG's quarterly financial information and preliminary unaudited financial information in respect of the financial year 2023 and in order to account for recent regulatory requirements for own funds and eligible liabilities instruments and to add some further recent developments.

The Base Prospectus was published on 3 April 2023, 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). The First Supplement was published on 25 April 2023 (the "**First Supplement**"), the Second Supplement was published on 18 August 2023 (the "**Second Supplement**") and the Third Supplement was published on 19 October 2023 (the "**Third Supplement**"), each 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). This Fourth 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) and will be available free of charge at the specified offices of the Issuers.

This Fourth Supplement has been approved by the CSSF, has been filed with said authority and will be published in electronic form on the website of the Luxembourg Stock Exchange (www.luxse.com) and on the website of BAWAG Group (www.bawaggroup.com).

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

Each Issuer accepts responsibility for the information contained in this Fourth Supplement and hereby declares, that having taken all reasonable care to ensure that such is the case, the information contained in this Fourth 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 Fourth Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the First Supplement, the Second Supplement or the Third Supplement, the statements in (a) above will prevail.

Save as disclosed in this 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.

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

In accordance with Article 23 paragraph 2 of the Prospectus Regulation, investors who had already agreed to purchase or subscribe for the securities before the supplement was published and where such 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 two working days after the publication of this Fourth Supplement, to withdraw their acceptances. The final date of the right of withdrawal will be 20 February 2024. Investors should contact BAWAG Group's head of investor relations (investor.relations@bawaggroup.com) for the exercise of the right of withdrawal.

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

The following changes are made to the Base Prospectus:

1. In the section "2.1.4.1 Minimum requirements for own funds and eligible liabilities, both to be required by the relevant resolution authority under the BaSAG and the SRM Regulation, may adversely affect the profitability of BAWAG Group. The Issuers may not be able to meet minimum requirements for own funds and eligible liabilities." on pages 25 to 26 of the Base Prospectus as supplemented by the Third Supplement, the second, third and fourth paragraph shall be deleted and replaced by the following information:

"In the first quarter of 2023, the SRB set formal MREL requirements for BAWAG Group. The MREL requirements are applicable on the consolidated level of BAWAG P.S.K. Group based on a single point of entry resolution strategy with BAWAG P.S.K. as the resolution entity. The MREL requirement based on the total risk exposure amount requirement ("MREL-TREA") has been set at 26.6% (including the combined buffer requirement) of risk weighted assets ("RWA"), with the final end state requirement being applicable since 1 January 2024. The current SRB decision does not contain a subordination requirement.

As of 31 December 2023, BAWAG reported MREL eligible instruments amounting to 30.4% of RWA, corresponding to EUR 5.8 billion (i.e., 5% or EUR 0.9 billion of legacy MREL-eligible instruments, 5% or EUR 0.9 billion of new senior preferred instruments, 3% or EUR 0.5 billion of senior non-preferred & other subordinated instruments (not qualifying as own funds) and 18% or EUR 3.4 billion of own funds instruments). In addition to the MREL-TREA requirement, the SRB set an MREL requirement based on the leverage ratio exposure ("MREL-LRE") of 5.91% of the leverage ratio exposure ("LRE") on the consolidated level of BAWAG P.S.K. with the final requirement being applicable since 1 January 2022.

As of 31 December 2023, BAWAG reported MREL eligible instruments amounting to 10.27% of LRE."

2. In the section "2.1.4.2 Increased capital and liquidity requirements, including leverage ratio requirements and enhanced supervisory powers to demand further own funds or liquidity under European banking regulation and proposed amendments may adversely affect the profitability of BAWAG Group." on pages 26 to 27 of the Base Prospectus as supplemented by the Third Supplement, the second and third paragraph shall be deleted and replaced by the following information:

"In addition, the regulatory authorities that oversee BAWAG Regulatory Group, in particular the ECB within the Single Supervisory Mechanism ("SSM"), may, in connection with the annual supervisory review and evaluation process ("SREP") or otherwise, conduct stress tests and have discretion to impose additional capital requirements. 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'. As of January 2024, BAWAG Regulatory Group must meet a Pillar 2 requirement of 2.15% own funds (2% prior to 1 January 2024), thereof at least 1.209% CET 1 capital, and may consequently use 0.94% AT 1 capital and Tier 2 capital to meet such requirement. Currently, BAWAG Regulatory Group must fulfil a SREP CET 1 ratio of 9.94% of risk-weighted assets (comprising the 4.5% Pillar 1 base requirement (minimum CET 1 capital ratio), the capital conservation buffer of 2.5%, the countercyclical buffer of 0.33% (based on risk-weighted assets as of 31 December 2023), the systemic risk buffer of 0.5%, a buffer for other systemically important institutions of 0.9% (0.75% prior to 1 January 2024) and the 1.2% Pillar 2 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 2024, the Pillar 2 guidance has been set at 0.5% (compared to 0.75% prior to 1 January 2024)."

3. In the section "7.3.1 Statement of no material adverse change / significant changes" on pages 294 to 295 of the Base Prospectus as supplemented by the Third Supplement, the second paragraph shall be deleted and replaced by the following information:

"There has been no significant change in the financial performance of BAWAG Group since 31 December 2023, the end of the last financial period for which financial information has been published."

4. In the section "7.3.2 Recent developments and outlook" on page 295 of the Base Prospectus as supplemented by the Third Supplement, the paragraph below the sub-heading "Acquisitions" shall be deleted and replaced by the following information:

"Since the initial public offering in 2017, seven acquisitions were completed and in aggregate capital an amount of EUR 2.0 billion (EUR 1.3 billion dividends and EUR 730 million buyback) was distributed.

In addition, BAWAG Group completed the acquisition of Peak Bancorp, Inc., the holding company of Idaho First Bank, in the fourth quarter of 2023.

On 8 December 2023, BAWAG Group and Dexia have signed a sale and purchase agreement allowing BAWAG Group to buy Dexia Crédit Local's five non-regulated leasing entities DCL Evolution, Alsatram, Dexiarail, as well as Dexia Flobail and Dexia CLF Régions Bail, both renamed Dexia FB France and Dexia RB France, following the withdrawal of their finance company authorisations, which was approved by the French Autorité de Contrôle Prudentiel et de Résolution (ACPR) on 27 October 2023 and took effect on the same date. The acquisition was completed on 1 February 2024.

On 1 February 2024, BAWAG agreed to acquire 100% of the shares in Knab, an online bank for self-employed, from ASR Nederland N.V. (a.s.r.)."

5. In the section "7.3.2 Recent developments and outlook" on page 295 of the Base Prospectus as supplemented by the Third Supplement, the paragraph below the sub-heading "Share Buyback" shall be deleted and replaced by the following information:

"During the fourth quarter 2023 BAWAG fully executed its EUR 175 million buyback and cancelled 3.9 million shares, effective December 18, 2023 (new share capital: 78.6 million shares)."

6. In the section "7.3.2 Recent developments and outlook" on page 295 of the Base Prospectus as supplemented by the Third Supplement, a new sub-heading "Preliminary figures for the 3-month period ended 31 December 2023 (Q4 2023) and the financial year ended 31 December 2023 (FY 2023) (unaudited)" shall be inserted with the following information:

"On 1 February 2024, BAWAG Group published the preliminary financial results for the full year 2023, reporting a net profit of EUR 683 million, earnings per share EUR 8.31, and an RoTCE of 25.0%. The operating performance of BAWAG Group's business resulted in pre-provision profits of EUR 1,040 million and a cost-income ratio of 31.8%. For the fourth quarter 2023, BAWAG Group reported a net profit of EUR 177 million, an RoTCE of 25.7%, and a CIR (Cost/Income Ratio) of 32.0%. As of year-end 2023, BAWAG Group held excess capital of EUR 475 million.

Results at a glance (unaudited) for BAWAG Group (on a consolidated basis)

in € million	Q4 2023	Change versus prior year	Change versus prior quarter	FY 2023	Change versus prior year
Core revenues	394.0	14%	1%	1,537.4	16%
Net interest income	316.3	17%	1%	1,230.2	20%
Net commission income	77.7	4%	1%	307.2	(1%)
Operating income	385.7	17%	(1%)	1,525.4	15%
Operating expenses	(123.4)	4%	1%	(485.3)	2%
Pre-provision profit	262.3	23%	(2%)	1,040.1	22%
Regulatory charges	2.7	Nm	Nm	(39.0)	(20%)
Risk costs	(30.2)	(17%)	38%	(93.2)	(24%)
Profit before tax	236.4	33%	(3%)	910.4	34%

Net profit	176.7	34%	(5%)	682.6	34%
RoTCE	25.7%	6.1pts	(1.9pts)	25.0%	6.4pts
CIR	32.0%	(3.7pts)	0.7pts	31.8%	(4.1pts)
Liquidity Coverage Ratio (LCR)	215%	(10pts)	(3pts)	215%	(10pts)

Note: Prior year excluding City of Linz write-off.

Core revenues increased by 16% in 2023 versus the prior year driven by net interest income while net commission income remained broadly stable.

Operating expenses increased by 2% to EUR 485.3 million in 2023 versus the prior year. The significant inflationary pressure was partially offset by several operational measures launched over the last two years.

In 2023, the total risk costs amounted to EUR 93 million with a Risk Cost Ratio of 22 basis points. The management overlay, which are provisions to address the uncertain macroeconomic outlook and any potential headwinds, stands at EUR 80 million. The NPL ratio, was at 1.0% at the end of December 2023.

The CET1 ratio was 14.7% at the end of 2023, after deducting earmarked dividend for FY '23 of EUR 393 million. As of end of December 2023, the Liquidity coverage ratio was 215%.

Average customer deposits decreased 4% and average customer funding (including covered bonds) increased by 6% during 2023, respectively. BAWAG Group maintained a cash & cash equivalent position (excluding TLTRO) of EUR 12.7 billion, equal to 23% of its balance sheet.

Average customer loans decreased by 5% during 2023 mainly due to lower volumes in corporates and real estate. Approximately 80% of our customer loans are secured or public sector lending. The customer loan book is comprised of approximately 75% exposure to the DACH/NL region (Germany, Austria, Switzerland, Netherlands) and 25% exposure to Western Europe and the United States.

Factors and assumptions influencing the Profit Estimate

The information on profit before tax and net profit of BAWAG Group contained in this subsection "Preliminary figures for the 3-month period ended 31 December 2023 (Q4 2023) and the financial year ended 31 December 2023 (FY 2023) (unaudited)" above and below (the "**Profit Estimate**") is based on the following factors and assumptions:

- Based on management's knowledge as of today the Profit Estimate (including the unaudited results for the full year 2023) has been compiled and prepared on a basis comparable with the historical financial information and consistent with the established financial reporting process of BAWAG Group using the accounting policies of BAWAG Group as outlined in the Notes "Accounting Policies" in the Consolidated Annual Report 2022.
- As the Profit Estimate is prepared on the basis of assumptions about past events and actions, it naturally entails substantial uncertainties. Because of these uncertainties it is possible that the actual consolidated profit of BAWAG Group for the financial year 2023 and/or the 3-month period ended 31 December 2023 may differ materially from the estimated consolidated profit.
- As the Profit Estimate is prepared on the basis of unaudited financial information the results of the audit prepared by an independent auditor may impact the basis for the Profit Estimate. Furthermore, the approval of the annual financial statements as of 31 December 2023 including the management report (AGAAP) for BAWAG and BAWAG P.S.K. by the Supervisory Board has not been carried out yet. In addition, the acknowledgement of the consolidated financial statements as of 31 December 2023 of BAWAG Group by the Supervisory Board has also not been carried out yet. Therefore, it is possible that

the actual consolidated profit of BAWAG Group for the period from 1 January 2023 to 31 December 2023 may differ materially from the estimated consolidated profit.

- On 1 January 2024, BAWAG Group adopted the following IAS and IFRS amendments:
 - Amendments to IAS 1 "Presentation of Financial Statements"; and
 - Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback".

The adoption of the amendments did not have a material impact on BAWAG Group's consolidated financial statements.

- Other than the developments mentioned above and elsewhere in this Base Prospectus, there have been no recent developments since 31 December 2023.

Real estate lending activities (unaudited)

The following tables provide an overview of BAWAG Group's real estate lending activities:

	2020	2021	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Total portfolio (€ billions)	5.0	5.7	6.1	5.7	5.3	5.3	5.1
Residential	37%	38%	42%	41%	40%	39%	43%
Industrial/Logistics.....	11%	17%	22%	24%	25%	26%	22%
Office.....	29%	23%	22%	21%	20%	21%	21%
Hospitality	6%	11%	7%	7%	7%	7%	7%
Shopping/Retail.....	12%	8%	5%	6%	6%	5%	5%
Other	4%	3%	2%	2%	2%	2%	2%

	2020	2021	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
US portfolio (€ billions)	0.8	2.1	2.5	2.3	2.3	2.3	2.4
Residential	33%	39%	41%	41%	43%	41%	46%
Industrial/Logistics.....	5%	18%	26%	29%	29%	31%	28%
Office.....	59%	24%	26%	22%	20%	20%	19%
Hospitality	0%	17%	7%	7%	7%	7%	7%
Shopping/Retail.....	3%	2%	0%	1%	1%	1%	0%

Asset split by products and portfolios as of 31 December 2023 (unaudited)

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

Asset split by products and portfolios	31 December 2022	31 December 2023
(in € million)	(audited)	(unaudited)
EOP Assets		
Retail & SME		
Housing loans.....	15,972	15,345
Consumer and SME	6,403	6,676
Total	22,375	22,021
Corporates, Real Estate & Public Sector		
Corporates ¹⁾	3,771	3,474
Real Estate.....	6,067	5,098
Public Sector	4,178	4,460
Short-term/money market lending ¹⁾	487	296
Total	14,503	13,328
Treasury		
Investment Book.....	5,000	5,214
Cash & Credit Institutions	13,386	13,545
Total	18,386	18,759

¹⁾ Until 30 June 2021, the sub-category was reported within the sub-categories "Corporates" and "Public Sector".

Source: Company information.

Asset split by region as of 31 December 2023 (unaudited)

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

Asset split by region	31 December 2022	31 December 2023
(in € million)	(audited)	(unaudited)
Retail & SME		
DACH/NL.....	20,371	19,389
Western Europe / USA.....	2,004	2,632
Total	22,375	22,021
Corporates, Real Estate & Public Sector		
DACH/NL.....	6,601	6,183
Western Europe / USA.....	7,902	7,145
Total	14,503	13,328

Selected financial information of BAWAG Group as of, and for the financial year ended, 31 December 2023 (unaudited)

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

Financial position	31 December 2022	31 December 2023
(in € million)	(audited)	(unaudited)
Total assets		
Cash reserves.....	520	694
Financial assets held for trading	156	103
Financial assets at fair value through profit or loss	557	593
Fair value through other comprehensive income	2,743	2,827
Financial assets at amortised cost.....	51,585	49,585

Financial position	31 December 2022	31 December 2023
thereof: Customers	35,763	33,362
Debt instruments	3,167	3,660
Credit institutions	12,655	12,563
Valuation adjustment on interest rate risk hedged portfolios	(619)	(310)
Hedging derivatives	338	247
Tangible non-current assets	352	334
Intangible non-current assets	522	532
Tax assets for current taxes	21	28
Tax assets for deferred taxes	18	19
Other assets	305	258
Non-current assets held for sale ¹⁾	25	538
Total assets	56,523	55,448
Average interest-bearing assets²⁾	44,046	41,864
Total liabilities	52,532	51,278
Financial liabilities designated at fair value through profit or loss	204	136
Financial liabilities held for trading	692	463
Financial liabilities at amortized cost	50,669	48,673
thereof: Customers	34,288	33,270
Issued bonds, subordinated and supplementary capital	10,037	13,594
Credit institutions	6,344	1,809
Financial liabilities associated with transferred assets	394	402
Valuation adjustment on interest rate risk hedged portfolios	(891)	(415)
Hedging derivatives	245	214
Provisions	284	231
Tax liabilities for current taxes	43	190
Tax liabilities for deferred taxes	95	119
Other obligations	797	783
Total equity	3,991	4,170
thereof: Equity attributable to the owners of the parent (ex AT 1 capital)	3520	3,699
AT 1 capital	471	471
Non-controlling interests	0	0
Total liabilities and equity	56,523	55,448

¹⁾ Includes start:bausparkasse Germany, shift to held for sale with Dec '23.

²⁾ Average interest-bearing assets as of the end of a quarterly period ending on the dates shown in the table above are calculated by adding the amount of interest-bearing assets as of the end of such quarterly period and the amount of interest-bearing assets as of the end of the immediately preceding quarterly period and dividing such sum by two.

Source: Company information.

	31 December 2022	31 December 2023
(in € million)	(audited)	(unaudited)
Customer deposits and own issues ¹⁾	44,529	47,451
Customer loans (average)	36,417	33,884
Customer deposits (average)	32,883	32,985
Customer funding (average)	42,802	45,435

- ¹⁾ 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 financial statements or internal reporting.

Source: Company information.

Profit and loss statement	For the financial year ended 31 December 2022 (adjusted)*	For the financial year ended 31 December 2023
(in € million)		(unaudited)
Net interest income	1,021.1	1,230.2
Net fee and commission income	309.3	307.2
Core Revenues¹⁾	1,330.4	1,537.4
Gains and losses on financial instruments and other operating income and expenses ²⁾	(6.4)	(12.0)
Operating income	1,324.0	1,525.4
Operating expenses²⁾	(474.8)	(485.3)
Pre-Provision Profit¹⁾	849.2	1,040.1
Regulatory charges ²⁾	(48.8)	(39.0)
Operating profit	800.4	1,001.1
Total risk costs.....	(122.0)	(93.2)
ECL Management overlay.....	100	80
Share of the profit or loss of associates accounted for using the equity method.....	2.7	2.5
Profit before tax	681.0	910.4
Income taxes.....	(171.9)	(227.8)
Net profit	508.8	682.6

* Excludes write-off City of Linz receivable of EUR 254 million (EUR 190 million after tax).

¹⁾ The number or ratio is an APM. For a definition, see "10.1.4 Alternative performance measures" below.

²⁾ 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.

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 Sector:

Retail & SME	For the financial year ended 31 December 2022	For the financial year ended 31 December 2023
(in € million)	(unaudited)	(unaudited)
Net interest income	750.2	865.6
Net fee and commission income	276.8	273.0
Core Revenues¹⁾	1,027.0	1,138.6
Operating income	1,031.5	1,142.5
Operating expenses	(342.7)	(344.9)
Pre-Provision Profit²⁾	688.8	797.6
Regulatory charges.....	(18.4)	(9.7)
Total risk costs.....	(80.6)	(86.1)
Profit before tax	589.8	701.8
Income taxes.....	(147.5)	(175.4)
Net profit	442.4	526.4

¹⁾ Calculated as the total of the line item net interest income' and 'net fee and commission income'.

²⁾ Calculated as the line item 'Operating income' less the line item 'Operating expenses'.

Source: Company information.

Corporates, Real Estate & Public Sector	For the financial year ended 31 December 2022	For the financial year ended 31 December 2023
(in € million)	(unaudited)	(unaudited)
Net interest income	262.9	286.4
Net fee and commission income	33.7	35.3
Core Revenues¹⁾	296.6	321.7
Operating income	313.6	318.0
Operating expenses	(71.5)	(78.1)
Pre-Provision Profit²⁾	242.2	239.9
Regulatory charges	(12.0)	(10.0)
Total risk costs	(36.2)	(5.2)
Profit before tax	194.0	224.7
Income taxes	(48.4)	(56.2)
Net profit	145.6	168.5

¹⁾ Calculated as the total of the line item 'net interest income' and 'net fee and commission income'.

²⁾ Calculated as the line item 'Operating income' less the line item 'Operating expenses'.

Source: Company information.

The table below sets out certain per share data that are based on the internal reporting of BAWAG Group:

(in €)	31 December 2022	31 December 2023
	(audited)	(unaudited)
Book value (per share)	39.14	42.12
Tangible book value (per share)	32.78	35.35
Shares outstanding (in million)	82.15	78.51

Source: Company information.

Financial information as of, and for the financial year ended, 31 December 2023 (Alternative performance measures) (unaudited)

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

(in € million)	31 December 2022	31 December 2023
	(unaudited)	(unaudited)
BAWAG Group		
Equity attributable to the owners of the parent (ex AT 1 capital)	3,520	3,699
Intangible non-current assets	522	532

Source: Company information.

	For the financial year ended 31 December 2022	For the financial year ended 31 December 2023
	(unaudited)*	(unaudited)
BAWAG Group		
Return on common equity	15.6%	20.9%
Return on Tangible Common Equity	18.6%	25.0%
Net Interest Margin	2.33%	2.90%
Cost-Income Ratio	35.9%	31.8%
Core Revenues (in € million)	1,330.4	1,537.4
Pre-Provision Profit (in € million)	849.2	1,040.1
Risk Costs / interest-bearing assets	0.28%	0.22%

* Excludes write-off City of Linz receivable of EUR 254 million (EUR 190 million after tax).

Source: Company information.

	For the financial year ended 31 December 2022	For the financial year ended 31 December 2023
	(unaudited)	(unaudited)
Retail & SME		
Return on Common Equity	29.2%	32.3%
Return on Tangible Common Equity	34.4%	38.2%
Core Revenues (in € million)	1,027.0	1,138.6
Pre-Provision Profit (in € million)	688.8	797.6
Cost-Income Ratio	33.2%	30.2%
Risk Costs / interest-bearing assets	0.37%	0.39%
Corporates, Real Estate & Public Sector		
Return on Common Equity	14.3%	18.4%
Return on Tangible Common Equity	17.8%	22.9%
Core Revenues (in € million)	296.6	321.7
Pre-Provision Profit (in € million)	242.2	239.9
Cost-Income Ratio	22.8%	24.6%
Risk Costs / interest-bearing assets	0.24%	0.04%

Source: Company information.

Regulatory figures and ratios as of, and for the financial year ended, 31 December 2023 (unaudited)

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 ratios¹⁾	As of 31 December 2022	As of 31 December 2023
	(unaudited)	(unaudited)
BAWAG Group		
Common Equity Tier 1 capital (in € million)	2,793	2,841
Own funds (in € million)	3,819	3,842
Total risk-weighted assets (in € million).....	20.664	19,317
Common equity tier 1 (CET 1) ratio (fully loaded) ¹⁾	13.5%	14.7%
Tier 1 ratio	15.5%	16.8%
Total capital ratio	18.5%	19.9%
Leverage ratio (fully loaded) ²⁾	5.6%	5.7%
Liquidity coverage ratio ³⁾	225%	215%
NPL ratio ⁴⁾	0.9%	1.0%
Retail & SME		
NPL ratio ⁴⁾	1.6%	1.7%
Risk-weighted assets (in € million)	9,587	9,354
Corporates, Real Estate & Public		
NPL ratio ⁴⁾	0.7%	0.8%
Risk-weighted assets (in € million)	7,502	6,352

¹⁾ Calculated in accordance with regulatory requirements.

¹⁾ The CET 1 ratio is shown after deductions of € 393 million dividend accrual.

²⁾ 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.

³⁾ 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.

⁴⁾ 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)."

7. In the section "7.7 Significant change in the financial position of BAWAG Group", the first paragraph on page 299 of the Base Prospectus 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 31 December 2023."

8. In the section "11.1 Minimum capital requirements and regulatory ratios" on pages 325 to 326 of the Base Prospectus, the fifth and sixth paragraph shall be deleted and replaced by the following information:

"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. 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'. As of January 2024, BAWAG Regulatory Group must meet a Pillar 2 requirement of 2.15% own funds (2% prior to 1 January 2024), thereof at least 1.209% CET 1 capital, and may consequently use 0.94% AT 1 capital and Tier 2 capital to meet such requirement. Currently, BAWAG Regulatory Group must fulfil a SREP CET 1 ratio of 9.94% of risk-weighted assets (comprising the 4.5% Pillar 1 base requirement (minimum CET 1 capital ratio), the capital conservation buffer of 2.5%, the countercyclical buffer of 0.33% (based on risk-weighted assets as of 31 December 2023), the systemic risk buffer of 0.5%, a buffer for other systemically important institutions of 0.9% (0.75% prior to 1 January 2024) and the 1.2% Pillar 2 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 2024, the Pillar 2 guidance has been set at 0.5% (0.75% prior to 1 January 2024)."

9. In the section "11.2 Minimum requirement for own funds and eligible liabilities" on pages 327 to 328 of the Base Prospectus as supplemented by the Third Supplement, the second, third and fourth paragraph shall be deleted and replaced by the following information:

"In the first quarter of 2023, the SRB set formal MREL requirements for BAWAG Group. The MREL requirements are applicable on the consolidated level of BAWAG P.S.K. Group based on a single point of entry resolution strategy with BAWAG P.S.K. as the resolution entity. The MREL requirement based on the MREL-TREA has been set at 26.6% (including the combined buffer requirement) of RWA, with the final end state requirement being applicable since 1 January 2024. The current SRB decision does not contain a subordination requirement.

As of 31 December 2023, BAWAG reported MREL eligible instruments amounting to 30.4% of RWA, corresponding to EUR 5.8 billion (i.e., 5% or EUR 0.9 billion of legacy MREL-eligible instruments, 5% or EUR 0.9 billion of new senior preferred instruments, 3% or EUR 0.5 billion of senior non-preferred & other subordinated instruments (not qualifying as own funds) and 18% or EUR 3.4 billion of own funds instruments). In addition to the MREL-TREA requirement, the SRB set an MREL requirement based on the MREL-LRE of 5.91% of the LRE on the consolidated level of BAWAG P.S.K. with the final requirement being applicable since 1 January 2022.

As of 31 December 2023, BAWAG reported MREL eligible instruments amounting to 10.27% of LRE."

ADDRESSES

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