MOODY'S RATINGS

CREDIT OPINION

12 July 2024

Update

Send Your Feedback

RATINGS

BAWAG P.S.K. AG

Domicile	Vienna, Austria
Long Term CRR	Aa3
Type	LT Counterparty Risk Rating - Dom Curr
Outlook	Not Assigned
Long Term Debt	A1
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	A1
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Andrea Wehmeier +49.69.70730.782
VP-Senior Analyst
andrea.wehmeier@moodys.com

Alexander Hendricks, CFA +49.69.70730.779
Associate Managing Director
alexander.hendricks@moodys.com

Carola Schuler +49.69.70730.766
MD-Banking
carola.schuler@moodys.com

» Contacts continued on last page

BAWAG P.S.K. AG

Update following rating affirmation, outlook changed to stable

Summary

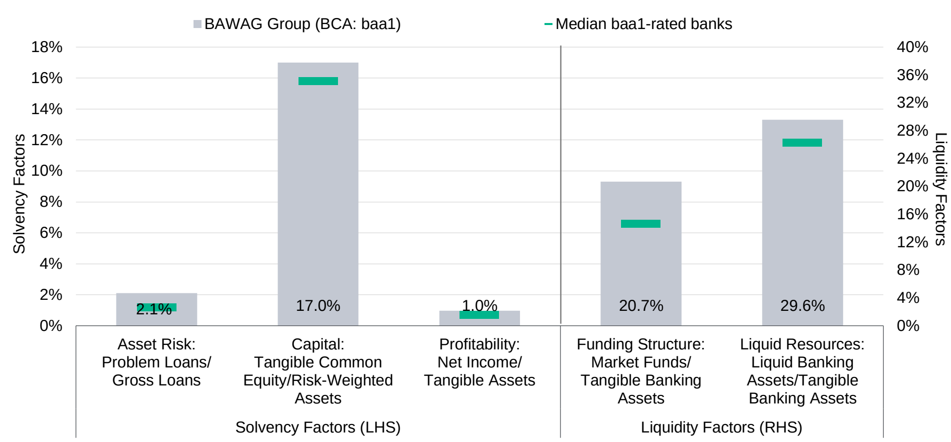
BAWAG P.S.K. AG's (BAWAG) A1 deposit, issuer and senior unsecured debt ratings reflect its baa1 Baseline Credit Assessment (BCA) and Adjusted BCA, two notches of rating uplift from our Advanced Loss Given Failure (LGF) analysis, which incorporates the relative loss severity of a liability class, and one notch of rating uplift resulting from government support, because BAWAG relevance for domestic financial system stability given its solid national market shares in loans and deposits, and the bank's importance to the Austrian payment and clearing systems.

BAWAG's baa1 BCA reflects its good asset quality and strong profitability despite a more volatile operating environment, sound capitalisation, and a well-balanced funding and liquidity profile with limited recourse to confidence sensitive market funding and sound liquid reserves. It further captures the bank's acquisitive nature, reflecting both the expected financial implications and execution risks to the credit profile. While BAWAG generally has a sound track record of successfully managing a series of M&A deals, the varied business additions somewhat lack a coherent strategic rationale and entail an increasingly complex franchise, potentially offsetting some business diversification benefits.

Exhibit 1

Rating Scorecard - Key financial ratios

BAWAG Group AG



Sources: Moody's Ratings and company filings

Credit strengths

» Strong capitalisation provides good investor protection.

» Efficient operations result above-average profitability in the domestic banking industry.

» Strong access to retail deposits supports the bank’s funding profile.

Credit challenges

» Repeated M&A and tactical asset investments in more concentrated non-retail portfolios entail execution risks despite a good track record of integrating acquisitions.

» Some lending book concentration unsecured consumer and corporate lending, and commercial real estate (CRE) exposures expose the bank to tail risks.

Outlook

The stable outlook reflects our expectation that BAWAG will be able to maintain its current asset-quality metrics and profitability while preserving its sound capitalisation, funding and liquidity profiles, despite the sizeable Knab acquisition and M&A appetite. The outlook also captures our view that BAWAG will maintain sufficient volumes of bail-in-able liabilities, safeguarding the current rating uplift resulting from our Advanced LGF analysis.

Factors that could lead to an upgrade

» An upgrade of BAWAG's and BAWAG Group's long-term ratings could result from an upgrade of BAWAG's BCA. An upgrade could also be triggered by an additional rating uplift as a result of our Advanced LGF analysis.

» BAWAG's BCA could be upgraded if its financial profile strengthens, for example, through reduced exposure to volatile asset classes such as CRE, an improvement in the business profile with a complimentary acquisition strategy or a more contained M&A appetite, and the successful integration of planned acquisitions.

» BAWAG's deposit, senior unsecured, issuer, junior senior unsecured and subordinate ratings may also be upgraded if the volume of debt instruments designed to absorb losses prior to the respective debt classes increases sufficiently in relation to the bank's tangible banking assets, which could result in an additional rating uplift from our Advanced LGF analysis.

Factors that could lead to a downgrade

» A downgrade of BAWAG's ratings could be triggered by a downgrade of the bank's BCA or as a result of fewer notches of rating uplift from our Advanced LGF analysis.

» BAWAG's BCA could be downgraded if the integration risks associated with the bank's acquisitions materialise to a greater extent than we currently expect. In addition, a combination of a significant decline in asset quality, levels of capital and earnings below our expectations, as well as higher-than-expected reliance on market funding and sustainably lower liquid resources, could result in a downgrade.

» BAWAG's deposit, senior unsecured, issuer and junior senior unsecured ratings could be downgraded if the combined volume of debt instruments designed to absorb losses prior to the respective debt classes declines sufficiently, which could lead to a lower rating uplift from our Advanced LGF analysis. A lower volume of outstanding senior unsecured instruments could also lead to a lower rating uplift for the bank's deposit, senior unsecured and issuer ratings.

Key indicators

Exhibit 2

BAWAG Group AG (Consolidated Financials) [1]

	12-23[2]	12-22[2]	12-21[2]	12-20[2]	12-19[2]	CAGR/Avg.[3]
Total Assets (EUR Billion)	55.4	56.5	56.3	52.0	44.7	5.5[4]
Total Assets (USD Billion)	61.2	60.3	63.8	63.6	50.2	5.1[4]
Tangible Common Equity (EUR Billion)	3.3	3.1	3.3	3.3	3.0	2.4[4]
Tangible Common Equity (USD Billion)	3.6	3.3	3.7	4.0	3.4	2.0[4]
Problem Loans / Gross Loans (%)	2.0	1.7	2.6	2.8	2.9	2.4[5]
Tangible Common Equity / Risk Weighted Assets (%)	17.0	14.8	16.4	16.3	14.6	15.9[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	18.7	17.7	24.8	25.1	27.3	22.7[5]
Net Interest Margin (%)	2.2	1.8	1.7	1.8	2.0	1.9[5]
PPI / Average RWA (%)	4.9	3.5	3.1	2.8	3.3	3.5[6]
Net Income / Tangible Assets (%)	1.2	0.9	0.8	0.5	1.1	0.9[5]
Cost / Income Ratio (%)	37.5	47.4	55.2	54.6	49.3	48.8[5]
Market Funds / Tangible Banking Assets (%)	20.7	22.2	21.2	22.8	15.6	20.5[5]
Liquid Banking Assets / Tangible Banking Assets (%)	29.6	28.7	30.4	29.7	24.5	28.6[5]
Gross Loans / Due to Customers (%)	104.6	105.6	100.6	100.7	101.0	102.5[5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

Sources: Moody's Ratings and company filings

Profile

BAWAG P.S.K. AG (BAWAG) is a universal bank domiciled in Austria and is the main operating subsidiary of BAWAG Group, a listed holding company. The bank offers a range of retail and corporate banking products, and international business products, such as CRE financing and capital market solutions. Although the bank operates primarily in Austria, it also has a presence in core Western European markets, especially Germany, and a small operation in the US.

As of 31 December 2023, BAWAG Group held €55.4 billion of total assets and had 2,776 employees, serving around 2.1 million customers.

Since 2017, BAWAG has acquired a number of banks, mainly in Western Europe, including Südwestbank AG (2017[1]), Deutscher Ring Bausparkasse (2017), BFL Leasing GmbH (2018) and EOS Health Honorarmanagement AG (2018); Zahnärztekasse AG in Switzerland (2018); the Irish wind-down bank and public-sector lender DEPFA BANK plc (2021); the retail broker Hello bank! Austria (2021); US Peak Bancorp, Inc. (2023); and a consumer loan and bond portfolio of Sberbank Europe AG (2022). Furthermore, BAWAG expanded its direct banking (easybank) into Germany, offering consumer loans in association with Südwestbank.

In February 2024, BAWAG announced signing an agreement to acquire Knab, a Netherlands-based digital bank that primarily serves the Dutch retail, and small and medium-sized enterprise (SME) banking sectors. The deal is currently pending, awaiting the necessary regulatory approvals. Finally, in July 2024, the bank announced signing a transaction to acquire the German based Barclays Consumer Bank Europe, with a focus on the Barclay's German credit card business, also awaiting regulatory approvals for now.

For more information, please see BAWAG's latest Issuer Profileand our Austrian Banking System Profile.

Weighted macro profile of Strong (+)

As of 31 December 2023, 50.2% of BAWAG's exposure at default came from Austria, 13.8% from the US, 9.3% from Germany, 9% from the Netherlands, 6% from Ireland and 3.5% from the United Kingdom, with other countries accounting for the remaining 8.3%. The weighted average of these exposures results in a Strong (+) Weighted macro profile for BAWAG, in line with the Strong (+) macro profile of Austria.

Detailed credit considerations

Solid asset quality, but ongoing M&A activities sustaines the bank's exposure to execution risks, while tail risks from cyclical exposures persist

We assign a baa2 Asset Risk score to BAWAG, three notches below the a2 initial score. The adjustment reflects our expectation of an increasing problem loan formation related to a deterioration in the credit environment; concentration risks in cyclical lending areas, including CRE; and the execution risks associated with the bank's acquisitions, the largest of which is Knab, adding around 30% of total assets as of year-end 2023.

The bank's €15.3 billion housing loan portfolio has only created de minimis risk costs in the past, which is likely to persist, because around 70% of housing loans were extended on a fixed-rate basis, 24% of loans benefit from a state or insurance guarantee, and the weighted average loan-to-value (LTV) ratio of the non-guaranteed book is below 60%. The weighted average LTV at origination has been below 70% since 2020. BAWAG supplants these low-risk exposures with €3.5 billion of higher-risk consumer loans; €1.7 billion of primarily auto leasing and factoring receivables; €0.9 billion of loans extended to SMEs; and €0.7 billion of overdraft, charge card and other receivables. Although default rates are still contained, the bank has tightened its lending criteria.

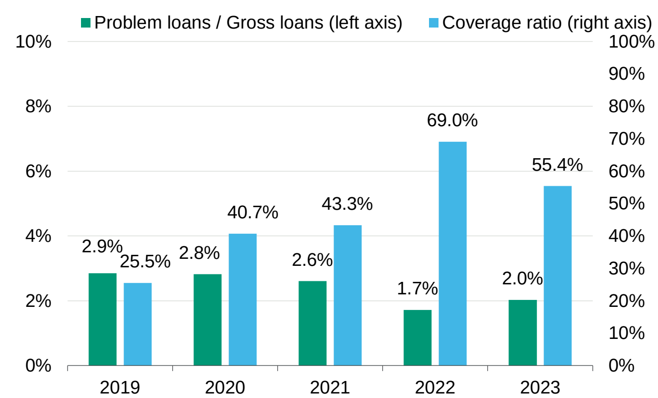
In addition, BAWAG had €5.1 billion of CRE receivables on its balance sheet, equivalent to around 1.6x its tangible common equity (TCE). Furthermore, BAWAG grew this portfolio by 3% since December 2020, adding exposures at the top of the market. Of the portfolio, 48% was from the US, 24% from Ireland, 12% from DACH/NL, and 16% from other European and international markets. The weighted average LTV of this portfolio was below 60%, with 43% of the portfolio being collateralised by direct residential real estate, 22% by industrial and logistic properties, 21% by offices, 7% by hotels and 2% by other properties.

Further risk stems from the bank's €3.5 billion corporate lending book, 37% of which is derived from the US, 34% from DACH/NL, 8% from the UK and 20% from other markets. Although the overall portfolio is well diversified across industries, higher interest rates, inflation, supply-chain interruptions and general geopolitical risks could result in a significant rise in problem loans from this part of the lending book.

BAWAG released a fraction of management overlays during 2023. Still overall €80 million of management overlays as of year-end 2023 is maintained to mitigate the risks from the deteriorated credit environment to a large extent.

Exhibit 3

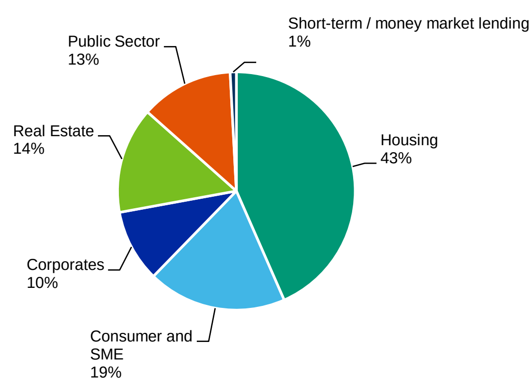
BAWAG's problem loan ratio reflects a slight increase in problem loans year on year, with a significant drop in the coverage ratio compared with that as of year-end 2022



The problem loan ratio is in accordance with our definitions; according to IFRS 9 reporting standards.
Sources: Moody's Ratings and company filings

Exhibit 4

BAWAG's loan book split by type
As of 31 December 2023



Sources: Moody's Ratings and company filings

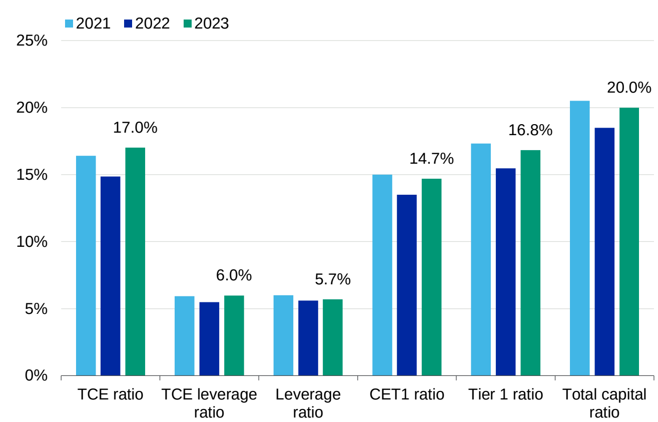
Solid capitalisation level sustained despite inorganic growth and return of funds to shareholders

We assign an a2 Capital score to BAWAG, three notches below the initial aa2 score. The adjustment takes into account our view that BAWAG will continue to tightly manage its TCE/risk-weighted assets (RWA) within 13%-16%. Despite the recent acquisitions, the bank's earnings capacity will ensure that capital remains within the range. However, BAWAG's leverage will, at least temporarily, rise. This has been taken into account for the assigned score.

BAWAG's management targets a regulatory Common Equity Tier 1 (CET1) capital ratio of 12.25%. As of 31 December 2023, the CET1 ratio after dividends and share buybacks reached 14.7%, up from 13.5% as of year-end 2022, reflecting a 7.6% increase from earnings and a 6.5% drop in RWA. The bank executed a share buyback of €175 million in the fourth quarter of 2023. For 2024, BAWAG has no intentions of initiating further share buybacks. Instead, its strategic focus has shifted towards M&A opportunities. The Knab acquisition is projected to reduce the CET1 capital by 100-150 basis points (bps), the Barclays Consumer Bank Europe deal by around 140 bps. Nevertheless, even with this reduction, BAWAG's capital ratios will remain well above the bank's regulatory capital requirements and its management target for 2024.

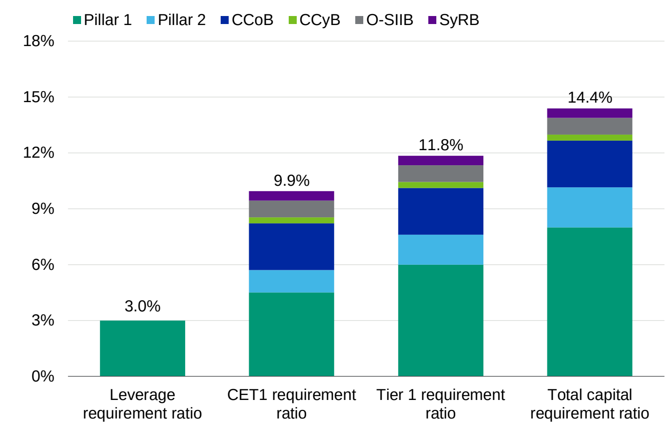
Upon the integration of acquired entities, the bank has, to some extent, achieved a reduction in applicable credit risk weights by selectively rolling out internal models to acquired portfolios and securitisations. Hence, the group's risk density, as measured by RWA/tangible assets, was a more modest 34.8% as of 31 December 2023, reflected in BAWAG's leverage metrics, which stood at 5.7% on a TCE leverage as of 31 December 2023, which we expect to decline further as a result of its M&A activities, at least for 2024.

Exhibit 5
BAWAG's capital ratios exceed regulatory minima



TCE = Tangible common equity; TCE leverage = TCE/tangible banking assets; CET1 = Common Equity Tier 1.
Sources: Moody's Ratings and company filings

Exhibit 6
BAWAG's regulatory capital requirements for 2024



P2R = Pillar 2 requirement; CCoB= Capital conservation buffer; CCyB = Countercyclical capital buffer; SIIB = Systemically important institutions buffer.
Sources: Moody's Ratings and company filings

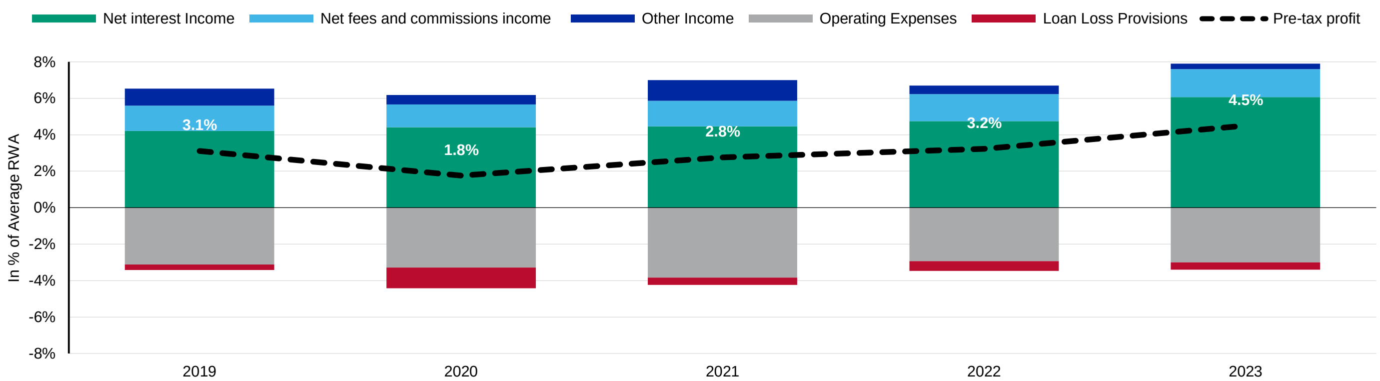
Efficient operations support above-average profitability in the domestic banking industry

We assign a baa1 Profitability score, in line with the initial score, which is derived from BAWAG's 0.96% average return on assets generated in 2021-23. In 2024, we expect BAWAG's profitability to strengthen only marginally as the revenue boost from higher interest rates starts to fade. Continued cost-consciousness, despite high wage settlements, and conservative loan loss provisioning so far should significantly offset the challenges from the deteriorated credit environment and the expected effects of integration.

BAWAG operates with a comparably low cost-to-income ratio, which reflects strict and efficient cost management. In addition, BAWAG's strong earnings have helped the bank create an advanced IT infrastructure, which in turn helps keep operating expenses in check. In 2023, BAWAG's reported net interest margin of 2.9% remained strong, particularly considering its focus on domestic, German and Dutch retail banking.

For 2024, BAWAG recently confirmed its pre-tax target of €920 million in pre-tax earnings, however, excluding M&A effects. We expect the necessary investments around the integration and the closing of the recent acquisitions to burden the cost side of the bank, while positive earnings effects will only filter through with a certain time lag.

Exhibit 7
BAWAG's pre-tax profit benefitted significantly from the higher interest rate environment and its stringent cost and risk management



Sources: Moody's Ratings and company filings

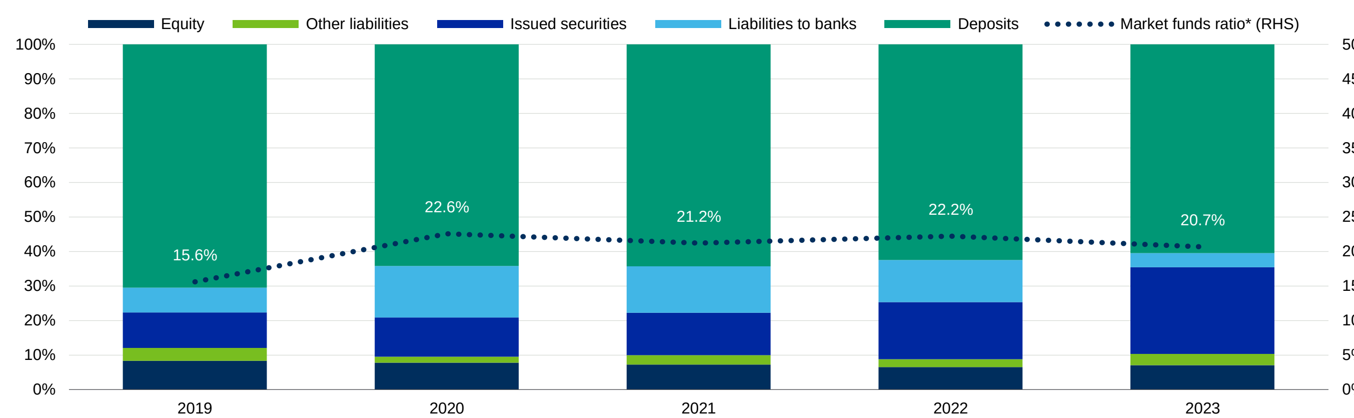
Market funding dependence is increasing

Our baa1 assigned Funding Structure score is positioned in line with initial score, reflecting BAWAG's funding profile after the repayment of TLTRO.

BAWAG replaced its recourse to TLTRO via the issuance of securities and covered bonds, leading to an increase in market funding compared with pre-pandemic levels. To meet its minimum requirement for own funds and eligible liabilities (MREL) of 22.5% of RWA from January 2024 and a final stage requirement of 26.5% of RWA, the bank has been issuing eligible securities, also in order to build a buffer for further balance sheet growth. Concurrently, the bank increased its recourse to covered bonds, which we deem a more stable funding source. Covered bonds provide matched and low risk funding for the mortgage and public sector portfolio, underpinning the assigned baa1 score.

BAWAG's solid funding and well diversified profile remains supported by its strong deposit base, that finance 60% of the bank's balance sheet and mainly consists of stable retail and SME deposits (80%), limiting potential outflow risks.

Exhibit 8
BAWAG replaced TLTRO mainly with recourse to covered bonds and securities



*Market funds ratio = Market funds/tangible banking assets.
Sources: Moody's Ratings and company filings

Solid level and quality of liquid resources

Our baa1 assigned Liquid Resources score is one notch below the a3 initial score, reflecting asset encumbrance that reduces the readily available liquidity buffers, but also incorporates the bank's significant funding leeway under its covered bond programmes.

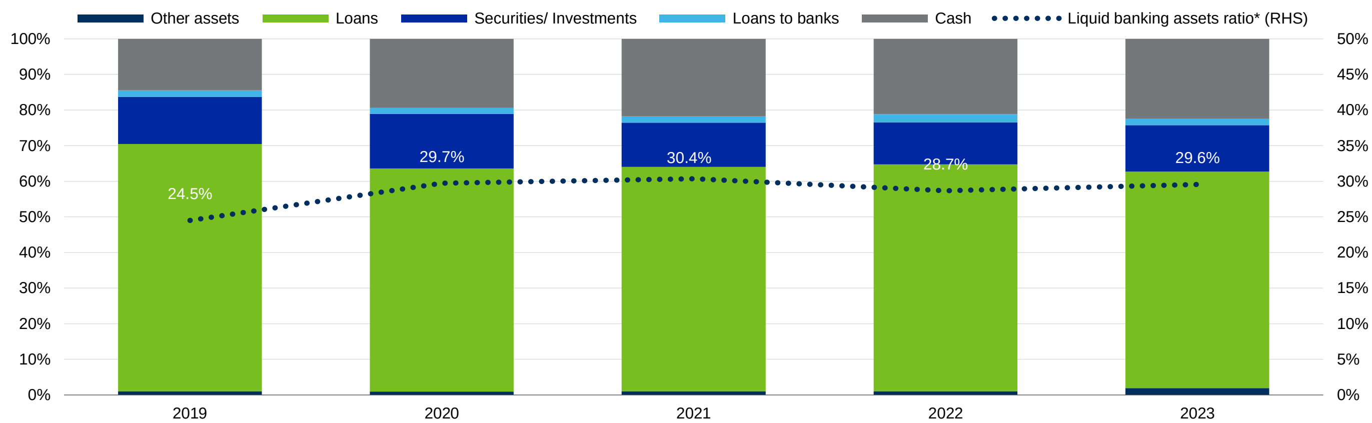
BAWAG's disclosed €18.0 billion readily available and unencumbered liquidity reserves provide strong protection for unexpected outflow risks, particularly in the context of its defensive funding profile. The redemption of the TLTRO has not impacted the liquidity buffers, that remain of good quality. In the assigned score, we reflect our expectation of a stable liquidity profile, with higher rates providing a higher attractiveness to increase the investment portfolio in line with balance sheet growth.

We further incorporate BAWAG's good funding leeway under the covered bond programmes. For BAWAG's Mortgage Covered Bonds, overcollateralisation was 10.6% as of the first quarter of 2024, providing a limited issuance leeway. For its Public-Sector Covered Bonds, overcollateralisation was significant at 273%, providing the bank with stronger, directly available access to further liquidity resources.

BAWAG's regulatory liquidity coverage ratio (LCR), stood at a strong 215% as of 31 December 2023, consisting mainly of highly liquid level-1 securities.

Exhibit 9

BAWAG's liquid resources were not affected by the TLTRO redemption



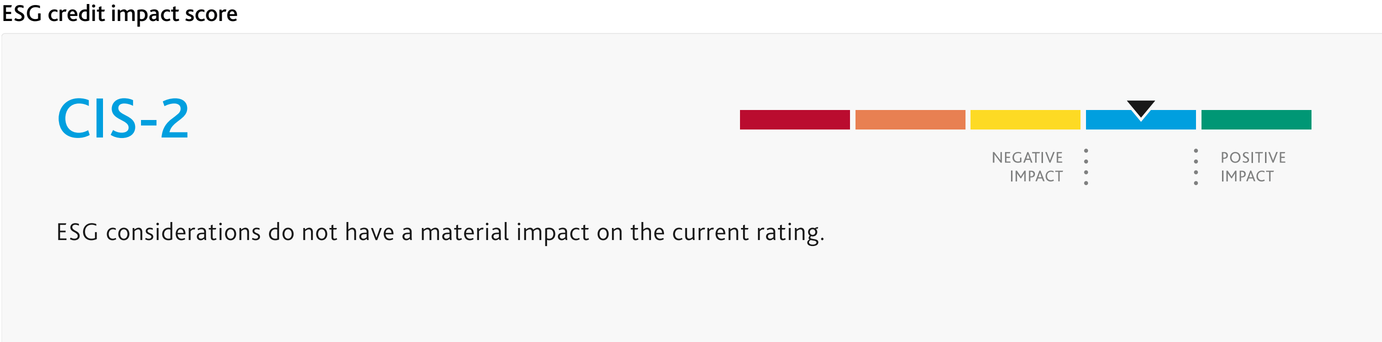
*Liquid banking assets ratio = Liquid banking assets/tangible banking assets.
Sources: Moody's Ratings and company filings

ESG considerations

BAWAG P.S.K. AG's ESG credit impact score is CIS-2

Exhibit 10

ESG credit impact score



Source: Moody's Ratings

BAWAG P.S.K.'s (BAWAG) **CIS-2** indicates that ESG considerations do not have a material impact on the current rating. BAWAG's governance risks are low, despite the bank's still significant appetite for acquisitions, that imply execution risks and an increasingly dispersed franchise.

Exhibit 11
ESG issuer profile scores

Source: Moody's Ratings

Environmental

BAWAG faces moderate exposure to environmental risks primarily because of its portfolio exposure to carbon transition risks as a diversified bank operating in Austria, Germany and other select markets. In line with its peers, BAWAG is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. In response, BAWAG has committed to continuously transform its lending book towards less carbon-intensive assets.

Social

BAWAG faces moderate social risks mainly related to customer relations as well as to demographic and societal trends. The bank's developed policies and procedures mitigate conduct risk associated with the distribution of financial products such as regulatory and reputational risks, as well as exposure to litigation. Continued investments in technology and the bank's long track record of handling sensitive customer data, as well as appropriate culture and governance that ensure adherence to regulatory standards, help to manage high cyber and personal data risks. BAWAG operates mostly in Austria, which faces challenges from adverse demographic trends affecting long-term economic growth prospects and impacting the demand for certain banking products. Product diversity as well as an ability to adapt to consumer preferences, regulatory changes and societal trends such as digitization are key to address these risks.

Governance

BAWAG faces low governance risks, and its risk management, policies and procedures are in line with industry practices and commensurate with its universal banking model and multi-country operations. BAWAG's strategy of growing its franchise through acquisitions adds operational risks and entails an increasingly complex franchise to manage. However, the bank generally has a sound track record of successfully managing a smooth and successful integration of targets; also the addition of regions and lending types increases the group's business diversification.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Loss Given Failure (LGF) analysis

BAWAG is domiciled in Austria, which we consider an operational resolution regime (ORR). Thus, we apply our advanced LGF analysis using our standard assumptions. In addition, we assume that only a small percentage (10%) of the deposit base can actually be considered junior and qualify as bail-in-able.

Our Advanced LGF analysis indicates that BAWAG's deposits, senior unsecured debt and the bank's issuer ratings are likely to face a very low loss given failure, which results in a two-notch adjustment above the baa1 Adjusted BCA.

Additional Tier 1 (AT1) instruments

We assign Ba1(hyb) ratings to the €300 million and €175 million low-trigger AT1 instruments issued by BAWAG Group. These ratings are positioned three notches below BAWAG's baa1 Adjusted BCA, reflecting our assessment of the instruments' undated deeply subordinated claim in liquidation, the issuer's ability to redeem the securities under certain conditions at a level below par in case these have been affected by a write-down and the securities' non-cumulative coupon deferral features. The securities' principal is subject to a partial or full write-down on a contractual basis if BAWAG Group's CET1 ratio falls below 5.125%, the issuer receives public support or the Austrian Financial Market Authority determines that the conditions for a full write-down of the instruments are fulfilled and orders such a write-down as a precautionary measure to prevent insolvency.

Government support considerations

We assess the probability of government support for BAWAG's senior liabilities as moderate, reflecting the bank's solid national market shares in terms of loans and deposits, as well as the bank's importance to the Austrian payment and clearing systems. The moderate support assumption results in one notch of rating uplift for BAWAG's deposit, issuer and senior unsecured ratings, as well as for the bank's Counterparty Risk Rating and its Counterparty Risk Assessment. For junior senior unsecured debt, subordinated debt and hybrid instruments, the potential for government support is low and these ratings, therefore, do not benefit from any government support uplift.

Methodology and scorecard

Methodology

The principal methodology used in rating BAWAG and BAWAG Group was our Banks Methodology, published in March 2024

About Moody's Bank Scorecard

Our bank scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 12

Rating Factors

MACRO FACTORS		
WEIGHTED MACRO PROFILE	STRONG +	100%

FACTOR	HISTORIC RATIO	INITIAL SCORE	EXPECTED TREND	ASSIGNED SCORE	KEY DRIVER #1	KEY DRIVER #2
Solvency						
Asset Risk						
Problem Loans / Gross Loans	2.1%	a2	↔	baa2	Sector concentration	Operational risk
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	17.0%	aa2	↔	a2	Expected trend	Capital retention
Profitability						
Net Income / Tangible Assets	1.0%	baa1	↔	baa1	Expected trend	Return on assets
Combined Solvency Score		a1		baa1		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	20.7%	baa1	↔	baa1	Expected trend	Extent of market funding reliance
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	29.6%	a3	↔	baa1	Expected trend	Asset encumbrance
Combined Liquidity Score		baa1		baa1		
Financial Profile				baa1		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				Aa1		
BCA Scorecard-indicated Outcome - Range				a3 - baa2		
Assigned BCA				baa1		
Affiliate Support notching				0		
Adjusted BCA				baa1		

BALANCE SHEET	IN-SCOPE (EUR MILLION)	% IN-SCOPE	AT-FAILURE (EUR MILLION)	% AT-FAILURE
Other liabilities	14,418	26.3%	16,825	30.6%
Deposits	34,373	62.6%	31,967	58.2%
Preferred deposits	30,936	56.3%	29,389	53.5%
Junior deposits	3,437	6.3%	2,578	4.7%
Junior senior unsecured bank debt	500	0.9%	500	0.9%
Dated subordinated bank debt	29	0.1%	29	0.1%
Dated subordinated holding company debt	689	1.3%	689	1.3%
Preference shares(holding company)	475	0.9%	475	0.9%
Equity	1,647	3.0%	1,647	3.0%
Total Tangible Banking Assets	52,132	100.0%	54,916	100.0%

DEBT CLASS	DE JURE WATERFALL		DE FACTO WATERFALL		NOTCHING		LGF NOTCHING GUIDANCE VS. ADJUSTED BCA	ASSIGNED LGF NOTCHING	ADDITIONAL NOTCHING	PRELIMINARY RATING ASSESSMENT
	INSTRUMENT VOLUME + SUBORDINATION	SUB-ORDINATION	INSTRUMENT VOLUME + SUBORDINATION	SUB-ORDINATION	DE JURE	DE FACTO				
Counterparty Risk Rating	15.8%	15.8%	15.8%	15.8%	3	3	3	3	0	a1
Counterparty Risk Assessment	15.8%	15.8%	15.8%	15.8%	3	3	3	3	0	a1 (cr)
Deposits	15.8%	6.1%	15.8%	11.2%	2	3	2	2	0	a2
Senior unsecured bank debt	15.8%	6.1%	11.2%	6.1%	2	1	2	-	-	-
Junior senior unsecured bank debt	6.1%	5.2%	6.1%	5.2%	0	0	0	0	0	baa1
Dated subordinated bank debt	5.2%	3.9%	5.2%	3.9%	-1	-1	-1	-1	0	baa2
Dated subordinated holding company debt	5.2%	3.9%	5.2%	3.9%	-1	-1	-1	-1	0	baa2
Holding company non-cumulative preference shares	3.9%	3.0%	3.9%	3.0%	-1	-1	-1	-1	-2	ba1

INSTRUMENT CLASS	LOSS GIVEN FAILURE NOTCHING	ADDITIONAL NOTCHING	PRELIMINARY RATING ASSESSMENT	GOVERNMENT SUPPORT NOTCHING	LOCAL CURRENCY RATING	FOREIGN CURRENCY RATING
Counterparty Risk Rating	3	0	a1	1	Aa3	
Counterparty Risk Assessment	3	0	a1 (cr)	1	Aa3(cr)	
Deposits	2	0	a2	1	A1	A1
Senior unsecured bank debt	-	-	-	1	A1	A1
Junior senior unsecured bank debt	0	0	baa1	0	Baa1	
Dated subordinated bank debt	-1	0	baa2	0	(P)Baa2	
Dated subordinated holding company debt	-1	0	baa2	0	Baa2	
Holding company non-cumulative preference shares	-1	-2	ba1	0	Ba1 (hyb)	

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Ratings

Ratings

Exhibit 13

Category	Moody's Rating
BAWAG P.S.K. AG	
Outlook	Stable
Counterparty Risk Rating -Dom Curr	Aa3/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	baa1
Adjusted Baseline Credit Assessment	baa1
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Issuer Rating	A1
Senior Unsecured	A1
Junior Senior Unsecured -Dom Curr	Baa1
Subordinate MTN -Dom Curr	(P)Baa2
ST Issuer Rating	P-1
PARENT: BAWAG GROUP AG	
Subordinate -Dom Curr	Baa2
Pref. Stock Non-cumulative -Dom Curr	Ba1 (hyb)

Source: Moody's Ratings

Endnotes

1 Year refers to the announcement of acquisition

REPORT NUMBER 1385876

Contacts

Ibrahim Kara +49.69.86790.2181
Sr Ratings Associate
ibrahim.kara@moodys.com

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454