

Second Supplement
dated 16 August 2024
to the Base Prospectus dated 5 April 2024

This second supplement (the "**Second 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 Second 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 Second Supplement has been prepared following the publication of the half-year financial reports by BAWAG and BAWAG P.S.K., respectively, 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 5 April 2024, 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 10 May 2024, 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**"). This Second 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 Second 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 Second Supplement should only be distributed in connection with the Base Prospectus and the First Supplement. It should only be read in conjunction with the Base Prospectus and the First Supplement.

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

Save as disclosed in this Second Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus and the First Supplement 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 Second 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 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 two working days after the publication of this Second Supplement, to withdraw their acceptances. The final date of the right of withdrawal will be 20 August 2024. Investors should contact BAWAG Group's head of investor relations (investor.relations@bawaggroup.com) for the exercise of the right of withdrawal.

This Second Supplement may only be used for the purpose for which it has been published as set out below. This Second 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 Second 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 "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 First Supplement, the third and fourth paragraph shall be deleted and replaced by the following information:**

"As of 30 June 2024, BAWAG reported MREL eligible instruments amounting to 32.6% (fully loaded) of RWA, corresponding to EUR 5.8 billion (i.e., 5% or EUR 0.8 billion of legacy MREL-eligible instruments, 5% or EUR 0.8 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 20% or EUR 3.6 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 5.9% 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 30 June 2024, BAWAG reported MREL eligible instruments amounting to 10.7% (fully loaded) of LRE. The MREL requirements set in 2023, and any future new MREL requirements, including any imposition of a subordination requirement, may also have an effect on the balance sheet structure and the composition of funding of BAWAG Group, in particular of its sub-group BAWAG P.S.K. Group, and they could have a material adverse effect on their 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."

- 2. In the section "7.3.1 Statement of no material adverse change / significant changes" on page 306 of the Base Prospectus, 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 30 June 2024, the end of the last financial period for which financial information has been published."

- 3. In the section "7.3.2 Recent developments and outlook", the sub-heading "Acquisitions" on page 306 of the Base Prospectus shall be deleted and replaced by the following information:**

"Since the initial public offering in 2017, nine acquisitions were completed and in aggregate capital an amount of EUR 2.2 billion (EUR 1.3 billion dividends and EUR 900 million buyback) was distributed.

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

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.).

On 4 July 2024, BAWAG signed a transaction to acquire Hamburg-based Barclays Consumer Bank Europe from Barclays Bank Ireland PLC. The acquisition will expand BAWAG Group's footprint in the DACH/NL region and position it for future growth in one of the bank's core markets. As of 31 March 2024, Barclays Consumer Bank Europe had gross assets of € 4.7 billion primarily comprising of card and loan receivables, of which approximately € 2 billion are credit card receivables. BAWAG Group will work with the current leadership team to continue growing its Retail business in Germany and Austria. The transaction, subject to customary closing conditions, including regulatory approvals, is expected to occur in the fourth quarter of 2024 or in the first quarter of 2025."

- 4. In the section "7.7 Significant change in the financial position of BAWAG GROUP" on page 309 of the Base Prospectus, the first paragraph shall be deleted and replaced by the following information:**

"No significant change in the financial position of BAWAG Group has occurred since 30 June 2024."

5. In the section "8.3.1 Statement of no material adverse change / significant changes" on page 313 of the Base Prospectus, the second paragraph shall be deleted and replaced by the following information:

"There has been no significant change in the financial performance of BAWAG P.S.K. Group since 30 June 2024, the end of the last financial period for which financial information has been published."

6. In the section "8.7 Significant change in the financial position of BAWAG P.S.K. Group", on page 314 of the Base Prospectus, the first paragraph shall be deleted and replaced by the following information:

"No significant change in the financial position of BAWAG P.S.K. Group has occurred since 30 June 2024."

7. The section "8.9 Ratings" on page 315 of the Base Prospectus shall be deleted and replaced by the following information:

"BAWAG P.S.K. is rated by Moody's. The text of the credit opinion from Moody's dated 29 May 2024 reads as follows (only the relevant parts are reproduced here):

Ratings¹⁾

Category	Moody's¹⁾ Rating
<i>Outlook</i>	<i>Stable²⁾</i>
<i>Baseline Credit Assessment</i>	<i>baa1³⁾</i>
<i>Issuer Rating</i>	<i>A1⁴⁾</i>
<i>Senior Unsecured</i>	<i>A1⁴⁾</i>
<i>Junior Senior Unsecured – Dom Curr</i>	<i>Baa1⁵⁾</i>
<i>Subordinate – Dom Curr</i>	<i>Baa2⁵⁾</i>
<i>ST Issuer Rating</i>	<i>P-1⁶⁾</i>
<i>Covered Bonds</i>	<i>Aaa⁷⁾</i>

¹⁾ A credit rating assesses the creditworthiness of an entity and informs an investor therefore about the probability of the entity being able to redeem invested capital. It is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

¹⁾ Moody's Deutschland GmbH is a credit rating agency with establishments in the European Union and registered pursuant to the CRA Regulation. The ESMA publishes on its website (www.esma.europa.eu) a list of credit rating agencies registered in accordance with the CRA Regulation, which includes Moody's.

²⁾ According to the definitions published by Moody's Investors Services Inc. on its website "A stable outlook indicates a low likelihood of a rating change over the medium term. A rating committee that assigns an outlook of stable [...] to an issuer's rating is also indicating its belief that the issuer's credit profile is consistent with the relevant rating level at that point in time." See https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

³⁾ According to the definitions published by Moody's Investors Services Inc. on its website "issuers assessed baa are judged to have medium-grade intrinsic, or standalone, financial strength, and thus subject to moderate credit risk and, as such, may possess certain speculative credit elements absent any possibility of extraordinary support from an affiliate or a government." "Moody's appends numerical modifiers 1, 2, and 3 to each generic assessment classification from aa (sca) through caa (sca). The modifier 1 indicates that the obligation ranks in the higher end of its generic assessment category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic assessment category." See https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

⁴⁾ According to the definitions published by Moody's Investors Services Inc. on its website "obligations rated A are judged to be upper-medium grade and subject to low credit risk." "Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category." See https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

⁵⁾ According to the definitions published by Moody's Investors Services Inc. on its website "obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics." "Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category." See https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

⁶⁾ According to the definitions published by Moody's Investors Services Inc. on its website, "ratings of Prime-1 reflect a superior ability to repay short-term obligations." See https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

⁷⁾ According to the definitions published by Moody's Investors Services Inc. on its website "obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk." See https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

8. The section "9.4.2 Asset decomposition and asset split by region" on pages 322 to 323 of the Base Prospectus, as supplemented by the First Supplement, shall be supplemented by the following information:

"Asset decomposition as of 30 June 2024

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

Asset decomposition	30 June 2024
(in € million)	(unaudited)
Retail & SME	
Housing loans.....	15,019
Consumer and SME	6,817
Total	21,836
Corporates, Real Estate & Public Sector	
Corporates.....	3,039
Real Estate.....	4,987
Public Sector	5,048
Short-term/money market lending	160
Total	13,234

Source: Company information.

Asset split by region as of 30 June 2024

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	30 June 2024
(in € million)	(unaudited)
Retail & SME	
DACH/NL.....	18,936
Western Europe / USA.....	2,900
Total	21,836
Corporates, Real Estate & Public Sector	
DACH/NL.....	5,916
Western Europe / USA.....	7,318
Total	13,234

Source: Company information."

9. In the section "10.1.1 Historical financial information" on page 325 of the Base Prospectus, after the sub-heading "Financial years ended 31 December 2023 and 31 December 2022", a new sub-heading "Six month period ended 30 June 2024" is inserted with the following information:

"The Half-Year Financial Statements of BAWAG 2024 are incorporated by reference into this Base Prospectus (see "15.1 Documents incorporated by reference" below)."

10. In the section "10.1.3 Selected financial information" on pages 325 to 329 of the Base Prospectus, after the sub-heading "Selected financial information for the three month period ended 31 March 2024", as supplemented by the First Supplement, a new sub-heading "Selected financial information for the six month period ended 30 June 2024" is inserted with the following information:

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

Financial position	30 June 2024
(in € million)	(unaudited)
Total assets	
Cash reserves.....	982
Financial assets held for trading	58
Financial assets at fair value through profit or loss	659
Fair value through other comprehensive income	2,769
Financial assets at amortised cost.....	47,923
thereof: Customers	32,862
Debt instruments	3,556
Credit institutions.....	11,505
Valuation adjustment on interest rate risk hedged portfolios.....	(451)
Hedging derivatives	80
Tangible non-current assets.....	315
Intangible non-current assets	527
Tax assets for current taxes.....	13
Tax assets for deferred taxes.....	31
Other assets	231
Non-current assets held for sale	496
Total assets	53,633
Average interest-bearing assets ^{1, 2)} .	41,540
Total liabilities	49,527
Financial liabilities designated at fair value through profit or loss.....	102
Financial liabilities held for trading.....	435
Financial liabilities at amortized cost ...	47,457
thereof: Customers	32,398
Issued bonds, subordinated and supplementary capital.....	14,193
Credit institutions.....	866
Financial liabilities associated with transferred assets	0
Valuation adjustment on interest rate risk hedged portfolios.....	(479)
Hedging derivatives	231
Provisions	249
Tax liabilities for current taxes.....	222
Tax liabilities for deferred taxes.....	131
Other obligations.....	743
Other obligations in disposal groups	436
Total equity	4,106
thereof: Equity attributable to the owners of the parent (ex AT 1 capital)	3,635
AT 1 capital	471
Non-controlling interests...	0
Total liabilities and equity	53,633

- 1) Interest-bearing assets are calculated as the sum of the line items financial assets at fair value through profit or loss, fair value through other comprehensive income and financial assets at amortised cost, each as shown in the table above, less assets held at central banks.
- 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.

	30 June 2024
(in € million)	(unaudited)
Customer deposits and own issues ¹⁾ ..	47,125
Customer loans (average).....	33,455
Customer deposits (average)	33,487

- 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 6-month period ended 30 June 2024
(in € million)	(unaudited)
Net interest income	621.5
Net fee and commission income	162.7
Core Revenues ¹⁾	784.2
Gains and losses on financial instruments and other operating income and expenses ²⁾	(10.3)
Operating income	773.9
Operating expenses ²⁾	(253.3)
Pre-Provision Profit ¹⁾	520.6
Regulatory charges ²⁾	(8.0)
Total risk costs.....	(57.8)
ECL Management overlay.....	80
Share of the profit or loss of associates accounted for using the equity method.....	1.5
Profit before tax	456.3
Income taxes.....	(114.2)
Net profit	342.1

- 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 6-month period ended 30 June 2024
(in € million)	(unaudited)

Retail & SME	For the 6-month period ended 30 June 2024
Net interest income	447.1
Net fee and commission income	147.0
Core Revenues ¹⁾	594.1
Operating income	595.6
Operating expenses	(182.2)
Pre-Provision Profit ²⁾	413.4
Regulatory charges.....	(4.3)
Total risk costs.....	(50.8)
Profit before tax	358.3
Income taxes.....	(89.6)
Net profit	268.7

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 6-month period ended 30 June 2024
(in € million)	(unaudited)
Net interest income	139.2
Net fee and commission income	16.4
Core Revenues ¹⁾	155.6
Operating income	154.7
Operating expenses	(38.4)
Pre-Provision Profit ²⁾	116.3
Regulatory charges.....	(1.8)
Total risk costs.....	(7.1)
Profit before tax	107.4
Income taxes.....	(26.8)
Net profit	80.6

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:

	30 June 2024
(in €, unaudited, unless otherwise stated)	
Book value (per share)	43.91
Tangible book value (per share)	37.20
Shares outstanding (in million)	78.51

Source: Company information.

Comparative financial information for the six month period ended 30 June 2023 is set out in the sub-section "10.1.3 Selected financial information – Selected financial information for the financial years ended 31 December 2023 and 31 December 2022" on pages 325 to 329 of this Base Prospectus."

11. In the section "10.1.4 Alternative performance measures" on pages 332 to 334 of the Base Prospectus, after the sub-heading "Financial information for the three month period ended 31 March 2024", as supplemented by the First Supplement, a new sub-heading "Financial information for the six month period ended 30 June 2024" is inserted with the following information:

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

(in € million)	30 June 2024 (unaudited)
BAWAG Group	
Equity attributable to the owners of the parent (ex AT 1 capital).....	3,635
Intangible non-current assets.....	527

Source: Company information.

	For the 6-month period ended 30 June 2024 (unaudited)
BAWAG Group	
Return on common equity.....	20.3%
Return on Tangible Common Equity	24.0%
Net Interest Margin	2.98%
Cost-Income Ratio	32.7%
Core Revenues (in € million)	784.2
Pre-Provision Profit (in € million) ..	520.6
Risk Costs / interest-bearing assets	0.28%

Source: Company information.

	For the 6-month period ended 30 June 2024
Retail & SME	
Return on Common Equity	30.3%
Return on Tangible Common Equity	35.7%
Core Revenues (in € million)	594.1
Pre-Provision Profit (in € million) ..	413.4
Cost-Income Ratio	30.6%
Risk Costs / interest-bearing assets	0.46%

	For the 6-month period ended 30 June 2024
Corporates, Real Estate & Public Sector	
Return on Common Equity	18.9%
Return on Tangible Common Equity	23.2%
Core Revenues (in € million)	155.6
Pre-Provision Profit (in € million) ..	116.3
Cost-Income Ratio	24.8%
Risk Costs / interest-bearing assets	0.10%

Source: Company information."

12. In the section "10.2 Historical financial information" on pages 334 to 345 of the Base Prospectus, after the sub-heading "*Financial years ended 31 December 2023 and 31 December 2022*", a new sub-heading "*Six month period ended 30 June 2024*" is inserted with the following information:

"The Half-Year Financial Statements of BAWAG P.S.K. 2024 are incorporated by reference into this Base Prospectus (see "15.1 Documents incorporated by reference" below)."

13. After the section "11.1.2 Regulatory figures and ratios for the three month period ended 30 June 2024" on pages 337 to 338 of the Base Prospectus, a new section "11.1.3 Regulatory figures and ratios for the six month period ended 30 June 2024" 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 ratios¹⁾	As of 30 June 2024 (unaudited)
BAWAG Group	
Common Equity Tier 1 capital (in € million)	2,974
Own funds (in € million)	3,984
Capital requirements (risk-weighted assets (in € million))	17,995
Common equity tier 1 (CET 1) ratio (fully loaded)	16.5%
Tier 1 ratio	18.8%
Total capital ratio	22.1%
Leverage ratio (fully loaded) ¹⁾	6.2%
Liquidity coverage ratio ²⁾	220%
NPL ratio ³⁾	1.1%
Retail & SME	
NPL ratio ³⁾	1.9%
Risk-weighted assets (in € million)	9,510
Corporates, Real Estate & Public Sector	
NPL ratio ³⁾	0.8%
Risk-weighted assets (in € million)	5,054

¹⁾ Calculated in accordance with regulatory requirements.

- 1) 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.
- 2) 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.
- 3) 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."

14. In the section "11.1 Minimum capital requirements and regulatory ratios" on pages 336 to 337 of the Base Prospectus, as supplemented by the First Supplement, the fifth, sixth and seventh 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). Based on risk-weighted assets as of 30 June 2024, the countercyclical buffer is 0.37%, resulting in a SREP CET 1 ratio requirement of 9.98% of risk-weighted assets.

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).

As of 30 June 2024, BAWAG Group's CET 1 ratio (fully loaded) amounted to 16.5%, including deductions for approximately EUR 96 million dividend accrual per Q2 2024 for distribution in 2025. The 2024 dividend policy includes a target payout ratio of 55% of net profit."

15. In the section "11.2 Minimum requirement for own funds and eligible liabilities" on page 338 of the Base Prospectus, as supplemented by the First Supplement, the third and fourth paragraph shall be deleted and replaced by the following information:

"As of 30 June 2024, BAWAG reported MREL eligible instruments amounting to 32.6% (fully loaded) of RWA, corresponding to EUR 5.8 billion (i.e., 5% or EUR 0.8 billion of legacy MREL-eligible instruments, 5% or EUR 0.8 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 20% or EUR 3.6 billion of own funds instruments). In addition to the MREL-TREA requirement, the SRB set an MREL requirement based on the MREL-LRE of 5.9% of the LRE on the consolidated level of BAWAG P.S.K. with the final requirement being applicable since 1 January 2022.

As of 30 June 2024, BAWAG reported MREL eligible instruments amounting to 10.7% (fully loaded) of LRE."

16. In the section "15.1 Documents incorporated by reference" on pages 357 to 358 of the Base Prospectus, after the sub-paragraph "(j)", two new sub-paragraphs shall be inserted with the following information:

- (k) the English translation of the unaudited consolidated financial statements of BAWAG as of and for the six month period ended 30 June 2024, available at <https://www.bawagroup.com/resource/blob/87040/c41edb5642474872e031b05a837583c4/20240727-half-year-financial-report-2024-bawag-group-data.pdf> (the "**Half-Year Financial Statements of BAWAG 2024**"); and
- (l) the original German language version of the unaudited consolidated financial statements of BAWAG P.S.K. as of and for the six month period ended 30 June 2024, available at <https://www.bawag.at/resource/blob/87110/5786052d457dd7aec0902f30e4dc7b1f/halbjahresfinanzbericht-2024-data.pdf> (the "**Half-Year Financial Statements of BAWAG P.S.K. 2024**");"

17. In the section "15.2 Cross-reference list of documents incorporated by reference" on pages 358 to 363 of the Base Prospectus, after the sub-paragraph "10. The following information is set forth in the Debt Issuance Programme Prospectus dated 3 April 2023:" two new sub-paragraphs shall be inserted with the following information:

"11. The following information is set forth in the Half-Year Financial Statements of BAWAG 2024:

	Page(s)
Consolidated Accounts	21-27
Profit or Loss Statement	21
Statement of Other Comprehensive Income	22
Statement of Financial Position	23-24
Statements of Changes in Equity	25-26
Condensed Cash Flow Statement	27
Notes	28-67

12. The following information is set forth in the Half-Year Financial Statements of BAWAG P.S.K. 2024:

	Page(s)
Consolidated Accounts (<i>Konzernrechnung</i>)	20-26
Gewinn- und Verlustrechnung (<i>Profit or Loss Statement</i>)	20
Sonstiges Ergebnis (<i>Statement of Other Comprehensive Income</i>)	21
Bilanz (<i>Statement of Financial Position</i>)	22-23
Entwicklung des Eigenkapitals (<i>Statements of Changes in Equity</i>)	24-25
Verkürzte Kapitalflussrechnung (<i>Condensed Cash Flow Statement</i>)	26
Notes (<i>Anhang</i>)	27-67

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