

**IMPORTANT NOTE:**

**SHAREHOLDERS OF BAWAG GROUP AG WHOSE SEAT, PLACE OF RESIDENCE OR HABITUAL ABODE IS OUTSIDE THE REPUBLIC OF AUSTRIA SHOULD NOTE THE INFORMATION SET FORTH IN SECTION 8. OF THIS OFFER DOCUMENT:**

**VOLUNTARY  
PARTIAL TENDER OFFER**

pursuant to Sections 4 et seqq of the Austrian Takeover Act (“**ATA**“)  
(the or this “**Offer**”)

of



**BAWAG Group AG**

Wiedner Gürtel 11

1100 Vienna

(FN 269842b)

(“**Bidder**” and “**Target Company**”)

to its shareholders

to **repurchase own shares** (ISIN AT0000BAWAG2)

### Summary of the Offer

The following summary contains selected information on this Offer and therefore shall be read only together with the entire offer document (the “**Offer Document**”).

<b>Bidder and Target Company</b>	BAWAG Group AG, a stock corporation under Austrian law with its corporate seat in Vienna and its business address at Wiedner Gürtel 11, 1100 Vienna, FN 269842b.	Section 2
<b>Offer / Object of Offer</b>	The Offer comprises the acquisition of up to 10,857,763 bearer shares of BAWAG Group AG (ISIN AT0000BAWAG2) admitted to trading on the Official Market ( <i>Amtlicher Handel</i> ) of the Vienna Stock Exchange ( <i>Wiener Börse</i> ), listed in the segment <i>prime market</i> and not owned by the Target Company or any party acting in concert with it. The Offer Shares correspond to approx. 10.86% of the Target Company’s share capital.	Section 3.1
<b>Offer Price</b>	EUR 36.84 per Share of the Target Company (ISIN AT0000BAWAG2).	Section 3.2
<b>Acceptance Period</b>	<p>Period from 25 October 2019 (including) until 22 November 2019 (including), 5.00 pm (Vienna local time), i.e. four weeks (the “<b>Acceptance Period</b>”).</p> <p>There will be no statutory extension period (<i>sell-out period</i>) pursuant to Section 19 para 3 ATA.</p>	Sections 4.1 & 4.2
<b>Acceptance</b>	<p>The acceptance of the Offer must be declared irrevocably in writing and addressed to the accepting shareholder’s respective Depository Bank. The Acceptance Declaration shall be deemed to be made in due time if it was received by the Depository Bank within the Acceptance Period and, by no later than the 2<sup>nd</sup> (second) trading day after expiry of the Acceptance Period at 5.00 pm (Vienna time), (i) the rebooking (the transfer from ISIN AT0000BAWAG2 to ISIN AT0000A2B4H8) has been made, and (ii) the Depository Bank has forwarded to the Tender and Payment Agent the notice of acceptance of the Offer, indicating the number of placed client orders and the total number of shares encompassed by the Acceptance Declarations received by the Depository Bank during the Acceptance Period and provided that the respective total number of Shares has been transferred to the Tender and Payment Agent.</p> <p>During the Acceptance Period, shares tendered into the Offer by a shareholder cannot be traded via the stock exchange.</p>	Section 4.4

	<p>The Bidder will bear reasonable and customary fees and costs levied by Depository Banks in connection with the settlement of this Offer in a maximum amount of EUR 8 (Euro eight) per securities account. Depository Banks are requested to contact the Tender and Payment Agent in this respect.</p>	
<b>Tender and Payment Agent</b>	Raiffeisen Centrobank AG	Section 4.3
<b>Allocation in case of Over-subscription</b>	<p>Acceptance Declarations will be considered on a <i>pro rata</i> basis if Acceptance Declarations are submitted for more shares than the Target Company as Bidder intends to acquire. Pursuant to Section 20 ATA, the Acceptance Declaration of each shareholder has to be considered in the proportion of the partial offer to the total number of Acceptance Declarations.</p> <p>If this allocation rule requires the Bidder to acquire a fractional number of shares, the number is, at the discretion of the Tender and Payment Agent, rounded up or down to the next integral number. However, the number of Offer Shares will under no circumstances be exceeded.</p>	Section 4.6
<b>Publication of the Offer</b>	<p>This Offer will be published on the website of the Bidder (<a href="http://www.bawaggroup.com">www.bawaggroup.com</a>) and on the website of the Austrian Takeover Commission (<a href="http://www.takeover.at">www.takeover.at</a>) on 25 October 2019. This Offer Document will (in the form of a brochure) be made available at the seat of the Target Company and at the Tender and Payment Agent together with the report of the expert pursuant to Sections 9 and 13 ATA. A respective notification will be published in the Official Gazette (<i>Amtsblatt zur Wiener Zeitung</i>) pursuant to Section 11 para 1a ATA on 25 October 2019.</p>	Section 4.11
<b>Condition Precedent</b>	<p>The Offer is subject to the following condition precedent:</p> <p>Between the publication of this Offer Document and the end of the Acceptance Period, the closing price of any of the two following indices is not in excess of 20% lower than its respective closing price on 21 October 2019 (as displayed on the relevant Bloomberg screen) on two consecutive trading days:</p> <ul style="list-style-type: none"> <li>• STOXX Europe 600 Banks Index (SX7P; ISIN EU0009658806)</li> <li>• Austrian Traded Index (ATX; ISIN AT0000999982).</li> </ul>	Section 3.8

## Table of Content

<b>1. DEFINITIONS</b> .....	<b>5</b>
<b>2. BIDDER AND TARGET COMPANY BAWAG GROUP AG</b> .....	<b>6</b>
2.1. Company .....	6
2.2. Share Capital and Shareholder Structure .....	7
2.3. Acting in Concert .....	8
2.4. Legal Framework .....	8
<b>3. THE OFFER</b> .....	<b>9</b>
3.1. Object of the Offer .....	9
3.2. Offer Price .....	9
3.3. Determination of Offer Price .....	9
3.4. Historical Reference Transactions .....	9
3.5. Offer Price in relation to Historical Prices .....	9
3.6. Key Financial Indicators and Current Business Development of the Target Company .....	10
3.7. Valuation of the Target Company .....	11
3.8. Condition Precedent .....	11
<b>4. OFFER PERIOD AND SETTLEMENT OF THE OFFER</b> .....	<b>11</b>
4.1. Offer Period .....	11
4.2. No statutory extension of Acceptance Period (no sell-out phase) .....	11
4.3. Tender and Payment Agent .....	11
4.4. Acceptance of the Offer .....	12
4.5. Legal Consequences of the Acceptance .....	12
4.6. Allocation of the Offered Shares in case of Over-Subscription of the Offer ...	12
4.7. Payment of Offer Price and Transfer of Ownership („settlement“) .....	13
4.8. Settlement Fees .....	13
4.9. Representations and Warranties .....	13
4.10. Withdrawal Rights in Case of Competing Offers .....	13
4.11. Announcement and Publication of the Result .....	14
4.12. Equal Treatment .....	14
<b>5. FUTURE PARTICIPATION AND BUSINESS POLICY</b> .....	<b>14</b>
5.1. Reasons for the Offer .....	14
5.2. Future Business Policy .....	14
5.3. Effects on Employment and Headquarters .....	15
5.4. No Delisting Offer .....	15
<b>6. FINANCING OF THE OFFER</b> .....	<b>15</b>
<b>7. FURTHER INFORMATION</b> .....	<b>15</b>
7.1. Transparency of the Bidder's Commitments to the Target Company's Representatives .....	15
7.2. Tax implications .....	15
7.3. Applicable Law and Jurisdiction .....	16
7.4. Advisors .....	16
7.5. Further Information .....	16
7.6. Information on the Expert pursuant to Sections 9 and 13 seq ATA .....	16
<b>8. RESTRICTION OF PUBLICATION</b> .....	<b>16</b>
<b>9. CONFIRMATION OF THE EXPERT</b> .....	<b>18</b>

## 1. DEFINITIONS

<b>Acceptance Declaration</b>	The written acceptance of the Offer by shareholders of the Target Company vis-à-vis their respective Depository Bank pursuant to Section 4.4.
<b>Acceptance Period</b>	The Offer can be accepted in the period from 25 October 2019 (including) until 22 November 2019 (including), 5.00 pm (Vienna time), i.e. four weeks.
<b>ATA</b>	Austrian Takeover Act ( <i>Übernahmegesetz</i> , BGBl 1998/127 as amended).
<b>BAWAG Group</b>	The Bidder and its direct and indirect subsidiaries.
<b>Bidder</b>	BAWAG Group AG, Wiedner Gürtel 11, 1100 Vienna, FN 269842b.
<b>Cerberus</b>	Cerberus means funds and accounts under management by Cerberus Capital Management, L.P. and its affiliates.
<b>Depository Bank</b>	The Bank with which Shares of the Target Company are deposited in the name and on behalf of a shareholder.
<b>GoldenTree</b>	GoldenTree means several funds and accounts under management by, or whose holdings in the Target Company are subject to an investment management agreement with, GoldenTree Asset Management, L.P.
<b>Offer Price</b>	EUR 36.84 per bearer share of the Target Company (ISIN AT0000BAWAG2) cum dividend 2019.
<b>Offer Shares</b>	The Offer comprises the acquisition of up to 10,857,763 Shares of the Target Company which are admitted to trading on the Official Market ( <i>Amtlicher Handel</i> ) of the Vienna Stock Exchange ( <i>Wiener Börse</i> ), listed in the segment <i>prime market</i> and not owned by the Target Company or any party acting in concert with it.
<b>Shares</b>	One/several bearer share(s) of the Target Company (ISIN AT0000BAWAG2).
<b>Target Company</b>	Bidder.
<b>Tender and Payment Agent</b>	Is Raiffeisen Centrobank AG and has the meaning given to such term in Section 4.3.
<b>Tendered Shares</b>	Shares in respect of which the Offer was accepted pursuant to Section 4.4.
<b>VWAP</b>	The volume weighted average price at the Vienna Stock Exchange for the indicated period.

## 2. BIDDER AND TARGET COMPANY BAWAG GROUP AG

### 2.1. Company

BAWAG Group AG is a listed stock corporation under Austrian law with its corporate seat in Vienna and its business address at Wiedner Gürtel 11, 1100 Vienna. BAWAG Group AG is registered with the company register (*Firmenbuch*) of the Vienna Commercial Court (*Handelsgericht Wien*) under FN 269842b (“**Bidder**” and “**Target Company**”).

The Bidder has various subsidiaries in Austria and abroad held through its 100% subsidiary BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft. The Bidder and its direct and indirect subsidiaries form the BAWAG group (the “**BAWAG Group**”).

The BAWAG Group comprises, in particular, the following credit institutions:

- BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft
- BAWAG P.S.K. Wohnbaubank Aktiengesellschaft
- easybank AG
- start:bausparkasse AG
- IMMO-Bank Aktiengesellschaft
- SÜDWESTBANK AG (*Germany*)
- start:bausparkasse AG (*Germany*)

BAWAG Group has about 2.5 million customers and is focused on Austria, Germany and developed markets. BAWAG Group serves retail, small business and corporate customers offering comprehensive savings, payment, lending, leasing, investment, building society, factoring and insurance products and services through various online and offline channels. Delivering simple, transparent and best-in-class products and services that meet our customers’ needs is the consistent strategy across all business units (see Section 5.2 for further details on the strategy).

The purpose of this Offer is to acquire own shares and to execute the resolution passed in the general meeting dated 30 April 2019 under agenda item 7 pursuant to Section 65 para 1 no 6 in connection with Section 192 Stock Corporation Act (see Section 2.4 of this Offer). BAWAG Group AG assumes the role of both bidder and target company, with respect to this Offer to acquire own shares.

The **Management Board of the Target Company** consists of the following persons:

- Anas Abuzaakouk (Chairman)
- Mag. Enver Sirucic
- Dipl.-Bw (FH) Stefan Barth
- David O’Leary, BSc
- Sat Shah
- Andrew Wise

The **Supervisory Board of the Target Company** consists of the following persons:

- Dr. Pieter Korteweg (Chairman)
- Christopher Brody (1<sup>st</sup> Deputy Chairman)
- Mag. Egbert Fleischer (2<sup>nd</sup> Deputy Chairman)
- Frederick Haddad
- Kim Fennebresque
- Adam Rosmarin
- Ingrid Streibel-Zarfl (delegated by the works council)

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- Beatrix Pröll (delegated by the works council)
- Verena Spitz (delegated by the works council)

The remuneration of the corporate bodies of the Target Company, in particular the earnings per share based long term incentive program, is described in the Consolidated Annual Report 2018 (pages 162 et seqq) which can be obtained at the website of the Target Company ([www.bawaggroup.com](http://www.bawaggroup.com)).

The **business objective** of the Target Company is

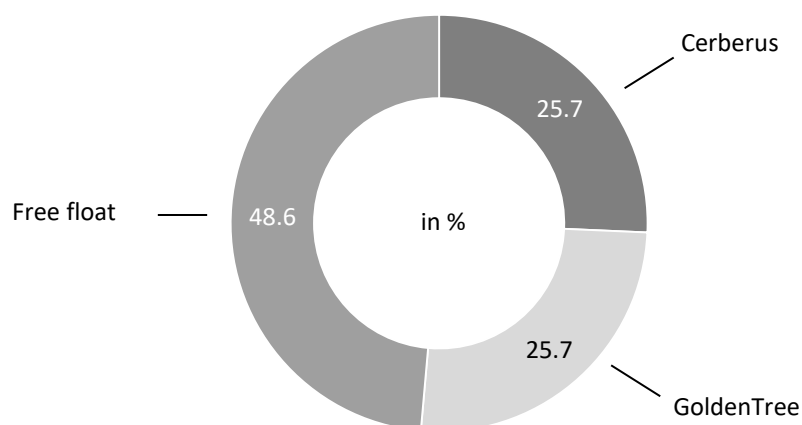
- a. the acquiring, holding, managing and disposing of participations in existing companies and businesses and / or companies and businesses to be established within Austria and abroad, including banks, indifferent in which corporate form;
- b. the exercise of the management and holding functions in respect of participations pursuant to lit a) as well as companies and businesses of BAWAG Group, including on the basis of corporate law, or on the basis of contractual agreements with companies and businesses of BAWAG Group, including the activity as and exercise of the functions of a financial holding;
- c. the provision of management services of any kind with respect to participations in companies and businesses of the BAWAG Group as well as contracts and other business relationships of the BAWAG Group with domestic and foreign contract partners.

## 2.2. Share Capital and Shareholder Structure

The **share capital** of the Target Company amounts to EUR 100,000,000 (Euro one hundred million). The share capital is divided into 100,000,000 (one hundred million) no-par value shares which are admitted to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) and are listed in the segment *prime market*.

With respect to its share capital, the Target Company refers to the resolution of the general meeting dated 30 April 2019 pursuant to which a reduction of the share capital by way of cancellation of own shares (which are yet to be acquired) according to Section 192 para 3 in connection with Section 65 para 1 no 6 Stock Corporation Act was resolved (see Section 2.4). The purpose of this Offer is to execute this resolution of the general meeting.

Based on the knowledge of the Target Company according to published major holdings notifications pursuant to Sections 130 et seqq Stock Exchange Act, the **shareholder structure** of the Target Company is as follows:



Other than Cerberus and GoldenTree, the Target Company is not aware of further shareholders who hold at least 4% of the Target Company's share capital.

At the time of publication of this Offer, the Target Company holds 1,205,107 treasury shares (approximately 1.205% of the share capital) which have not been acquired on the basis of Section 65 para 1 no 6 in connection with Section 192 Stock Corporation Act. Therefore, these treasury shares may not be used for the capital reduction which was resolved only on 30 April 2019.

### **2.3. Acting in Concert**

Pursuant to Section 1 no 6 ATA, parties acting in concert are natural or legal persons who cooperate with a bidder based on an agreement to acquire or exercise control over a target company, especially by voting in concert. If a party holds a direct or indirect controlling interest (Section 22 para 2 and para 3 ATA) in one or more other parties, it is rebuttably presumed that all these parties are acting in concert.

Based on the above definition no shareholder of the Target Company is to be qualified as party acting in concert with respect to this Offer or as party otherwise acting in concert with the Target Company.

Since Section 1 no 6 ATA presumes that entities within the BAWAG Group act in concert, the Bidder has implemented organizational measures with respect to the credit institutions within the BAWAG Group to comply with the rules set forth in Section 16 para 4 ATA. This applies to the credit institutions of BAWAG Group listed in Section 2.1.

### **2.4. Legal Framework**

Under agenda item 7, the second annual general meeting of the Target Company dated 30 April 2019 has passed the following resolution on the simplified capital reduction (*vereinfachte Kapitalherabsetzung*) by way of cancellation of own shares (*Einziehung eigener Aktien*) pursuant to Section 192 para 3 in connection with Section 65 para 1 no 6 Stock Corporation Act:

*„The share capital of the Company in the amount of EUR 100,000,000 divided into 100,000,000 non-par value bearer shares shall be reduced by a total amount of up to EUR 20,000,000, i.e. up to 20,000,000 shares, to up to EUR 80,000,000, i.e. up to 80,000,000 shares, by way of a simplified capital reduction in accordance with Section 192 Para 3 no 2 AktG by cancellation of own shares which are still to be acquired by the Company.*

*The resolution is subject to the permission to be granted by the competent regulatory authority pursuant to Art 77, 78 CRR (EU Regulation 575/2013) and shall – depending on the circumstances – be implemented within six months from the day on which such permission becomes legally binding.*

*The purpose of this capital reduction is to return excess capital to shareholders.*

*The acquisition of the shares to be canceled pursuant to Section 65 Para 1 no 6 AktG may occur at the discretion of the Management Board, with the consent of the Supervisory Board, via the stock exchange, a public offer or in any other legally permissible and appropriate manner, in particular, also under exclusion of the shareholders' pro-rata rights to tender (reverse exclusion of subscription rights) and also by using equity derivatives.*

*The consideration to be paid per share when repurchasing shares must not be lower than EUR 1 (= calculated proportion of the share capital) and must not be more than 30 percent above the volume weighted average price of the last 20 trading days preceding the respective purchase; in the event of a public offer, the reference date for the end of this period shall be the day on which the intention to launch a public offer*



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*is announced (Section 5 Paras 2 and 3 Austrian Takeover Act ("ÜbG")). The Management Board is authorized to determine the repurchase conditions.*

*In accordance with Section 192 Para 3 no 2 AktG, the shares shall be canceled at the expense of the net profit, a free reserve or a reserve in accordance with Section 225 Para 5 2nd sentence Austrian Commercial Code ("UGB") or Section 229 Para 1a 4th sentence UGB. The pro-rata amount of the share capital attributable to the shares to be canceled shall be allocated to the restricted capital reserve (Section 192 Para 5 AktG) following the cancellation."*

With its decision of 18 October 2019, the European Central Bank has granted the required permission as competent regulatory authority pursuant to Article 77, 78 CRR (EU Regulation 575/2013).

To that end, the Management Board of the Target Company, with the consent of the Supervisory Board, executes the mandate of the general meeting to acquire own shares for the purpose to cancel such shares.

### **3. THE OFFER**

#### **3.1. Object of the Offer**

The Offer relates to the acquisition of up to 10,857,763 Shares of the Target Company, which are admitted to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*), listed in the segment *prime market*, and are not owned by the Target Company or any party acting in concert with it (the "**Offer Shares**"). The maximum number of Offer Shares which the Target Company intends to acquire by way of this Offer amounts to 10,857,763 Shares which corresponds to approximately 10.86% of the share capital.

#### **3.2. Offer Price**

Under the terms of this Offer, the Target Company offers the holders of Offer Shares a consideration in the amount of EUR 36.84 (Euro thirty-six point eighty-four) per Offer Share cum dividend 2019 (the "**Offer Price**").

#### **3.3. Determination of Offer Price**

This Offer is a voluntary takeover offer pursuant to Sections 4 et seqq ATA. Therefore, the minimum price rules pursuant to Section 26 ATA do not apply. Instead, the Offer Price may be determined by the Target Company in its role as Bidder at its sole discretion.

#### **3.4. Historical Reference Transactions**

The Target Company has repurchased a total of 183,350 own shares in a price range of EUR 36.26 to EUR 39.88 over the last twelve months before the publication of intention.

#### **3.5. Offer Price in relation to Historical Prices**

The volume weighted average price ("**VWAP**") of the last three (3), six (6), twelve (12) and eighteen (18) months before the publication of intention (*Angebotsabsicht*) and the amount and percentage by which the Offer Price exceeds or falls short of such share prices are illustrated as follows:

	Months			
	3	6	12	18
<b>VWAP</b>	EUR 35.07	EUR 36.93	EUR 37.63	EUR 38.57
<b>Difference between Offer Price and VWAP in EUR</b>	EUR 1.77	EUR -0.09	EUR -0.79	EUR -1.73
<b>(negative) premium</b>	5.05%	-0.23%	-2.11%	-4,49%

Source: Wiener Börse AG, [www.wienerbourse.at](http://www.wienerbourse.at); own calculation of the Bidder. The Target Company has been listed on Vienna Stock Exchange since 25 October 2017.

On 17 October 2019, i.e. the last trading day prior to the **announcement of the intention** of the Target Company to make an Offer to its shareholders to acquire own shares, the share closed at a price of EUR 36.84 on the Vienna Stock Exchange (source: [www.wienerbourse.at](http://www.wienerbourse.at)). The Offer Price of EUR 36.84 per Offer Share corresponds to the closing share price.

On 18 October 2019, i.e. the last trading day prior to the **submission of this Offer Document** to the Austrian Takeover Commission, the share closed at a price of EUR 37.12 on the Vienna Stock Exchange (source: [www.wienerbourse.at](http://www.wienerbourse.at)). The Offer Price of EUR 36.84 per Offer Share falls short of the closing share price by 0.75%.

### 3.6. Key Financial Indicators and Current Business Development of the Target Company

Key financial indicators derived from the last two (2) audited consolidated annual financial statements and the (unaudited) half-year reporting as of 30 June 2019 of the Target Company are as follows:

<i>Economic development BAWAG (IFRS consolidated)</i>		2019 HY *)	2018	2017 **)
<i>Net interest income</i>	in Mio EUR	435,1	840,5	793,1
<i>Net fee and commission income</i>	in Mio EUR	142,6	282,8	216,9
<i>Operating income</i>	in Mio EUR	611,3	1 170,7	1 120,4
<i>Net profit</i>	in Mio EUR	218,6	436,5	449,1
<i>Total assets</i>	in Mio EUR	44 463,0	44 698,0	46 056,0
<i>Risk -weighted assets</i>	in Mio EUR	20 727,0	20 465,0	21 494,0
<i>Liabilities</i>	in Mio EUR	40 477,0	40 693,0	42 479,0
<i>Earnings per share (IAS 33)</i>	in EUR	2,10	4,32	4,49
<i>Dividend per share</i>	in EUR		2,18	0,58
<i>Book value per share</i>	in EUR	37,33	37,51	35,76

Source: Audited Group Financial Statements for 2017 and 2018 and published documents by the Target Company

\*) half-year reporting as of 30.6.

\*\*) without adjustments first adoption of IFRS9

Further information on the Target Company is available on the website of the Target Company ([www.bawaggroup.com](http://www.bawaggroup.com)). The information provided on such website does not constitute a part of this Offer Document.

### 3.7. Valuation of the Target Company

In order to assess the value of the Target Company's shares, the Management Board has prepared a value analysis. The value analysis was carried out on the basis of Target Company's multi-year planning for 2019 to 2023, which was acknowledged by the Target Company's Supervisory Board, by using the valuation method "Dividend Discount Model", being the method usually used for banks.

The multi-year planning prepared by Target Company is based on certain expectations regarding future developments, which are naturally associated with uncertainties. An additional external company valuation has not been conducted.

It should also be noted that the value analysis of the Target Company's Management Board, in conjunction with the sensitivity analysis, also comes to the conclusion that the offer price of EUR 36.84 is lower than the value of the Target Company's share.

### 3.8. Condition Precedent

The Offer is subject to the following condition precedent:

Between the publication of this Offer Document and the end of the Acceptance Period, the closing price of any of the two following indices is not in excess of 20% lower than its respective closing price on 21 October 2019 (as displayed on the relevant Bloomberg screen) on two consecutive trading days:

- STOXX Europe 600 Banks Index (SX7P; ISIN EU0009658806)
- Austrian Traded Index (ATX; ISIN AT0000999982).

The Offer will only become legally effective if the condition precedent has been fulfilled until the end of the Offer Period. The Bidder reserves the right to waive this condition precedent until the publication of the results in which case the condition precedent shall be deemed to be fulfilled.

Except for the condition precedent pursuant to this Section 3.8 and the condition subsequent pursuant to Section 4.5, the Offer is not subject to any further conditions.

## 4. OFFER PERIOD AND SETTLEMENT OF THE OFFER

### 4.1. Offer Period

The period for the acceptance of the Offer is four weeks. The Offer can be accepted in the period from 25 October 2019 (including) until 22 November 2019 (including), 5.00 pm (Vienna time) (the "**Acceptance Period**").

### 4.2. No statutory extension of Acceptance Period (no sell-out phase)

There will be no statutory extension of the Acceptance Period (*sell-out* phase) according to Section 19 para 3 ATA. Thus, the Offer can only be accepted within the Acceptance Period set forth in Section 4.1.

### 4.3. Tender and Payment Agent

The Target Company has mandated Raiffeisen Centrobank AG (the "**Tender and Payment Agent**") to settle the Offer, to receive the Declarations of Acceptance from Depository Banks and to pay the offer price.

#### 4.4. Acceptance of the Offer

The Target Company recommends that shareholders who intend to accept this Offer via an Acceptance Declaration vis-à-vis their Depository Bank should contact their Depository Bank no later than three (3) trading days prior to the end of the Acceptance Period. The Target Company in its role as Bidder does not have any influence on the deadline until which Depository Banks accept Acceptance Declarations.

Shareholders of the Target Company who intend to accept this Offer have to declare irrevocably in writing the acceptance of the Offer vis-à-vis their Depository Bank (the "**Acceptance Declaration**"). The Acceptance Declaration must be made with respect to a specific number of Offer Shares; this number must in any case be stated in the Acceptance Declaration. The Depository Bank shall immediately forward the Acceptance Declarations to the Tender and Payment Agent, indicating the number of placed client orders and the total number of Acceptance Declarations with respect to those Offer Shares which the Depository Bank received during the Offer Period. In addition, the Depository Bank shall block such Tendered Shares upon receipt of the respective notification.

In respect of the Tendered Shares, the Tender and Payment Agent has applied to Oesterreichische Kontrollbank AG (OeKB) for the ISIN AT0000A2B4H8 „BAWAG Group AG – shares deposited for sale“ (“BAWAG Group AG – zum Verkauf eingereichte Aktien”). Until ownership of the Tendered Shares is transferred (see Section 4.7), the shares indicated in the Acceptance Declaration (bearing a different ISIN) shall remain in the accepting shareholder's securities account; they shall be rebooked, however, and labelled "BAWAG Group AG – shares deposited for sale" and cannot be traded via the stock exchange.

The Acceptance Declaration shall be deemed to be made in due time if it was received by the Depository Bank within the Acceptance Period and, by no later than the second (2<sup>nd</sup>) trading day after expiry of the Acceptance Period at 5.00 pm (Vienna time), (i) the rebooking (i.e. the transfer from ISIN AT0000BAWAG2 to ISIN AT0000A2B4H8) has been made, and (ii) the Depository Bank has forwarded to the Tender and Payment Agent the notice of acceptance of the Offer, indicating the number of placed client orders and the total number of shares encompassed by the Acceptance Declarations received by the Depository Bank during the Acceptance Period and provided that the respective total number of Shares has been transferred to the Tender and Payment Agent.

#### 4.5. Legal Consequences of the Acceptance

Upon acceptance of this Offer, a purchase agreement with respect to the Tendered Shares is concluded between each accepting shareholder and the Bidder pursuant to the terms and conditions set forth in this Offer Document.

Such purchase agreement is legally binding and irrevocable (except for the event set forth in Section 4.10) subject to the condition precedent pursuant to Section 3.8 and the condition subsequent (*auflösende Bedingung*) in case of an over-subscription. If the Offer is over-subscribed, the allocation rules pursuant to Section 4.6 apply to the respective purchase agreement.

#### 4.6. Allocation of the Offered Shares in case of Over-Subscription of the Offer

Pursuant to Section 20 ATA Acceptance Declarations are considered on a *pro rata* basis if acceptance declarations with respect to more securities (*Beteiligungspapiere*) are submitted than a Bidder intends to acquire (i.e. if shareholders submit Acceptance Declarations with respect to more shares than the number of Offer Shares).

In such case, the Acceptance Declarations will only be considered *pro rata* to the number of Offered Shares. Shares which have been transferred to the Tender and Payment

Agent and will not be considered due to over-subscription of the Offer will be re-transferred to the respective Depository Bank.

For example: The Offer comprises the acquisition of 10,857,763 Shares. If the Offer is accepted with respect to 13,572,204 Shares (i.e. 25% more than the Target Company as Bidder intends to acquire), the allocation ratio is calculated of the proportion of the Offer Shares (i.e. 10,857,763) to the number of Tendered Shares (in this example: 13,752,204). In this case, 80% of the shares tendered by each shareholder will be considered (i.e. allocation ratio of 80%). Thus, if a shareholder has accepted the Offer with respect to 100 Shares, in this example, only 80 Shares will be considered. 20 Shares will remain in the securities account of the respective shareholder.

If this rule requires the Bidder to acquire a fractional number of Shares, the number is, at the discretion of the Tender and Payment Agent, rounded down or up to the next integral number. However, the number of Offer Shares will under no circumstances be exceeded.

#### **4.7. Payment of Offer Price and Transfer of Ownership („settlement“)**

The Offer Price will be paid to shareholders of the Target Company who have accepted the Offer during the Offer Period no later than on the tenth (10<sup>th</sup>) trading day after the end of the Offer Period, i.e. on 6 December 2019, against the concurrent transfer of ownership in the shares.

#### **4.8. Settlement Fees**

Other than described below, the Target Company will not assume any expenses, costs, such as costs of Depository Banks, other transaction costs, income taxes, stamp duties or any other similar levies and taxes in connection with the acceptance and settlement of this Offer in Austria or abroad. These shall be borne by each Shareholder of the Target Company.

The Bidder will bear reasonable and customary fees and costs levied by Depository Banks in connection with the settlement of this Offer in a maximum amount of EUR 8 (Euro eight) per securities account. Depository Banks are requested to contact the Tender and Payment Agent in this respect.

#### **4.9. Representations and Warranties**

Shareholders who have accepted the Offer, represent and warrant with respect to their Tendered Shares that as of the time of acceptance of this Offer and on the date of settlement (see Section 4.7)

- a. the accepting shareholder has full power and authority to accept this Offer and to perform its obligations hereunder;
- b. the accepting shareholder is the sole owner of the shares which the shareholder tenders and that such shares are not encumbered with any third party rights;
- c. upon settlement of this Offer, the Bidder will acquire unrestricted ownership in the Shares and the rights attached thereto.

#### **4.10. Withdrawal Rights in Case of Competing Offers**

If a competing offer was launched during the term of this Offer, pursuant to Section 17 ATA, shareholders would be entitled to withdraw their Acceptance Declarations no later than four (4) trading days prior to the expiry of the initial acceptance period. The declaration of withdrawal has to be made in writing vis-à-vis the respective Depository Bank or the Tender and Payment Agent.

#### 4.11. Announcement and Publication of the Result

This Offer will be published on the website of the Bidder ([www.bawaggroup.com](http://www.bawaggroup.com)) and on the website of the Austrian Takeover Commission ([www.takeover.at](http://www.takeover.at)) on 25 October 2019. This Offer Document will (in the form of a brochure) be made available at the seat of the Target Company and at the Tender and Payment Agent together with the report of the expert pursuant to Sections 9 and 13 ATA. A respective notification will be published in the Official Gazette (*Amtsblatt zur Wiener Zeitung*) pursuant to Section 11 para 1a ATA on 25 October 2019.

Upon completion of the Offer, the Bidder will publish the results of this Offer pursuant to Section 19 para 2 ATA on the abovementioned websites as well as in the Official Gazette (*Amtsblatt zur Wiener Zeitung*).

#### 4.12. Equal Treatment

The Bidder confirms that all shareholders will receive the same Offer Price and that the takeover law provisions with respect to equal treatment of shareholders will be complied with during the Offer.

During the period of this Offer, neither the Target Company as Bidder nor any party acting in concert with it will make any legal declarations directed to the acquisition of securities (*Beteiligungspapiere*) in the Target Company to conditions more favorable than those contained in this Offer unless the Bidder improves this Offer or the ATC grants an exemption pursuant to Section 16 para 1 ATA. If the Target Company as Bidder or any party acting in concert with it nonetheless declares that it will acquire securities (*Beteiligungspapiere*) at conditions more favorable than those contained in this Offer, then such more favorable conditions will also apply for all other shareholders of the Target Company even if they have already accepted the Offer.

If the Target Company as Bidder or a party acting in concert with it acquires Shares of the Target Company within a period of nine (9) months after the expiry of the Acceptance Period, and a higher consideration is paid or negotiated for such acquisition, Section 16 para 7 ATA obliges the Bidder to pay the difference to shareholders who have accepted the Offer.

The above does not apply if the Target Company or a party acting in concert with it provides a higher consideration for the Shares of the Target Company when exercising statutory subscription rights in a capital increase or in the course of a procedure pursuant to the Squeeze-Out Act (*GesellschafterAusschlussgesetz*).

The Target Company as Bidder will immediately publish the occurrence of an additional payment event (*Nachzahlungsfall*) in the form of Section 4.11. Within ten (10) trading days after a publication, the Bidder shall settle the additional payment (*Nachzahlung*) via the Tender and Payment Agent at its own costs.

### 5. FUTURE PARTICIPATION AND BUSINESS POLICY

#### 5.1. Reasons for the Offer

The basis for this Offer is the resolution of the general meeting dated 30 April 2019 pursuant to which the reduction of the share capital by way of cancellation of own shares was resolved upon. The Target Company pursues the goal of returning excess capital to its shareholders.

#### 5.2. Future Business Policy

The business policy/strategy of the BAWAG Group can be summarized in the following four pillars:

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- **Growing in core markets** – The aim is to grow the customer base and business in core markets, namely Austria, Germany and developed markets with a focus on the DACH region.
- **Making customers' lives easier** – Offering customers the best experience and convenience when banking through various digital and physical channels to build and maintain successful long-term customer relationships.
- **Driving efficiency and operational excellence**– Cost efficiency across all businesses and functions is critical to succeed in a more complex world with increased competition, higher regulatory requirements and new market entrants from outside the financial services industry.
- **Maintaining a safe and secure risk profile**– A strong capital position, stable deposits and a low risk profile are fundamental cornerstones for the execution of the strategy.

At the time of this Offer, the Bidder intends to continue its current business policy and does not plan any change to its business policy. The envisaged share buyback does not have any influence on the future business policy.

The own shares which have been repurchased will – as described under Section 5.1 – be used to execute the resolution of the general meeting dated 30 April 2019, agenda item 7 (see Section 2.4 above), and will thus be canceled.

### 5.3. Effects on Employment and Headquarters

The Offer will not have any effects on the workforce and the headquarters of the Target Company.

### 5.4. No Delisting Offer

The Target Company declares that this Offer does not constitute a delisting offer in the meaning of Section 27e ATA.

## 6. FINANCING OF THE OFFER

The Target Company as Bidder has sufficient funds to finance the Offer and has ensured that such funds will be available to duly fulfill this Offer which has also been confirmed by the expert pursuant to Sections 9 and 13 et seq ATA (see Section 9).

## 7. FURTHER INFORMATION

### 7.1. Transparency of the Bidder's Commitments to the Target Company's Representatives

The Target Company as bidder has not offered or granted any financial benefits to the members of the corporate bodies of the Target Company in case of a successful implementation of this Offer.

Management Board members of the Company will not tender shares into the Offer.

### 7.2. Tax implications

The Target Company will exclusively bear its own costs and fees in connection with the settlement of this Offer, in particular the costs of the Tender and Payment Agent. Income taxes or any other duties and taxes are not deemed as costs in connection with the settlement of this offer and will thus not be borne by the Target Company. Shareholders who intend to accept this offer are advised to seek advice from their tax advisors with respect to tax consequences of accepting the Offer.

### 7.3. Applicable Law and Jurisdiction

This Offer and its Settlement, in particular the purchase and transfer agreements concluded, as well as any non-contractual claims arising from or in connection with this Offer, are exclusively governed by Austrian law, under exclusion of the conflict of laws rules of the Austrian private international law. The courts located in the First District of Vienna (*Wien, Innere Stadt*) shall have exclusive jurisdiction unless mandatory statutory provisions provide for a different venue.

### 7.4. Advisors

Advisors to the Target Company are:

- a. DSC Doralt Seist Csoklich Rechtsanwälte GmbH, Währinger Straße 2-4, 1090 Vienna, Austria, is legal advisor of the Target Company.
- b. Raiffeisen Centrobank AG, Tegetthoffstraße 1, 1010 Vienna, acts as Tender and Payment Agent.
- c. Grant Thornton Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Rivergate Handelskai 92, Gate 2, 7A, 1200 Vienna, is the expert pursuant to Sections 9 and 13 et seq ATA.

### 7.5. Further Information

For further information in connection with the Settlement of this Offer please contact the Tender and Payment Agent during usual business hours.

Further information can be obtained from the website of the Target Company ([www.bawaggroup.com](http://www.bawaggroup.com)) and of the Austrian Takeover Commission ([www.takeover.at](http://www.takeover.at)). Any information on these websites is not part of this offer document.

### 7.6. Information on the Expert pursuant to Sections 9 and 13 seq ATA

The Target Company has appointed Grant Thornton Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft as expert pursuant to Section 9 and 13 seq ATA.

## 8. RESTRICTION OF PUBLICATION

Other than in compliance with applicable law, the publication, dispatch, distribution, dissemination or making available of this Offer Document or other documents connected with the offer outside of the Republic of Austria is not permitted. The Bidder does not assume any responsibility for any violation of the above-mentioned provision. In particular, the offer is not being made, directly or indirectly, in the United States, its territories or possessions or any area subject to its jurisdiction, nor may it be accepted in or from the United States. Furthermore, this offer is not being made, directly or indirectly, in Australia or Japan, nor may it be accepted in or from Australia or Japan.

This Offer Document does not constitute a solicitation or invitation to offer Shares in the Target Company in or from any jurisdiction where it is prohibited to make such invitation or solicitation or where it is prohibited to launch an offer by or to certain individuals. The offer will neither be approved by an authority outside the Republic of Austria nor has an application for such an approval been filed.

Shareholders of the Target Company who come into possession of the offer document outside the Republic of Austria and/or who wish to accept the offer outside the Republic of Austria are advised to inform themselves about the relevant applicable legal provisions and to comply with them. The Bidder does not assume any responsibility in connection with an acceptance of the Offer or its acceptance outside the Republic of Austria.

*Signature page follows*



**This document is a non-binding English language convenience translation. The only binding document is the German language offer document published on 25 October 2019**

Vienna, this 21 October 2019 / 25 October 2019

**BAWAG Group AG**

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Anas Abuzaakouk  
CEO

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Enver Sirucic  
CFO

## **9. CONFIRMATION OF THE EXPERT**

According to our assessment pursuant to Section 9 ATA, we have come to the conclusion that the voluntary partial offer to the shareholders of BAWAG Group AG is complete and complies with all applicable laws, in particular the statements made with respect to the offered consideration comply with legal requirements. The Bidder has the necessary financial means to fulfill its obligations under this Offer. We refer to our report pursuant to Sections 9 and 13 et seq ATA, which will be published simultaneously with the Offer Document but do not constitute a part thereof.

Vienna, this 21 October 2019 / 25 October 2019

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Grant Thornton Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft