

This document constitutes two base prospectuses for the purpose of Article 5 (4) of the Directive 2003/71/EC, as amended (the "**Prospectus Directive**"), (i) the base prospectus of BAWAG Group AG in respect of non-equity securities within the meaning of Article 22 (6) no.(4) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended, ("**Non-Equity Securities**") and (ii) the base prospectus of BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft 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 –

EUR 10,000,000,000
Debt Issuance Programme
(the "Programme")

Application has been made to list notes to be issued under the EUR 10,000,000,000 Debt Issuance Programme (the "**Notes**") on the official list of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) (the "**Official List**") and to trade Notes on the regulated market of the Luxembourg Stock Exchange which is a regulated market within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (as amended, "**MiFID II**") and appears on the list of regulated markets issued by the European Commission (the "**Regulated Market**"). Notes issued under the EUR 10,000,000,000 Debt Issuance Programme may also be listed on the Official Market ("**Amtlicher Handel**") and the Third Market ("**Dritter Markt**") of the Vienna Stock Exchange.

BAWAG Group AG ("**BAWAG**") and BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft ("**BAWAG P.S.K.**") (each an "**Issuer**" and together, the "**Issuers**") have each requested the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") of the Grand Duchy of Luxembourg ("**Luxembourg**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities (*Loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières*), as amended (the "**Luxembourg Prospectus Law**"), which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 as amended (the "**Prospectus Directive**"), to provide the competent authorities in the Republic of Austria ("**Austria**") and the Federal Republic of Germany ("**Germany**") with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Luxembourg Prospectus Law (each a "**Notification**"). Each Issuer may request the CSSF to provide competent authorities in additional host Member States within the European Economic Area with a Notification. Unlisted Notes may be issued pursuant to this Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be admitted to trading on the markets (or any other market and/or stock exchange).

Prospective investors should have regard to the factors described under the section headed "**Risk Factors**" in this Base Prospectus.

This document does not constitute an offer to sell, or the solicitation of an offer to buy Notes in any jurisdiction where such offer or solicitation is unlawful. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and are being sold pursuant to an exemption from the registration requirements of the Securities Act. Subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

This Base Prospectus was approved by the CSSF, was filed with the CSSF and will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and will be available free of charge at the specified offices of the Issuers. This Base Prospectus is valid for a period of 12 months after its approval. The CSSF assumes no responsibility as to the economic and financial soundness of the transaction or the quality or solvency of the Issuers pursuant to Article 7 (7) of the Luxembourg Prospectus Law.

Arranger:

Citigroup

Dealers

BAWAG P.S.K.

Citigroup

RESPONSIBILITY STATEMENT

BAWAG with its registered office in Vienna, Austria, and BAWAG P.S.K. with its registered office in Vienna, Austria, accept responsibility for the information given in this Base Prospectus and for the information which will be contained in the Final Terms (as defined herein).

Each Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

NOTICE

This Base Prospectus should be read and understood in conjunction with any supplement thereto and with any other document incorporated herein by reference. Full information on each Issuer and any tranche of notes (the "**Tranche**" or "**Tranche of Notes**") is only available on the basis of the combination of the Base Prospectus and the relevant final terms (the "**Final Terms**"). For the avoidance of doubt, the content of websites this Base Prospectus refers to in hyperlinks does not form part of the Base Prospectus.

BAWAG (together with its consolidated subsidiaries, including BAWAG P.S.K., the "**BAWAG Group**") and BAWAG P.S.K. (together with its consolidated subsidiaries the "**BAWAG P.S.K. Group**") have each confirmed to Citigroup Global Markets Limited (the "**Arranger**") as well as to BAWAG P.S.K., Citigroup Global Markets Limited and Citigroup Global Markets Europe AG (together the "**Dealers**") that this Base Prospectus contains all information with regard to the Issuers and the Notes which is material in the context of the Programme and the issue and offering of Notes thereunder; that the information contained in this Base Prospectus is accurate and complete in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts the omission of which would make any statement, whether fact or opinion, in this Base Prospectus misleading in any material respect; and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained herein.

No person is or has been authorized to give any information or to make any representation, which is not contained in, or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any other information or representation supplied in connection with the Programme and, if given or made, such information must not be relied upon as having been authorized by the Issuer or any of the Dealers.

This Base Prospectus is valid for twelve months following its date of approval and it and any supplement hereto as well as any Final Terms reflect the status as of their respective dates of publication. The offering, sale or delivery of any Notes may not be taken as an implication that the information contained in such documents is accurate and complete subsequent to their respective dates of publication or that there has been no adverse change in the financial condition of the Issuer since such date or that any other information supplied in connection with the Programme is accurate at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the extent permitted by the laws of any relevant jurisdiction neither the Arranger nor any Dealer nor any other person mentioned in this Base Prospectus, excluding the Issuers, is responsible for the information contained in this Base Prospectus or any supplement hereof, or any Final Terms or any other document incorporated herein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

Neither this Base Prospectus nor any Final Terms constitute an offer or invitation by or on behalf of the Issuers or the Dealers to any person to subscribe for or to purchase any Notes.

The language of this Base Prospectus is English. With the exception of the original German language Consolidated Annual Statements of BAWAG P.S.K. Group for 2018 and 2017 as incorporated by reference into this Base Prospectus, any part of this Base Prospectus in the German language constitutes a translation. The parts of the Consolidated Annual Financial Statements of BAWAG Group for 2018 and 2017 incorporated by reference into this Base Prospectus are non-binding English language convenience translations, whereby only the German language version is binding.

In respect of the issue of any Tranche of Notes under the Programme, the German text of the Terms and Conditions may be controlling and binding if so specified in the relevant Final Terms. The Issuers accept responsibility for the information contained in this Base Prospectus, including the documents incorporated by reference. The Issuers confirm that the non-binding translation of the Terms and Conditions, either in the German or English language, correctly and adequately reflects the respective binding language version.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuers and the Dealers to inform themselves about and observe any such restrictions. For a description of the restrictions applicable in the United States of America, the European Economic Area in general, the United Kingdom and Japan see "*15 Subscription and Sale*". In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, or with any securities regulatory authority of any state or other jurisdiction of the United States and are being sold pursuant to an exemption from the registration requirements of the Securities Act. Notes in bearer form are subject to tax law requirements of the United States of America; subject to certain exceptions, Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States of America or to, or for the account or benefit of, U.S. persons.

This Base Prospectus may only be used for the purpose for which it has been published.

Each Dealer and/or each further financial intermediary subsequently reselling or finally placing Notes issued under the Programme is entitled to use the Base Prospectus if and to the extent set out in "*5 Consent to use the Base Prospectus*" below.

This Base Prospectus and any Final Terms may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

This Base Prospectus and any Final Terms do not constitute an offer or an invitation to subscribe for or purchase any Notes.

IMPORTANT – EEA RETAIL INVESTORS – If "Prohibition of Sales to EEA Retail Investors" is specified as "Applicable" in the Final Terms in respect of any Notes, the Notes are not intended, to be offered, sold or otherwise made available to and, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document (KID) required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAWS AND REGULATIONS, OVER ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH THE ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT SHALL BE CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Each Issuer has undertaken, in connection with the listing of the Notes on the official list of the Luxembourg Stock Exchange and admission to trading on the "**regulated market of the Luxembourg Stock Exchange**" which is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("**MiFID II**"), that if, while Notes of any Issuer are outstanding and listed on the official list of the Luxembourg Stock

Exchange and are admitted to trading on the regulated market of the Luxembourg Stock Exchange, there shall occur any adverse change in the business or financial position of the relevant Issuer or any change in the information set out under "Terms and Conditions of the Notes", that is material in the context of issuance under the Programme which is not reflected in this Base Prospectus (or any of the documents incorporated by reference in this Base Prospectus) the Issuers, as the case may be, will prepare or procure the preparation of a supplement to this Base Prospectus in accordance with Article 13 of the Luxembourg Prospectus Law or, as the case may be, publish a new Base Prospectus for use in connection with any subsequent issue by the Issuers of Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange.

BENCHMARKS REGULATION – STATEMENT REGARDING ADMINISTRATOR REGISTRATION – Interest amounts payable under the Notes may be calculated by reference to (i) EURIBOR (Euro Interbank Offered Rate) which is provided by the European Money Markets Institute (EMMI) or (ii) LIBOR (London Interbank Offered Rate) which is provided by the ICE Benchmark Administration Limited (IBA). As at the date of this Base Prospectus, IBA appears whereas EMMI does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (ESMA) pursuant to Article 36 of Regulation (EU) 2016/1011 ("**Benchmarks Regulation**").

As far as the Issuers are aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that EMMI is currently not required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

References to "**EUR**", "**Euro**" and "**€**" are to the euro, the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the treaty establishing the European Community, as amended by the treaty on the European Union, as amended. References to "**GBP**" are to British pound sterling, the official currency of the United Kingdom, references to "**CHF**" are to Swiss franc, the official currency of Switzerland.

FORWARD-LOOKING STATEMENTS

This Base Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as "*anticipate*", "*believe*", "*could*", "*estimate*", "*expect*", "*intend*", "*may*", "*plan*", "*predict*", "*project*", "*will*" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Base Prospectus containing information on future earning capacity, plans and expectations regarding each Issuer's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Base Prospectus are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including each Issuer's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. Each Issuer's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Base Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Base Prospectus: "*3 Risk Factors*", "*10 General Description of BAWAG as Issuer*", "*11 General Description of*

BAWAG P.S.K. as Issuer" and "*12 Business Overview of BAWAG Group*". These sections include more detailed descriptions of factors that might have an impact on each Issuer's business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Base Prospectus may not occur. In addition, neither the Issuers nor the Dealers assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

INFORMATION FROM THIRD PARTIES

Unless otherwise indicated, statements in this Base Prospectus regarding the market environment, market developments, growth rates, market trends and the competitive situation in the markets and segments in which the Issuers operate are based on data, statistical information, sector reports and third-party studies, as well as the Issuers' own estimates. Management estimates – unless otherwise indicated – are based on internal market observations and/or studies by third parties.

To the extent that information has been sourced from third parties, this information has been accurately reproduced by the Issuers in this Base Prospectus and, as far as the Issuers are aware and are able to ascertain from information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, market studies and analyses are frequently based on information and assumptions that may not be accurate or technically correct, and their methodology is, by nature, forward-looking and speculative. The source of such third-party information is cited whenever such information is used in this Base Prospectus. Such third-party sources include:

- International Monetary Fund, "World Economic Outlook Update", January 2019, available at <https://www.imf.org/en/Publications/WEO/Issues/2019/01/11/weo-update-january-2019>;
- Statista, "Leading banks in Austria in 2017", by total assets, 2018, available at <https://www.statista.com/statistics/693476/leading-banks-assets-austria/>;
- Austrian Institute of Economic Research, "Österreichs Wirtschaft wächst im 2. Halbjahr mit vermindertem Tempo: IV. Quartal +0,4%", Press release, 30 January 2019, available at https://www.wifo.ac.at/en/publications/press_releases?detail-view=yes&publikation_id=61634.

Irrespective of the assumption of responsibility for the contents of this Base Prospectus by the Issuers, the Issuers have not verified any figures, market data and other information used by third parties in their studies, publications and financial information, or the external sources on which each Issuer's estimates are based. The Issuers therefore assume no liability for and offers no guarantee of the accuracy of the data from studies and third-party sources contained in this Base Prospectus and/or for the accuracy of data on which each Issuer's estimates are based.

This Base Prospectus also contains estimates of market and other data and information derived from such data that cannot be obtained from publications by market research institutes or from other independent sources. Such information is partly based on own market observations, the evaluation of industry information (from conferences, sector events, etc.) or internal assessments. Each Issuer's management believes that its estimates of market and other data and the information it has derived from such data assists investors in gaining a better understanding of the industry in which BAWAG Group operates and BAWAG Group's position therein. Each Issuer's own estimates have not been checked or verified externally. Each Issuer nevertheless assumes that its own market observations are reliable. The Issuers give no warranty for the accuracy of each Issuer's own estimates and the information derived therefrom. They may differ from estimates made by competitors of BAWAG Group or from future studies conducted by market research institutes or other independent sources.

The Issuers have included information from Moody's Deutschland GmbH and Fitch Ratings Ltd.

Information contained on any website mentioned in this Base Prospectus, including the websites of BAWAG Group and BAWAG P.S.K., are not incorporated by reference in this Base Prospectus and are not part of this Base Prospectus.

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1 SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This Summary contains all the Elements required to be included in a summary for this type of securities and Issuers. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Section A – Introduction and warnings

A.1 Warnings

Warning that:

- this Summary should be read as an introduction to this base prospectus (the "**Base Prospectus**");
- any decision to invest in the notes issued under the EUR 10,000,000,000 debt issuance programme (the "**Notes**") should be based on consideration of the Base Prospectus as a whole by the investor;
- where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus, before the legal proceedings are initiated; and
- civil liability attaches only to those persons who have tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.

A.2 Consent to use the Base Prospectus

[Each of BAWAG P.S.K., Citigroup Global Markets Limited and Citigroup Global Markets Europe AG (together the "**Dealers**") and/or each further financial intermediary subsequently reselling or finally placing Notes is entitled to use the Base Prospectus [in Luxembourg][,] [and] [in Austria][,] [and in Germany] for the subsequent resale or final placement of the Notes during the offer period. The offer period will be from [●] to [●], provided however, that the Base Prospectus is still valid in accordance with Article 11(2) of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities (*Loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières*) which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November, 2003, as amended.

The Base Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to the Base Prospectus is available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu).

When using the Base Prospectus, each Dealer and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

[Such consent is also subject to and given under the condition [●].]

In the event of an offer being made by a Dealer and/or a further financial intermediary, the Dealer and/or the further financial intermediary shall

provide information to investors on the terms and conditions of the Notes at the time of that offer.]

[Not applicable. The Issuers do not give consent to the use of the Base Prospectus for the subsequent resale or final placement of the Notes to any dealer or financial intermediary.]

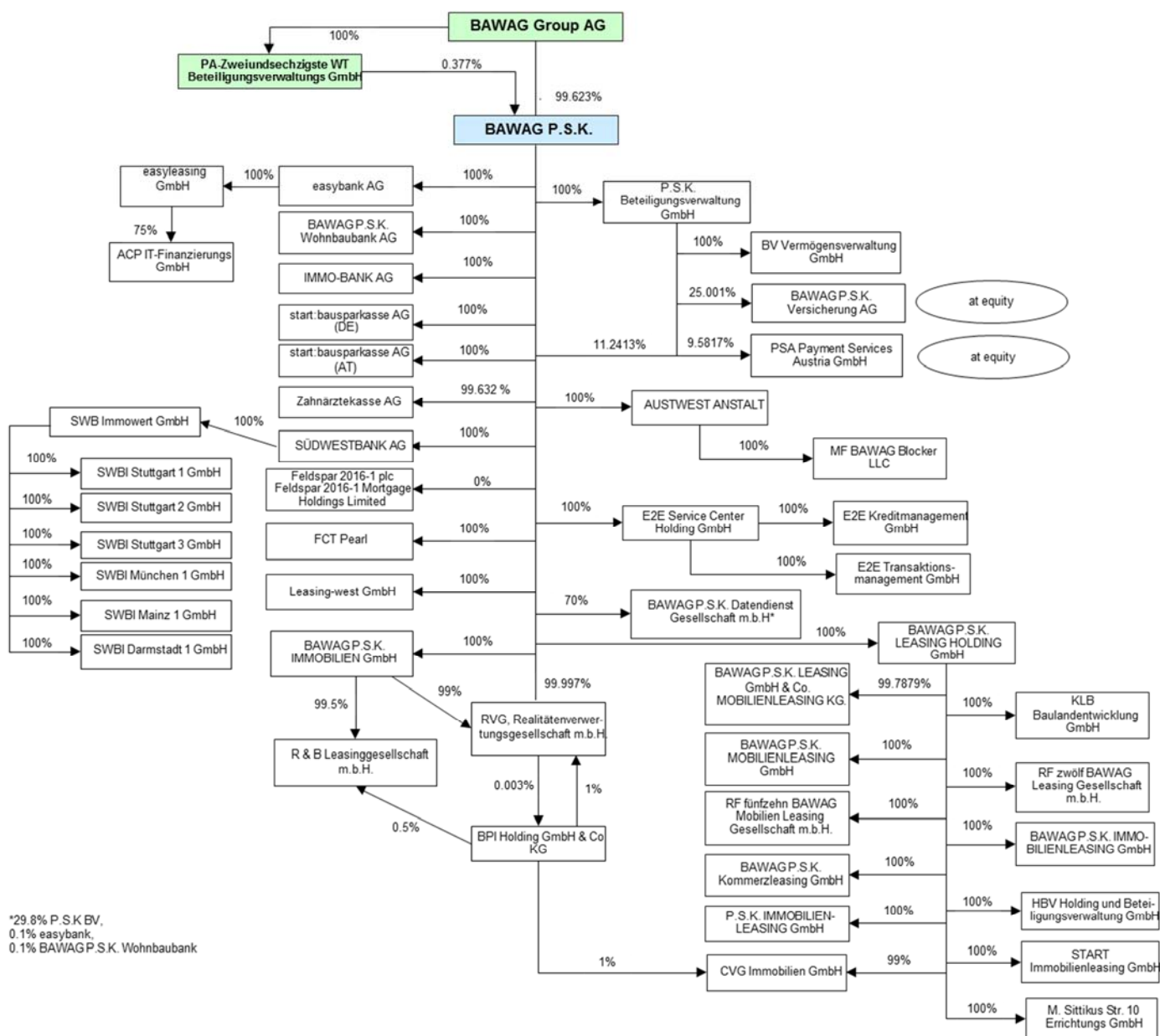
Section B – Issuer

[BAWAG Group AG as Issuer

B.1	Legal and commercial name	BAWAG Group AG (" BAWAG " or " Issuer ")
B.2	Domicile	Wiedner Gürtel 11, A-1100 Vienna
	Legal form	Stock Corporation (<i>Aktiengesellschaft</i>)
	Legislation	Austrian law
	Country of incorporation	Austria
B.4b	Any known trends affecting the Issuer and the industries in which it operates	<p>BAWAG Group's results of operation and financial position have been affected, and are expected to continue being affected, by a number of factors, some of which also impact the banking sector in general. BAWAG Group believes that the key factors include the following:</p> <ul style="list-style-type: none">• BAWAG Group's earnings are significantly dependent on its net interest income which is particularly affected by the development of interest rates.• BAWAG Group is particularly affected by developments of the regulatory environment applicable to financial institutions. Following a broader review of the current rules on the prudential supervision, prudential requirements and on the recovery and resolution of credit institutions and investment firms, amendments to relevant European directives and regulations as well as national implementing laws are expected in the near future. Amendments are expected to include pillar 2 capital requirement add-ons, adequate capital and liquidity requirements, a binding leverage ratio and a minimum net stable fund ratio and to affect the Issuer and the industry in which it operates.• BAWAG Group is subject to intense competition by traditional banks and new financial technology companies (so-called 'FinTechs').• BAWAG Group's results depend on its ability to maintain and grow customer deposits as well as on its access to wholesale funding.• BAWAG Group has to adapt to emerging technologies and changes in customer behavior driven by increasing digitalization of the banking business.• BAWAG Group's operations and results were and will continue to be significantly impacted by the integration of various acquired businesses.
B.5	Issuer's Group and its position within	<p>BAWAG is the parent company of the BAWAG group (BAWAG together with its consolidated subsidiaries, the "BAWAG Group", and together with its subsidiaries which are subject to consolidated supervision, the "BAWAG Regulatory Group"). BAWAG's business activities are carried out by its operating subsidiary BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft ("BAWAG P.S.K."). Major holdings of BAWAG P.S.K. comprise, <i>inter alia</i>, easybank AG,</p>

start.bausparkasse AG (Vienna, Republic of Austria), BAWAG P.S.K. Wohnbaubank Aktiengesellschaft, IMMO-BANK Aktiengesellschaft, start.bausparkasse AG (Hamburg, Federal Republic of Germany) and SÜDWESTBANK AG.

The chart below shows BAWAG Group as of the date of the Base Prospectus:



B.9 Profit forecast or estimate

Not applicable; no profit forecast or estimates are made.

B.10 Qualifications in the audit report on the historical financial information

Not applicable; KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft has audited the consolidated annual financial statements of BAWAG as of 31 December 2018 and as of 31 December 2017 and has issued an unqualified opinion.

B.12 Selected historical key financial information

The following key financial figures are taken from the audited consolidated annual financial statements as of 31 December 2018 and as of 31 December 2017 (the "**Consolidated Annual Financial Statements**") of BAWAG (in accordance with IFRS as adopted by the EU).

Statement of financial position (in €million)	2018	2017
	(audited, unless indicated otherwise)	
Total assets	44,698	46,056 ³⁾
Customer loans and receivables	30,482	30,793³⁾
Customer deposits and own issues	34,620	36,611
IFRS equity ¹⁾	3,706	3,576 ³⁾
IFRS tangible equity	3,202 ⁴⁾	3,088 ^{3), 4)}
Risk-weighted assets ²⁾	20,465	21,494 ³⁾

- 1) Equity attributable to the owners of the parent; excl. minorities and AT1 capital.
2) Based on regulatory IFRS CRR figures (BAWAG Group, fully loaded).
3) Numbers have been adjusted from the numbers originally reported by BAWAG.
4) Unaudited.

Profit or loss statement (in €million)	2018	2017
	(audited)	
Net interest income	840.5	793.1 ⁴⁾
Net fee and commission income	282.8	216.9
Core Revenues¹⁾	1,123.3	1,010.0⁴⁾
Gains and losses on financial instruments and other operating income and expenses ³⁾	47.4	110.4 ⁴⁾
Operating income	1,170.7	1,120.4⁴⁾
Operating expenses²⁾	(517.9)	(528.5⁴⁾
Regulatory charges ²⁾	(40.1)	(33.8)
Total risk costs	(45.1)	(61.8)
Profit before tax	572.7	500.4⁴⁾
Income taxes	(136.2)	(51.2 ⁴⁾
Net profit³⁾	436.5	449.1⁴⁾

- 1) Core Revenues ("Core Revenues"): Calculated as the sum of net interest income and net fee and commission income. Core Revenues is an Alternative Performance Measure ("APM").
2) In accordance with IFRS, the item other operating income and operating expenses also includes regulatory charges. However, BAWAG's management considers regulatory charges as a separate expense. Accordingly, it is shown in a separate expense line.
3) Profit after tax attributable to owners of the parent.
4) Numbers have been adjusted from the numbers originally reported by BAWAG.

Key ratios	2018	2017
	(unaudited, unless indicated otherwise)	
Common Equity Tier 1 capital ratio ¹⁾	14.5% ¹²⁾	13.5% ^{11), 12)}
Total capital ratio ²⁾	16.3% ¹²⁾	15.2% ^{11), 12)}
Return on risk-weighted assets ³⁾	2.1%	2.2% ¹¹⁾
Return on Equity ⁴⁾	12.2%	13.4% ¹¹⁾
RoE (@12% CET 1) ⁵⁾	14.3%	15.1% ¹¹⁾
RoTE ⁶⁾	14.2%	15.4% ¹¹⁾
RoTE (@12% CET 1) ⁷⁾	17.1%	17.6% ¹¹⁾
Net Interest Margin ⁸⁾	2.21%	2.24% ¹¹⁾
Cost-income Ratio ⁹⁾	44.2%	47.2% ¹¹⁾
Balance Sheet Leverage ¹⁰⁾	12.1x	12.8x ¹¹⁾

- 1) Common Equity Tier 1 capital ratio = Common Equity Tier 1 capital (CET 1) / risk-weighted assets. The Common Equity Tier 1 capital (CET 1) is based on IFRS CRR regulatory figures of BAWAG Group, excluding any transitional capital (fully loaded).
2) Total capital ratio = Total capital / risk-weighted assets. The total capital is based on IFRS

- CRR regulatory figures of BAWAG Group, excluding any transitional capital (fully loaded).
- 3) Return on risk-weighted assets = net profit / average risk-weighted assets.
 - 4) Return on Equity ("**RoE**"): Calculated by dividing net profit by the average equity attributable to the owners of the parent set forth in the financial statements ("**IFRS Equity**"). The average IFRS Equity is calculated by adding the end values of the current and the preceding period and dividing the sum by two. RoE is an APM.
 - 5) RoE (@12% CET1) ("**RoE (@12% CET 1)**"): RoE calculated at a ratio of 12% Common Equity Tier 1 capital ("**CET 1**") as defined in the Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms on a fully loaded basis, i.e. excluding any transitional capital (fully loaded). RoE (@12% CET1) is an APM.
 - 6) Return on Tangible Equity ("**RoTE**"): Calculated by dividing net profit by the average IFRS Equity minus the carrying amount of intangible non-current assets set forth in the financial statements ("**IFRS Tangible Equity**"). The average IFRS Tangible Equity is calculated by adding the end values of the current and the preceding period and dividing the sum by two. RoTE is an APM.
 - 7) RoTE (@12% CET 1) ("**RoTE (@12% CET 1)**"): Return on tangible equity calculated at a fully loaded CET 1 ratio of 12%. RoTE (@12% CET 1) is an APM.
 - 8) Net Interest Margin ("**Net Interest Margin**"): The line item net interest income divided by average interest-earning assets. The average balance of interest-earning assets is calculated by adding the balance at the end of each month of the financial year and dividing the sum by 12. Net Interest Margin is an APM.
 - 9) Cost-Income Ratio ("**Cost-Income Ratio**"): Calculated by dividing operating expenses by operating income. Numbers for operating expenses do not include certain regulatory charges that are otherwise included in the line item other operating income and expenses reported on the level of BAWAG Group in the financial statements. Consequently, such regulatory charges are disregarded for the calculation of the Cost-Income Ratio. Cost-Income Ratio is an APM.
 - 10) Balance Sheet Leverage ("**Balance Sheet Leverage**"): Calculated by dividing total assets divided by IFRS Equity. Balance Sheet Leverage is an APM.
 - 11) Numbers have been adjusted from the numbers originally reported by BAWAG.
 - 12) Audited.

Material adverse change

There has been no material adverse change in the prospects of the Issuer since 31 December 2018.

Significant changes in the financial or trading position

Not applicable. There has been no significant change in the financial or trading position of the Issuer since 31 December 2018.

B.13 Recent Events

On 1 March 2019, BAWAG's main operating subsidiary BAWAG P.S.K. announced the successful closing of the purchase of Zahnärztekasse AG, a company active in the Swiss dental factoring market, and located in Wädenswil, Switzerland.

B.14 Dependence upon other entities within the group

See item B.5.

B.15 A description of the Issuer's principal activities

The Issuer is a financial holding company. Its main business is conducted by its operating subsidiaries, in particular by BAWAG P.S.K.

BAWAG Group is one of Austria's largest banks, serving over 2.5 million customers. BAWAG Group offers a wide range of banking products and services, from retail banking to corporate lending and direct banking, and distributes a range of insurance, investment and other financial products offered by its third-party partners.

BAWAG Group is a major player in the Austrian direct banking market through its easybank business and online and mobile platforms, and it also operates a centralised branch network with a focus on key urban growth areas of Austria, particularly in Vienna. The geographic focus of the business is placed on the DACH region (comprising Austria, Germany and Switzerland), and in particular on BAWAG Group's home market of Austria and, to a lesser extent, Germany.

However, BAWAG Group also has corporate and commercial real estate lending and portfolio financing activities in Western Europe outside the DACH region and in the United States. BAWAG Group manages the liquidity from its core funding franchise through an investment portfolio of financial securities, with no direct exposure to China, Russia, Hungary or Southeastern European countries.

The Issuer operates through its subsidiaries in particular in the following business segments:

BAWAG P.S.K. Retail. The BAWAG P.S.K. Retail segment serves retail and small business customers. The segment is operated through a centralized branch network and a digital platform supported by a customer care center. The segment's strategy is to offer simple, transparent and easy to understand products and services using a data-driven approach to product offering and customer relationships through branch, online and direct sales channels and capitalizing on BAWAG P.S.K.'s well-recognized national brand.

easygroup. The easygroup segment includes the direct banking subsidiary easybank with a full online product offering, e.g. savings, payments, card and lending activities for private and small business customers, along with auto, mobile and real estate leasing platforms, building society loans and savings, as well as lending to international retail borrowers, including own issues covered with an international mortgage portfolio.

Südwestbank. Südwestbank, founded in 1922, is a universal bank with a long history of serving customers in the Baden-Württemberg region of southwest Germany and is headquartered in Stuttgart, Germany. Südwestbank offers a wide range of lending and deposit products and services. Besides the lending and deposit business, Südwestbank offers additional products including insurance, savings contracts with building societies and brokerage services.

DACH Corporates & Public Sector. This segment comprises the corporate and public lending activities and other fee-driven financial services, with a focus on term loans, payment services products and security sales. The segment mainly services Austrian customers, as well as selected client relationships in Germany and Switzerland.

International Business. This segment includes the international corporate lending and international real estate financing business outside the DACH region, with a focus on developed countries within Western Europe as well as the United States.

B.16 Controlling Persons

Major shareholders of BAWAG are several funds and accounts under management of the investors Cerberus ("**Cerberus Shareholders**") and GoldenTree ("**GoldenTree Shareholders**"), respectively holding 34.99% and 25.7%, of BAWAG Group AG's total number of outstanding shares as at the date of this Base Prospectus. The remaining free float shares of BAWAG are held by a variety of Austrian and non-Austrian minorities.

B.17 Credit ratings assigned to the Issuer and to the Notes

BAWAG's main operating subsidiary BAWAG P.S.K. is rated by Moody's Deutschland GmbH ("**Moody's**") and Fitch Ratings Ltd. ("**Fitch**").¹

As of 21 January 2019 the ratings for BAWAG P.S.K. by Moody's were as follows:

Category	Rating
<i>Outlook</i>	<i>Stable</i>
<i>Baseline Credit Assessment</i>	<i>baa1</i>
<i>Issuer Rating</i>	<i>A2</i>
<i>Senior Unsecured</i>	<i>A2</i>
<i>Subordinate –Dom Curr</i>	<i>Baa2</i>
<i>ST Issuer Rating</i>	<i>P-1</i>

As of 6 February 2019 the ratings for BAWAG P.S.K. by Fitch were as follows:

Category	Rating
<i>Long-term Issuer Default Rating</i>	<i>A-</i>
<i>Outlook</i>	<i>stable</i>
<i>Short-term Issuer Default Rating</i>	<i>F1</i>
<i>Viability Rating</i>	<i>a-</i>
<i>Tier 2 subordinated debt</i>	<i>BBB+</i>

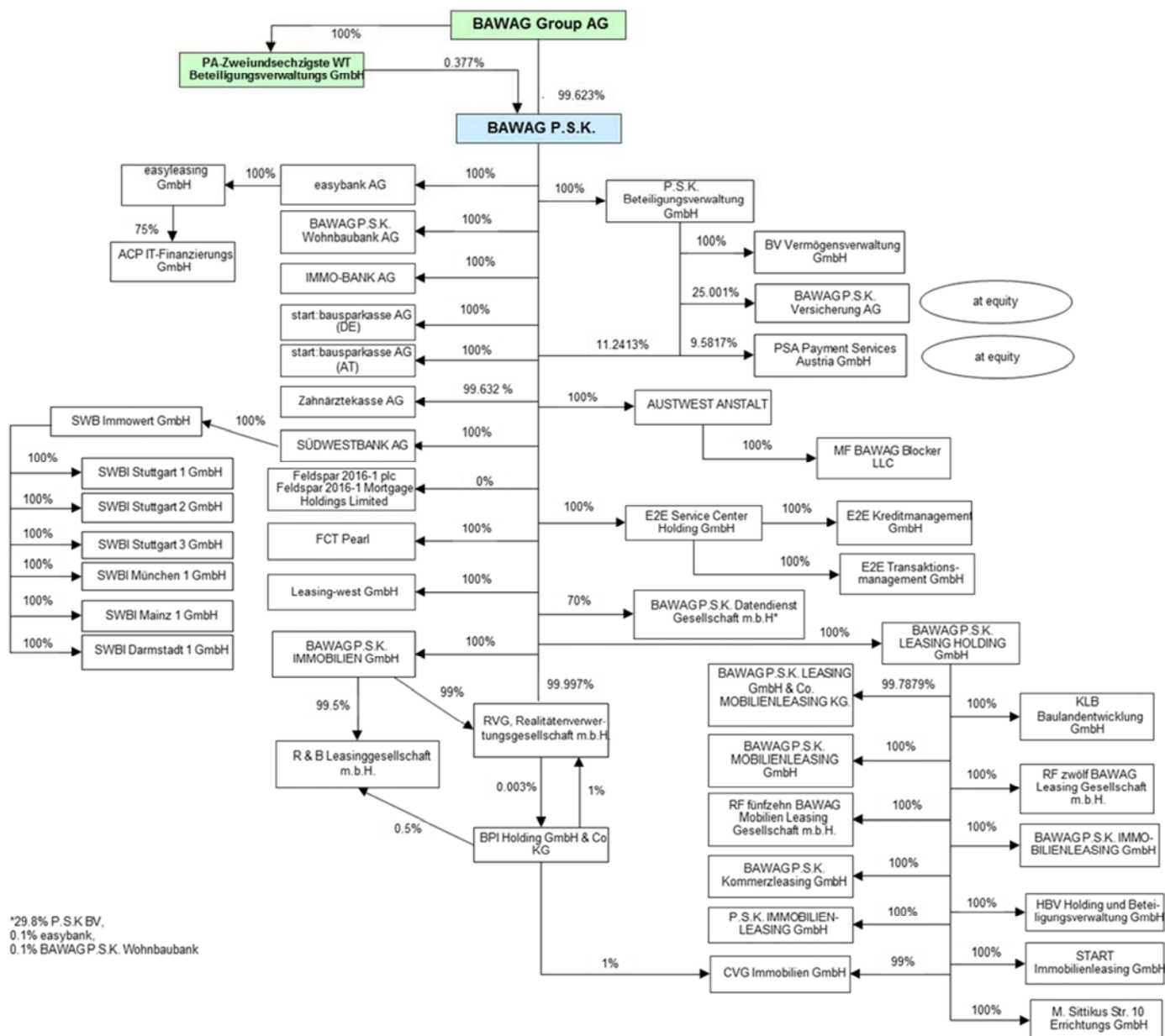
[Moody's] [,] [and] [Fitch] [and] [●] [[is] [are] expected to assign] [[has] [have] assigned] the following rating[s] to the Notes: ●.[The Notes are not rated.]

¹ Moody's Deutschland GmbH ("**Moody's**") and Fitch Ratings Ltd ("**Fitch**") are credit rating agencies with establishments in the European Union and registered pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"). The European Securities and Markets Authority ("**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 and Fitch.

[BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft as Issuer

B.1	Legal and commercial name	BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft (" BAWAG P.S.K. " or " Issuer ").
B.2	Domicile	Wiedner Gürtel 11, A-1100 Vienna
	Legal form	Stock Corporation (<i>Aktiengesellschaft</i>)
	Legislation	Austrian law
	Country of incorporation	Austria
B.4b	Any known trends affecting the Issuer and the industries in which it operates	<p>BAWAG P.S.K. Group's results of operation and financial position have been affected, and are expected to continue being affected, by a number of factors, some of which also impact the banking sector in general. BAWAG P.S.K. Group believes that the key factors include the following:</p> <ul style="list-style-type: none">• BAWAG P.S.K. Group's earnings are significantly dependent on its net interest income which is particularly affected by the development of interest rates.• BAWAG P.S.K. Group is particularly affected by developments of the regulatory environment applicable to financial institutions. Following a broader review of the current rules on the prudential supervision, prudential requirements and on the recovery and resolution of credit institutions and investment firms, amendments to relevant European directives and regulations as well as national implementing laws are expected in the near future. Amendments are expected to include pillar 2 capital requirement add-ons, adequate capital and liquidity requirements, a binding leverage ratio and a minimum net stable fund ratio and to affect the Issuer and the industry in which it operates.• BAWAG P.S.K. Group is subject to intense competition by traditional banks and new financial technology companies (so-called 'FinTechs').• BAWAG P.S.K. Group's results depend on its ability to maintain and grow customer deposits as well as on its access to wholesale funding.• BAWAG P.S.K. Group has to adapt to emerging technologies and changes in customer behavior driven by increasing digitalization of the banking business.• BAWAG P.S.K. Group's operations and results were and will continue to be significantly impacted by the integration of various acquired businesses.
B.5	Issuer's Group and its position within	<p>The Issuer is wholly owned (directly and indirectly) by BAWAG Group AG (BAWAG Group AG together with its consolidated subsidiaries, the "BAWAG Group", and together with its subsidiaries which are subject to consolidated supervision, the "BAWAG Regulatory Group"), a stock corporation, the shares of which are listed on the Vienna Stock Exchange.</p> <p>Major holdings of the Issuer comprise, <i>inter alia</i>, easybank AG, start.bausparkasse AG (Vienna, Republic of Austria), BAWAG P.S.K. Wohnbaubank Aktiengesellschaft, IMMO-BANK Aktiengesellschaft, start.bausparkasse AG (Hamburg, Federal Republic of Germany) and SÜDWESTBANK AG (BAWAG P.S.K. together with its consolidated subsidiaries, the "BAWAG P.S.K. Group").</p> <p>The chart below shows BAWAG Group, including BAWAG P.S.K. Group, as of</p>

the date of this Base Prospectus:



*29.8% P.S.K. BV,
0.1% easybank,
0.1% BAWAG P.S.K. Wohnbaubank

B.9 Profit forecast or estimate

Not applicable; no profit forecast or estimates are made.

B.10 Qualifications in the audit report on the historical financial information

Not applicable; KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft has audited the consolidated annual financial statements of BAWAG P.S.K. as of 31 December 2018 and as of 31 December 2017 and has issued an unqualified opinion.

B.12 Selected historical key financial information

The following key financial figures are taken from the audited consolidated annual financial statements as of 31 December 2018 and as of 31 December 2017 (the "**Consolidated Annual Financial Statements**") of the Issuer (in accordance with IFRS as adopted by the EU).

Statement of financial position (in €million)	2018	2017
	(audited, unless indicated otherwise)	
Total assets	44,388	45,765 ³⁾
Customer loans and receivables	30,482	30,793 ³⁾

Customer deposits and own issues	34,620	36,611³⁾
IFRS equity ¹⁾	3,262	3,264 ³⁾
IFRS tangible equity	3,038 ⁴⁾	3,061 ^{3), 4)}
Risk-weighted assets ²⁾	20,331	21,428 ³⁾

- 1) Equity attributable to the owners of the parent; excl. minorities and AT1 capital.
2) Based on regulatory IFRS CRR figures (BAWAG P.S.K. Group, fully loaded).
3) Numbers have been adjusted from the numbers originally reported by BAWAG P.S.K.
4) Unaudited.

Statement of financial position (in €million)	2018	2017
	(audited)	
Net interest income	840.4	793.3⁴⁾
Net fee and commission income	282.8	216.9
Core Revenues¹⁾	1,123.2	1,010.2⁴⁾
Gains and losses on financial instruments and other operating income and expenses ³⁾	47.3	110.3 ⁴⁾
Operating income	1,170.5	1,120.5⁴⁾
Operating expenses²⁾	(497.0)	(470.0)⁴⁾
Regulatory charges ²⁾	(40.1)	(33.8)
Total risk costs	(45.1)	(125.4)
Profit before tax	593.4	495.4⁴⁾
Income taxes	(162,3)	(36.8) ⁴⁾
Net profit³⁾	431.1	458.5⁴⁾

- 1) Core Revenues ("**Core Revenues**"): Calculated as the sum of net interest income and net fee and commission income. Core Revenues is an Alternative Performance Measure ("**APM**").
2) In accordance with IFRS, the item other operating income and operating expenses also includes regulatory charges. However, the BAWAG P.S.K.'s management considers regulatory charges as a separate expense. Accordingly, it is shown in a separate expense line.
3) Profit after tax attributable to owners of the parent.
4) Numbers have been adjusted from the numbers originally reported by BAWAG P.S.K.

Key ratios	2018	2017
	(unaudited)	
Common Equity Tier 1 capital ratio ¹⁾	12.2%	12.6% ¹¹⁾
Total capital ratio ²⁾	14.2%	15.1% ¹¹⁾
Return on risk-weighted assets ³⁾	2.1%	2.3% ¹¹⁾
Return on Equity ⁴⁾	13.7%	15.1% ¹¹⁾
RoE (@12% CET 1) ⁵⁾	14.7%	16.5% ¹¹⁾
RoTE ⁶⁾	14.7%	16.0% ¹¹⁾
RoTE (@12% CET 1) ⁷⁾	15.8%	17.6 ¹¹⁾
Net Interest Margin ⁸⁾	2.25%	2.32% ¹¹⁾
Cost-Income Ratio ⁹⁾	42.5%	41.9% ¹¹⁾
Balance Sheet Leverage ¹⁰⁾	13.6x	14.0x ¹¹⁾

- 1) Common Equity Tier 1 capital ratio = Common Equity Tier 1 capital (CET 1) / risk-weighted assets. The Common Equity Tier 1 capital (CET 1) is based on IFRS CRR regulatory figures of BAWAG P.S.K. Group, excluding any transitional capital (fully loaded).
2) Total capital ratio = Total capital / risk-weighted assets. The total capital is based on IFRS CRR regulatory figures of BAWAG P.S.K. Group, excluding any transitional capital (fully loaded).
3) Return on risk-weighted assets = net profit / average risk-weighted assets.
4) Return on Equity ("**RoE**"): Calculated by dividing net profit by the average equity attributable to the owners of the parent set forth in the financial statements ("**IFRS Equity**"). The average IFRS Equity is calculated by adding the end values of the current and the preceding period and

dividing the sum by two. RoE is an APM.

- 5) RoE (@12% CET1) ("**RoE (@12% CET 1)**"): RoE calculated at a ratio of 12% Common Equity Tier 1 capital ("**CET 1**") as defined in the Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms on a fully loaded basis, i.e. excluding any transitional capital (fully loaded). RoE (@12% CET1) is an APM.
- 6) Return on Tangible Equity ("**RoTE**") : Calculated by dividing net profit by the average IFRS Equity minus the carrying amount of intangible non-current assets set forth in the financial statements ("**IFRS Tangible Equity**"). The average IFRS Tangible Equity is calculated by adding the end values of the current and the preceding period and dividing the sum by two. RoTE is an APM.
- 7) RoTE (@12% CET 1) ("**RoTE (@12% CET 1)**") : Return on tangible equity calculated at a fully loaded CET 1 ratio of 12%. RoTE (@12% CET 1) is an APM.
- 8) Net Interest Margin ("**Net Interest Margin**") : The line item net interest income divided by average interest-earning assets. The average balance of interest-earning assets is calculated by adding the balance at the end of each month of the financial year and dividing the sum by 12. Net Interest Margin is an APM.
- 9) Cost-Income Ratio ("**Cost-Income Ratio**") : Calculated by dividing operating expenses by operating income. Numbers for operating expenses do not include certain regulatory charges that are otherwise included in the line item other operating income and expenses reported on the level of BAWAG Group in the financial statements. Consequently, such regulatory charges are disregarded for the calculation of the Cost-Income Ratio. Cost-Income Ratio is an APM.
- 10) Balance Sheet Leverage ("**Balance Sheet Leverage**") : Calculated by dividing total assets divided by IFRS Equity. Balance Sheet Leverage is an APM.
- 11) Numbers have been adjusted from the numbers originally reported by BAWAG P.S.K.

Material adverse change

There has been no material adverse change in the prospects of the Issuer since 31 December 2018.

Significant changes in the financial or trading position

Not applicable. There has been no significant change in the financial or trading position of the Issuer since 31 December 2018.

B.13 Recent Events

On 1 March 2019, BAWAG P.S.K. announced the successful closing of the purchase of Zahnärztekasse AG, a company active in the Swiss dental factoring market, and located in Wädenswil, Switzerland.

B.14 Dependence upon other entities within the group

BAWAG P.S.K. is subject to the controlling influence of its majority shareholder BAWAG Group AG (see item B.5).

B.15 A description of the Issuer's principal activities

The Issuer is a full-service bank (*Universalbank*) offering a complete range of banking services. The core business of BAWAG P.S.K. is the retail business (*Privatkundengeschäft*).

BAWAG P.S.K. Group operates in particular in the following business segments:

BAWAG P.S.K. Retail. The BAWAG P.S.K. Retail segment serves retail and small business customers. The segment is operated through a centralized branch network and a digital platform supported by a customer care center. The segment's strategy is to offer simple, transparent and easy to understand products and services using a data-driven approach to product offering and customer relationships through branch, online and direct sales channels and capitalizing on BAWAG P.S.K.'s well-recognized national brand.

easygroup. The easygroup segment includes the direct banking subsidiary easybank with a full online product offering, e.g. savings, payments, card and lending activities for private and small business customers, along with auto, mobile and real estate leasing platforms, building society loans and savings, as well as lending to international retail borrowers, including own issues covered with an international mortgage portfolio.

Südwestbank. Südwestbank, founded in 1922, is a universal bank with a long history of serving customers in the Baden-Württemberg region of southwest

Germany and is headquartered in Stuttgart, Germany. Südwestbank offers a wide range of lending and deposit products and services. Besides the lending and deposit business, Südwestbank offers additional products including insurance, savings contracts with building societies and brokerage services.

DACH Corporates & Public Sector. This segment comprises the corporate and public lending activities and other fee-driven financial services, with a focus on term loans, payment services products and security sales. The segment mainly services Austrian customers, as well as selected client relationships in Germany and Switzerland.

International Business. This segment includes the international corporate lending and international real estate financing business outside the DACH region, with a focus on developed countries within Western Europe as well as the United States.

B.16 Controlling Persons The Issuer is wholly owned (directly and indirectly) by BAWAG Group AG. Major shareholders of BAWAG Group AG are several funds and accounts under management of the investors Cerberus ("**Cerberus Shareholders**") and GoldenTree ("**GoldenTree Shareholders**"), respectively holding 34.99% and 25.7%, of the BAWAG Group AG's total number of outstanding shares as at the date of this Base Prospectus.

B.17 Credit ratings assigned to the Issuer and to the Notes The Issuer is rated by Moody's Deutschland GmbH ("**Moody's**") and Fitch Ratings Ltd. ("**Fitch**").²

As of 21 January 2019 the ratings by Moody's were as follows:

Category	Rating
<i>Outlook</i>	<i>Stable</i>
<i>Baseline Credit Assessment</i>	<i>baa1</i>
<i>Issuer Rating</i>	<i>A2</i>
<i>Senior Unsecured</i>	<i>A2</i>
<i>Subordinate –Dom Curr</i>	<i>Baa2</i>
<i>ST Issuer Rating</i>	<i>P-1</i>

As of 6 February 2019 the ratings by Fitch were as follows:

Category	Rating
<i>Long-term Issuer Default Rating</i>	<i>A-</i>
<i>Outlook</i>	<i>stable</i>
<i>Short-term Issuer Default Rating</i>	<i>F1</i>
<i>Viability Rating</i>	<i>a-</i>
<i>Tier 2 subordinated debt</i>	<i>BBB+</i>

[Moody's] [,] [and] [Fitch] [and] [●] [[is] [are] expected to assign] [[has] [have] assigned] the following rating[s] to the Notes: ●.[The Notes are not rated.]

Section C – Securities

C.1 Type and class of the securities, including any security Type
[Fixed Rate Notes]

² Moody's Deutschland GmbH ("**Moody's**") and Fitch Ratings Ltd ("**Fitch**") are credit rating agencies with establishments in the European Union and registered pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"). The European Securities and Markets Authority ("**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 and Fitch.

identification number [Fixed Resettable Rate Notes]
[Floating Rate Notes]
[Fixed to Floating Rate Notes]
[Zero Coupon Notes]

Class

[The Notes are unsubordinated and unsecured.][The Notes are senior non-preferred and unsecured notes.] [Covered Bonds are unsubordinated Notes secured by a pool of assets.] [The Notes are subordinated and unsecured.]

Security Identification Number(s)

[Temporary] ISIN: [•]
[Temporary] Common Code: [•]
[Temporary] WKN: [•]
[Temporary] [Other: [•]]

C.2 Currency of the securities issue

The Notes are issued in [•].

C.5 Restrictions on the free transferability of the securities

Not applicable. The Notes are freely transferable.

C.8 Rights attached to the Notes, ranking of the Notes and limitations to the rights attached to the Notes

Rights attached to the Notes

Each Noteholder has the right vis-à-vis the Issuer to claim payment of interest and nominal when such payments are due in accordance with the terms and conditions of the Notes.

Redemption

Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on [•] (the "**Maturity Date**"). The "**Final Redemption Amount**" in respect of each Note shall be [its] [[•] per cent. of the] principal amount.

[In case of no early redemption at the option of the Issuer or the Noteholders insert: The Notes cannot be redeemed prior to their stated maturity (except for taxation reasons ***[in the case of Notes other than Covered Bonds insert:*** and for regulatory reasons) ***[in the case of Covered Bonds insert:*** or upon the occurrence of an Event of Default).]

[In case of an early redemption at the option of the Issuer or the Noteholders insert: Early Redemption

Notes may be redeemed before their stated maturity for taxation reasons, ***[in the case of Unsubordinated Notes and Covered Bonds insert:*** upon the occurrence of an Event of Default] ***[in the case of Unsubordinated Notes (other than Covered Bonds) and Senior Non-Preferred Notes and Subordinated Notes insert:*** for regulatory reasons] [,] [and] [at the option of the Issuer] ***[in the case of Covered Bonds insert:*** [and] [at the option of the Noteholders].]

Redemption for Taxation Reasons

[Except as described in "Early Redemption" above,] [E][e]arly redemption will [only] be permitted if the Issuer has or will become obliged to pay certain

additional amounts in respect of the Notes as a result of any change in, or amendment to, the laws or regulations of the Republic of Austria or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations. **[In the case of Notes other than Covered Bonds, insert:** In the case of Unsubordinated Notes (which are not Covered Bonds), Senior Non-Preferred Notes and Subordinated Notes, such redemption for reasons of taxation will require the fulfilment of certain conditions for redemption such as prior permission of the relevant supervisory authority or (as the case may be) authorities.]

[In the case of Subordinated Notes insert:

Redemption for Regulatory Reasons

If the regulatory classification of the Notes changes, which would probably lead to their exclusion from the own funds or to their classification as equity of lower quality of own funds [on the consolidated basis of the BAWAG Regulatory Group][on an individual basis of the Issuer], the Issuer may, subject to fulfilment of certain other conditions, redeem the Notes.]

[In the case of Senior Non-Preferred Notes insert:

Redemption for Regulatory Reasons

If an MREL Disqualification Event occurs, the Issuer may redeem the Notes.

"MREL Disqualification Event" means the determination by the Issuer, at any time, that the Notes, in full or in part,(i) do not constitute Eligible MREL Instruments, or(ii) there is a change in the regulatory classification of the Notes that would likely result or has resulted in the exclusion of the Notes from the Eligible MREL Instruments, provided that in each case an MREL Disqualification Event shall not occur on the basis (i) that the remaining maturity of the Notes is less than any period prescribed by any Applicable MREL Regulation, and/or (ii) of any applicable limits on the amount of Eligible MREL Instruments permitted or allowed to meet MREL under the Applicable MREL Regulation.

"Applicable MREL Regulation" means the laws, regulations, requirements, guidelines and policies relating to the minimum requirements for own funds and eligible liabilities, as applicable from time to time.

"Eligible MREL Instrument" means any (directly issued) debt instrument of the Issuer that qualifies for the minimum requirements for own funds and eligible liabilities (MREL) pursuant to the Applicable MREL Regulation.

"MREL" means the minimum requirements for own funds and eligible liabilities from time to time pursuant to the Applicable MREL Regulation.]

Negative Pledge

The Terms and Conditions of the Notes do not contain a negative pledge provision.

Events of Default

[In the case of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes, insert: The Terms and Conditions of the Notes provide for events of default entitling Noteholders to demand immediate redemption of the Notes.]

[In the case of Covered Bonds insert: The Terms and Conditions of the Notes provide for events of default entitling Noteholders to demand immediate

redemption of the Notes.]

[In the case of Subordinated Notes insert: The Terms and Conditions of the Notes will not provide for any event of default entitling Noteholders to demand immediate redemption.]

Cross Default

The Terms and Conditions of the Notes do not provide for a cross-default provision.

Ranking of the Notes (Status)

[In the case of Unsubordinated Notes, which are not Covered Bonds or Senior Non-Preferred Notes, insert: The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer except for any obligations preferred by law.]

[In the case of Senior Non-Preferred Notes insert: The obligations under the Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, provided that they are non-preferred senior obligations of the Issuer under debt instruments which meet the criteria pursuant to § 131 (3) nos. 1–3 BaSAG. Therefore, in the event of the insolvency or the liquidation of the Issuer, claims on the principal amount of the Notes rank: (i) junior to all other present or future unsecured and unsubordinated instruments or obligations of the Issuer which do not meet the criteria pursuant to § 131 (3) nos. 1–3 BaSAG; (ii) *pari passu*: (A) among themselves; and (B) with all other present or future non-preferred senior instruments or obligations of the Issuer which meet the criteria pursuant to § 131 (3) nos. 1–3 BaSAG (other than senior instruments or obligations of the Issuer ranking or expressed to rank senior or junior to the Notes); and (iii) senior to all present or future claims under: (A) ordinary shares and other common equity tier 1 instruments pursuant to Article 28 CRR of the Issuer; (B) additional tier 1 instruments pursuant to Article 52 CRR of the Issuer; (C) tier 2 instruments pursuant to Article 63 CRR; and (D) all other subordinated instruments or obligations of the Issuer.

"**BaSAG**" means the Austrian Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*), as amended or replaced from time to time; to the extent that any provisions of the BaSAG are amended or replaced, the reference to provisions of the BaSAG as used in these Conditions shall refer to such amended provisions or successor provisions from time to time.

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended or replaced from time to time; to the extent that any provisions of the CRR are amended or replaced, the reference to provisions of the CRR as used in these Conditions shall refer to such amended provisions or successor provisions from time to time.]

[In the case of Subordinated Notes insert: The obligations under the Notes constitute unsecured and subordinated obligations of the Issuer ranking *pari passu* (i) among themselves; (ii) with all other present or future (x) Tier 2 Instruments (as defined below) and (y) instruments or obligations ranking or expressed to rank *pari passu* with the Notes; and (iii) with all other obligations of the Issuer subordinated in such manner. In the event of the insolvency or the liquidation of the Issuer, the obligations under the Notes may be satisfied only after (i) the unsubordinated claims of creditors of the Issuer and (ii) all other instruments or obligations of the Issuer ranking or expressed to rank subordinated to unsubordinated obligations of the Issuer (other than instruments

or obligations of the Issuer ranking or expressed to rank *pari passu* with or subordinated to the Notes) have been satisfied.

"**CRR**" means the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (*Capital Requirements Regulation*), as amended or replaced from time to time, and any references in these Terms and Conditions to relevant Articles of the CRR include references to any applicable provisions of law amending or replacing such Articles from time to time.

"**Tier 2 Instrument**" means any (directly or indirectly issued) capital instrument or subordinated loan instrument of the Issuer that qualifies as Tier 2 instrument pursuant to Article 63 CRR, including any capital instrument or subordinated loan instrument that qualifies as Tier 2 instrument pursuant to transitional provisions under the CRR.]

[In the case of Covered Bonds insert: The obligations under the Notes constitute unsubordinated obligations of the Issuer ranking *pari passu* among themselves.]

C.9 Interest / Fixed Rate Notes / Fixed Resettable Rate Notes / Floating Rate Notes / Fixed to Floating Rate Notes / Zero Coupon Notes / Maturity Date / Yield

Interest

Also refer to C.8

"**Specified Currency**" shall mean [●].

[In the case of Fixed Rate Notes insert: Fixed Rate Notes bear interest from [●] at a fixed rate of [●] per cent. *per annum* payable in arrear on [●].]

[In the case of Fixed Rate Notes with different interest rates or Fixed Resettable Rate Notes insert: The Notes shall bear interest on their principal amount at the rate of [●] per cent. *per annum* from (and including) [●] to (but excluding) [●] (the "**Reset Date**") and thereafter at the rate [of [●] per cent.] [equal to the Reference Rate plus a margin of [●] per cent. (the "**Margin**")] *per annum* (the "**Reset Interest Rate**") from (and including) the Reset Date to (but excluding) the Maturity Date, all as determined by the Calculation Agent.

"**Payment Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System as well as **[if the Specified Currency is EUR, insert:** TARGET2 (Trans-European Automated Realtime Gross Settlement Express Transfer System) is open for the settlement of payments in Euro.] **[if the Specified Currency is not EUR insert:** commercial banks and foreign exchange markets settle payments in **[insert all relevant financial centres]**].

"**Reference Rate**" means the swap rate for swap transactions in the Specified Currency with a term of **[insert relevant term]** years as displayed on the Reset Screen Page (as defined below) on the **[insert relevant number of days]** Payment Business Day as at **[insert relevant time]** (**[insert relevant financial center]** time) prior to the Reset Date (the "**Reset Interest Determination Date**").

"**Reset Screen Page**" means **[if the Specified Currency is Euro, insert:** the REUTERS screen page "[ICESWAP2]" under the heading "[EURIBOR BASIS – EUR]" (as such headings may appear from time to time)]**[if the Specified Currency is not Euro, insert relevant Reset Screen Page]** (or any successor page).]

[In the case of Floating Rate Notes insert: The Notes shall bear interest on their principal amount from (and including) [●] to (but excluding) the first Interest Payment Date and thereafter from (and including) each Interest Payment Date to

(but excluding) the next following Interest Payment Date. Interest on the Notes shall be payable on each Interest Payment Date.

[In case the offered quotation is determined on the basis of EURIBOR or LIBOR, the following applies:

The rate of interest (the "Rate of Interest") for each Interest Period will be the offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for that Interest Period which appears on the Screen Page as of [insert time] ([insert relevant time zone] time) on the Interest Determination Date (the "Reference Rate") [multiplied by a factor][and] [if Margin insert: [plus] [minus] [in case of a Maximum Rate of Interest insert: with a maximum Rate of Interest of [Maximum Rate of Interest]] [in case of a Minimum Rate of Interest insert: with a minimum Rate of Interest of [Minimum Rate of Interest] the Margin], all as determined by the calculation agent (as defined below).

"Interest Payment Date[s]" shall mean [●].

"Interest Period" shall mean [●].

"Interest Determination Date" means the [if same-day fixing applies, insert: first [London] [TARGET] [insert other relevant location] Business Day] [[if same-day fixing does not apply, insert: [second] [insert other applicable number of days] [London] [TARGET] [insert other relevant location] Business Day] prior to the [commencement][end] of the relevant Interest Period. ["[London] [insert other relevant location] Business Day" means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [London] [insert other relevant location].] ["TARGET Business Day" means a day on which TARGET is open.]

"Margin" means [●] per cent. *per annum*.]

"Screen Page" means REUTERS screen page ["[EURIBOR01]" "[LIBOR01][LIBOR02]"] or any successor page.]

[In case the interest rate is determined on the basis of the [insert relevant currency] CMS insert:

The rate of interest for each Interest Period (as defined below) is determined by the calculation agent in accordance with the following formula:

[Min][Max]([Max][Min]((([●]-years [insert relevant currency] CMS * [insert factor]) [-] [+]) [[●]-years [insert relevant currency] CMS * [insert factor]]) [+ [-] [insert Margin]; ([●]-years [insert relevant currency] CMS * [insert factor]) [-] [+]) [[●]-years [insert relevant currency] CMS * [insert factor]]) [+ [-] [insert Margin]); ([●]-years [insert relevant currency] CMS * [insert factor]) [-] [+]) [[●]-years [insert relevant currency] CMS * [insert factor]]) [+][insert Margin])

"[insert relevant currency] CMS" is the annual swap rate expressed as a percentage for [insert relevant currency] swap transactions with a maturity in years as specified in the above formula (which appears on the screen page (as defined below) on the Interest Determination Date under the heading "[insert relevant heading]" and above the caption "[insert time and relevant time zone]" as of [insert time] ([insert relevant time zone] time) (each such [●]-years [insert relevant currency] CMS a "Reference Rate"), all as determined by the calculation agent.

"Interest Period" means each period from [●] (including) to the first Interest Payment Date (excluding) and from each Interest Payment Date (including) to

the following Interest Payment Date (excluding).

"**Interest Determination Date**" is the [number] [TARGET][insert relevant location] Business Day (as defined below) prior to the [commencement][end] of the relevant Interest Period.

"**Margin**" means [●] per cent. *per annum*.

"**Screen Page**" means [insert relevant Screen Page] or any successor page.

"**TARGET Business Day**" means a day (other than a Saturday or a Sunday) on which TARGET2 (Trans-European Automated Real-time Gross Settlement Express Transfer System) settles payments.]

"**[insert relevant location] Business Day**" means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [insert relevant location].]

[In case of fixed to floating rate notes insert: The Notes bear a fixed interest income at the beginning of the term of the Notes changing to a floating interest income until maturity of the Notes.]

[In the case of Zero Coupon Notes insert: The Notes do not bear interest.]

Underlying on which interest rate is based

[Not applicable *in the case of Fixed Rate Notes*. The interest rate is not based on an underlying.]

[EURIBOR] [LIBOR for the Specified Currency] [[insert relevant currency] CMS] [●]

Maturity Date

Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed on the Redemption Date [●].

[In case of Fixed Rate Notes insert: Yield

The yield equals [●] per cent *per annum*.]

Name of the representative of Noteholders

[Not applicable, there is no representative of the Noteholders designated in the Terms and Conditions of the Notes.] [●]

[C.10 Explanation about the influence of the value of the investment if it contains a Derivative Component in the Interest Payment

See Element C.9. [Not applicable.] [There is no derivative component in the interest payment.] [No periodic payments of interest.][●]

C.11 Admission to trading on a regulated market

[Application has been made to admit Notes to be issued under the Programme to trading on the regulated market of the Luxembourg Stock Exchange.] [Application has been made to admit the Notes to be issued under the Programme to trading on the [Official Market][Third Market] of the Vienna Stock Exchange.]

[Not applicable. The Issuer does not intend to make any application for the

Section D – Risks

D.2 Risks that are specific to the Issuer

The Issuer is part of BAWAG Group and subject to several business risks relating to the business of BAWAG Group and the industries in which it operates. The risks include, in particular, risks relating to the following issues:

Risks relating to the business of BAWAG Group and the industries in which it operates

- BAWAG Group's business success is dependent on the political and general macroeconomic conditions of the economies in which BAWAG Group is active.
- An "exit" by any current member of the EU or the eurozone would be unprecedented, and the consequences currently cannot be assessed. Such event may have a material adverse effect on the financial system and the general economic climate in the EU, including Austria, and a significant negative impact on BAWAG Group's business, financial condition, results of operations and prospects.
- BAWAG Group is exposed to the risk of defaults of other financial institutions or sovereign debtors. Insolvencies in the financial sector or the default of sovereign debtors could, due to the worldwide interdependency of financial markets, have an adverse effect on the entire financial sector, including BAWAG Group.
- BAWAG Group is exposed to intense competition, particularly in its home market of Austria, which could have a material adverse effect on its business, financial condition, results of operations and prospects.
- BAWAG Group is dependent on the confidence of its customers in the banking system and the business of BAWAG Group. A loss of confidence may cause increased deposit withdrawals which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.
- A downgrading of BAWAG P.S.K.'s credit rating or the rating relating to specific instruments issued by the Issuers (such as covered bonds) could increase its refinancing costs and could have a material adverse effect on BAWAG Group's liquidity, profitability, business, financial condition, results of operations and prospects.
- BAWAG Group is exposed to the risk of loss due to changes in foreign exchange rates, which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.
- BAWAG Group is exposed to various forms of market risks, including interest rate risk and credit spread risks, which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.
- BAWAG Group is exposed to risks concerning customer and counterparty credit quality which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.
- BAWAG Group's monitoring of its loan portfolio is dependent on the effectiveness, and efficient operation, of its processes including credit grading and scoring systems and there is a risk that these systems and

processes may not be effective in evaluating credit quality.

- BAWAG Group uses models across many of its activities and if these models prove to be inaccurate, its management of risk may be ineffective or compromised and/or the value of its financial assets and liabilities may be overestimated or underestimated.
- A portion of the assets and liabilities on BAWAG Group's balance sheet comprises financial instruments that it carries at fair value, with changes in fair value recognized in the income statement. As a result of such changes, BAWAG Group may incur losses in the future which could have a material adverse effect on BAWAG Group.
- The international business of BAWAG Group is subject to credit risks, market risks, concentration risks, transfer risks, convertibility risks and political risks.
- Low prices and profitability of real estate could materially impair BAWAG Group's ability to compensate loan defaults by foreclosing on collateral.
- BAWAG Group has a continuous demand for liquidity to fund its business activities and is exposed to liquidity risks, which may negatively affect its ability to fulfil its obligations.
- If BAWAG Group fails to adapt to rapid technological changes its competitiveness could decline.
- If BAWAG Group fails to promote and maintain its brands in a cost-effective manner, BAWAG Group may lose market share and its revenues may decrease.
- Negative publicity due to customer complaints, litigation or other factors, and a negative public perception of BAWAG Group's business, could cause demand for its products to significantly decrease.
- BAWAG Group may fail to achieve its business and strategic objectives, and its historical results may not be representative of its future results.
- A termination or reduction of BAWAG Group's close cooperation with its distribution partners could have a material adverse effect on its business, financial condition, results of operations and prospects.
- Due to any inadequacy or failure of internal procedures, employees and systems or due to external events unexpected losses could occur (operational risk).
- BAWAG Group is exposed to operational risks related to failings of its key outsourcing suppliers, such as service interruptions.
- Failure of BAWAG Group's IT systems could lead to a significant impairment of the business operations of BAWAG Group.
- BAWAG Group's operational systems are subject to an increasing risk of cyber-attacks and other internet crime, which could result in material losses of customer information, damage BAWAG Group's reputation and lead to regulatory penalties and financial losses.
- Investments of BAWAG Group may not yield a return, and the valuation of participations of BAWAG Group could make impairments necessary. The sale of participations may only be possible at a loss.

- BAWAG Group may have difficulty in integrating acquisitions or identifying and assessing risks of acquisitions, which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.
- Resignation or loss of key personnel, including members of the Management Board, and possible difficulties in recruiting or retaining qualified employees could adversely affect BAWAG Group's ability to execute its strategy.

Risks relating to regulatory, legal and tax matters

Regulatory, legal and tax risks relating to BAWAG Group

- Past, ongoing and uncertain future reforms and initiatives in legislation or supervision, including additional and more stringent regulation and public sector influence on the financial sector, could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.
- European and Austrian legislation regarding the resolution of banks, in particular the powers of resolution authorities to ensure resolvability and to force shareholders and creditors to participate in a situation of crisis, could, if such steps were taken to ensure that BAWAG Group or critical functions thereof continue(s) as a going concern, significantly affect BAWAG Group's business operations.
- Increased capital and liquidity requirements, including leverage ratio requirements and enhanced supervisory powers to demand further own funds or liquidity under CRD IV/CRR and proposed amendments may adversely affect the profitability of BAWAG Group.
- 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.
- Future asset quality reviews, stress tests, internal model reviews and/or transparency exercises by the ECB or the EBA could lead to detrimental results for BAWAG Group and trigger, in particular, an increased demand for provisions and/or strengthened capital requirements.
- BAWAG Group is subject to risks attributable to findings based on audits, inspections and similar investigations conducted by regulators.
- BAWAG Group's business could be significantly burdened due to the central clearing, reporting, risk mitigation and other compliance requirements imposed by EMIR and MiFID II.
- The access of BAWAG Group to liquidity and funding may be adversely affected by a change of the collateral standards of the ECB.
- The cost incurred by BAWAG Group for compliance with anti-money laundering, anti-tax evasion, anti-corruption and anti-terrorism financing rules and regulations and sanctions is significant and may further increase. Failure to comply with these and similar rules may have severe legal and reputational consequences.
- Certain aspects of the tax framework under which BAWAG Group operates, such as the Austrian stability tax, may have a substantial negative effect on BAWAG Group's business, financial condition, results of operations and

prospects.

- BAWAG Group's assumptions regarding the deductibility of certain items from its taxable income may prove incorrect which could lead to higher than expected tax payments.
- The introduction of the proposed Financial Transaction Tax could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.
- The mandatory ex-ante funding of the Deposit Guarantee Scheme pursuant to the EU Deposit Guarantee Schemes Directive and its implementation by way of a Federal Act on the Deposit Guarantee and Investor Compensation by Credit Institutions (ESAEG), and possibly higher contributions could have an adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.
- Recent amendments of the Austrian Insolvency Act could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.
- BAWAG Group uses standardized agreements and standardized terms and conditions, in particular in its important retail-focused business segments, which increases the potential that, if any clause is held to be void, this clause is invalid or unenforceable in a large number of contracts.
- BAWAG Group has financial obligations to its employees, in particular retirement obligations, the calculations of which are based on a number of assumptions, which may differ from actual rates.
- BAWAG Group may fail to comply with laws and regulations with respect to private data protection.
- Tightening of consumer protection laws and/or their interpretation as well as compliance with MiFID II may have a negative influence on the profitability of consumer banking transactions.
- Changes in the Issuers' financial reporting, such as changes to IFRS, could materially affect the Issuers' financial results and regulatory capital ratios.
- Despite BAWAG Group's risk management policies, procedures and methods, it may be exposed to unidentified or unanticipated risks, which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.
- BAWAG Group is, and may in the future be, subject to a number of legal and regulatory proceedings, the outcome of which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.
- BAWAG Group operates in an increasingly regulated environment. If BAWAG Group fails to comply with the wide range of laws and regulations applicable to it, including an increasing number of reporting requirements, BAWAG Group or its representatives may become subject to regulatory investigations, regulatory restrictions, penalties, injunctive reliefs, litigation and criminal prosecution.
- Compliance or non-compliance with legal provisions applicable to it could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

[In case of BAWAG as Issuer insert: *Specific regulatory, legal and tax risks relating to the Issuer BAWAG*

- BAWAG, as a financial holding company which is currently indirectly subject to consolidated supervision, may become subject to direct and more stringent supervision in the future.
- BAWAG's assumptions regarding the deductibility of certain items from its taxable income may prove incorrect which could lead to higher than expected tax payments.]

Risks specific to the Non-Equity Securities

[D.3] Specific information on risks that are specific to the securities

General risk factors relating to the Notes

The following risk considerations cannot substitute individual advice.

- An investment in the Notes requires substantial knowledge of financial matters and is not suitable for all investors.
- The Noteholders are exposed to the risk of a total loss of their investment.
- Investors may be required to pay taxes and other charges or duties.
- An investment in the Notes may be unlawful for certain investors.
- A modification of the taxation or other fiscal parameters in the sphere of the Noteholder may have material adverse effects on the interest yield, or otherwise on the investment in the Notes.
- Changes in the legal parameters may affect the rights of the Noteholders under, and the profitability of the Notes.
- In case of a credit financed purchase of the Notes, the Noteholders are subject to additional risks, in particular the risk that the credit cannot be repaid with the proceeds of the Notes.
- The yield of the Notes is subject to the risk of inflation and the yield is reduced in case of a decrease in spending capacity caused by inflation.
- Currency fluctuations may lead to losses in connection with an investment in the Notes.
- The Notes carry no rights of shareholders of the respective Issuer or of third parties, such as voting or profit sharing rights.
- The Noteholders are subject to the risk that the Notes cannot be sold for fair prices at any time (liquidity risk).
- Trade suspensions could have a negative effect on the liquidity and the market price of the Notes.
- The performance of the Notes is not predictable and may not be correlated with the value of an underlying instrument, if any.
- The market price of listed securities depends on several factors which the respective Issuer may not influence.

- The Noteholders are exposed to the risk of an increase of market interest levels. The realization of such risk could lead to a significant decrease of the value of the Notes.
- The respective Issuer may redeem the Notes before maturity, which could lead to a loss of yields expected by the Noteholders.
- The Noteholders may not be able to re-invest amounts repaid prior to the maturity date (re-investment risk).
- The Notes are not covered by any deposit guarantee scheme. As unsecured creditors of the respective Issuer, the Noteholders are exposed to an unlimited insolvency and respective Issuer risk.
- Changes in the credit spread of the respective Issuer could negatively influence the price of the Notes.
- The effective cash-flow under the Notes could deviate negatively from the cash-flow expected by the Noteholders.
- The respective Issuer may enter into transactions which are not in the interest of the Noteholders, or other conflicts of interest between the respective Issuer and the Noteholders may occur. In particular, hedging-transactions by the respective Issuer may adversely affect the market price of the Notes. In addition, certain of the Dealers may advise the respective Issuer or enter into transactions with the respective Issuer.
- The clearing of securities transactions is conducted through clearing systems. The respective Issuer cannot assume any responsibility for the operational reliability of such systems.
- Transaction costs may have a material adverse effect on the yield of the Notes.
- The Noteholders may not be able to hedge the risk assumed by the purchase of the Notes through other transactions.
- A secondary market for Notes issued may not exist at the time of issuance or may not develop.
- A rating of an issue of Notes under the Programme might not consider all risks of an investment in the Notes.
- The respective Issuer may redeem all outstanding Notes in accordance with the applicable Terms and Conditions.
- Due claims of the Noteholders are subject to limitation after the expiration of 10 years.
- The Notes or underlying instruments may be subject to foreign law other than German or Austrian law.
- Payments under the Notes may be subject to U.S. withholding tax.
- Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss.
- In the case of the respective Issuer's insolvency, deposits have a higher

ranking than the claims of Noteholders under the Notes.

- The Notes may be redeemed or repurchased prior to maturity for tax reasons.

Risks relating to particular issues of Notes

- Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates.
- An Austrian court may appoint a trustee (*Kurator*) for the Notes to exercise the rights and represent the interests of Noteholders on their behalf.
- **[In case of fixed rate notes insert:** Noteholders of Fixed Rate Notes are exposed to the risk that the price of such Note falls as a result of changes in the market interest rate.]
- **[In case of floating rate notes insert:** Noteholders of Floating Rate Notes are exposed to the risks of financial benchmark and reference rate continuity and the discontinuity of a reference rate could result in the interest rate of Floating Rate Notes to become effectively fixed due to fallback provisions.
- Noteholders of Floating Rate Notes are exposed to the risk of fluctuating interest rate levels and uncertain interest income.]
- **[In case of fixed to floating rate notes insert:** If the respective Issuer converts from a fixed rate to a floating rate under Fixed to Floating Rate Notes, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes relating to the same reference rate.]
- **[In case of zero coupon notes insert:** Noteholders of Zero Coupon Notes are exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate.]
- **[In case of Subordinated Notes insert:** The obligations of the respective Issuer under Subordinated Notes constitute unsecured and subordinated obligations. Relevant insolvency laws, the provisions of the bank resolution framework and, in particular, the relevant tools or early intervention measures, could severely affect the rights of Noteholders and may result in a total loss in the event of non-viability of the respective Issuer and/or the Group.
- The Noteholders of Subordinated Notes are exposed to the risk that the respective Issuer may issue subordinated debt instruments or incur subordinated liabilities which are senior to the Subordinated Notes.
- The Subordinated Notes' eligibility for the respective Issuer's tier 2 capital under the CRR could be contested by the competent authority and the re-classification of their regulatory capital status may entitle the respective Issuer to Early Redemption. Market making for the Notes requires the prior approval of the competent authority and is subject to certain conditions and thresholds.
- Subordinated Notes do not give the right to accelerate future payments.
- Subordinated Notes may not be early redeemed at the option of the Noteholders, and any rights of the respective Issuer to early redeem or repurchase Subordinated Notes are subject to the prior permission of the

competent authority.]

- **[In case of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes insert:** The qualification of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes as eligible liabilities for purposes of MREL is subject to uncertainty.
- Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes may be redeemed prior to maturity for regulatory reasons.
- Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes do not give the right to accelerate future payments.]
- **[In case of Senior Non-Preferred Notes insert:** Claims of Noteholders of Senior Non-Preferred Notes will be junior to claims of holders of certain other senior claims.
- Senior Non-Preferred Notes qualifying as non-preferred senior debt instruments are new types of instruments for which there is no significant trading history.]
- **[In case of Covered Notes insert:** Although Austrian statutory law on Covered Bonds (*Fundierte Bankschuldverschreibungen*) provides that a cover pool shall secure at least the redemption amount and interest on the outstanding Covered Bonds, investors may receive less than their investment.]

Section E – Offer

E.2b	Reasons for the offer and use of proceeds	[•]
E.3	Terms and conditions of the offer	[Issue Price] [Minimum Denomination] [The subscription period is from [•] to [•].] [The subscription period may be extended or shortened.] [Method of notification] [Other Terms and Conditions of the Offer are [•].]
E.4	A description of any interest that is material to the issue/offer including conflicting interests	[•]
E.7	Estimated expenses charged to the investor by the issuer or the offeror	[Not applicable. No expenses are charged to the investor by the Issuer.][•]

2 GERMAN TRANSLATION OF THE SUMMARY

ZUSAMMENFASSUNG

Zusammenfassungen sind zusammengesetzt aus Offenlegungspflichten, die als "Punkte" bekannt sind. Diese Punkte sind in die Abschnitte A – E (A.1 – E.7) nummeriert.

Diese Zusammenfassung enthält alle Punkte, die in eine Zusammenfassung für diese Art von Schuldverschreibungen und die Emittentinnen aufzunehmen sind. Da einige Punkte nicht zu berücksichtigen sind, kann die Nummerierung Lücken aufweisen.

Auch wenn ein Punkt wegen der Art der Schuldverschreibungen und der Emittentinnen in die Zusammenfassung aufgenommen werden muss, ist es möglich, dass bezüglich dieses Punktes keine relevante Information gegeben werden kann. In einem solchen Fall ist in der Zusammenfassung eine kurze Beschreibung des Punktes unter Bezeichnung als "entfällt" enthalten.

Abschnitt A – Einleitung und Warnhinweise

A.1 Warnhinweise

Warnhinweise, dass:

- die Zusammenfassung als Einleitung zu diesem Basisprospekt (der "**Basisprospekt**") verstanden werden sollte;
- sich der Anleger bei jeder Entscheidung in die unter dem EUR [●] Debt Issuance Programm ausgegebenen Schuldverschreibungen (die "**Schuldverschreibungen**") zu investieren, auf den Basisprospekt als Ganzen stützen sollte;
- ein Anleger, der wegen der in dem Basisprospekt enthaltenen Angaben Klage einreichen will, nach den nationalen Rechtsvorschriften seines Mitgliedstaats möglicherweise für die Übersetzung des Basisprospekts aufkommen muss, bevor das Verfahren eingeleitet werden kann; und
- zivilrechtlich nur die jene Personen haften, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Basisprospekts irreführend, unrichtig oder inkohärent ist oder verglichen mit den anderen Teilen des Basisprospekts wesentliche Angaben, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen, vermissen lassen.

A.2 Zustimmung zur Verwendung des Prospekts

[BAWAG P.S.K., Citigroup Global Markets Limited und Citigroup Global Markets Europe AG (gemeinsam die "**Platzeure**") jeweils und/oder jeder weitere Finanzintermediär, der die Schuldverschreibungen nachfolgend weiter verkauft oder endgültig platziert, ist berechtigt, den Basisprospekt [in Luxemburg][.] [und] [in Österreich][.] [und in Deutschland] für den späteren Weiterverkauf oder die endgültige Platzierung der Schuldverschreibungen während des Angebotszeitraums zu verwenden. Der Angebotszeitraum ist [●] bis [●], vorausgesetzt, dass der Basisprospekt in Übereinstimmung mit Artikel 11(2) des Luxemburger Wertpapierprospektgesetzes vom 10. Juli 2005 (*Loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières*), welches die Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom 4. November 2003, in der jeweils geltenden Fassung, umsetzt, noch gültig ist.

Der Basisprospekt darf potentiellen Investoren nur zusammen mit sämtlichen bis zur Übergabe veröffentlichten Nachträgen übergeben werden. Jeder Nachtrag zum Basisprospekt kann in elektronischer Form auf der Internetseite der Wertpapierbörse Luxemburg (www.bourse.lu) eingesehen werden.

Bei der Nutzung des Basisprospektes hat jeder Platzeur und/oder jeweiliger

weiterer Finanzintermediär sicherzustellen, dass er alle anwendbaren, in den jeweiligen Jurisdiktionen geltenden Gesetze und Rechtsvorschriften beachtet.

[Ferner erfolgt diese Zustimmung vorbehaltlich [•].]

Für den Fall, dass ein Platzeur und/oder weiterer Finanzintermediär ein Angebot macht, informiert dieser Platzeur und/oder weiterer Finanzintermediär die Anleger zum Zeitpunkt der Angebotsvorlage über die Angebotsbedingungen der Schuldverschreibungen.]

[Entfällt. Die Emittenten erteilt keine Zustimmung zur Verwendung des Prospekts für eine spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen durch Platzeure und/oder Finanzintermediäre.]

Abschnitt B – Emittentin

[BAWAG Group AG als Emittentin

B.1	Gesetzliche und kommerzielle Bezeichnung	BAWAG Group AG (" BAWAG " oder die " Emittentin ").
B.2	Sitz	Wiedner Gürtel 11, A-1100 Wien
	Rechtsform	Aktiengesellschaft
	Auf die Emittentin anzuwendendes Recht	Österreichisches Recht
	Land der Gründung	Österreich
B.4b	Alle bereits bekannten Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken.	<p>Die Betriebsergebnisse und die Finanzlage der BAWAG Gruppe wurden und werden voraussichtlich weiterhin von einer Reihe von Faktoren beeinflusst; einige davon betreffen den Bankensektor im Allgemeinen. Die BAWAG Gruppe ist der Auffassung, dass zu den wesentlichen Faktoren die folgenden zählen:</p> <ul style="list-style-type: none">• Die Erträge der BAWAG Gruppe hängen erheblich von der Entwicklung ihrer Nettozinserträge ab, welche besonders durch die Entwicklung des Zinsniveaus beeinflusst werden.• Die BAWAG Gruppe wird durch Entwicklungen des regulatorischen Umfelds für Finanzinstitute besonders beeinflusst. Nach einer umfassenderen Überprüfung der derzeit geltenden Regulierungen über die Beaufsichtigung, die aufsichtsrechtlichen Anforderungen sowie die Sanierung und Abwicklung von Kreditinstituten und Wertpapierfirmen werden in naher Zukunft Änderungen der einschlägigen europäischen Richtlinien und Verordnungen sowie der nationalen Umsetzungsgesetze erwartet. Solche Änderungen werden voraussichtlich Ergänzungen der Säule 2 (<i>pillar 2</i>) Kapitalanforderungen, angemessene Kapital- und Liquiditätsanforderungen, bestimmte Ausnahmetatbestände, eine verbindliche Leverage Ratio und eine strukturelle Mindestfinanzierungsquote (<i>minimum net stable funding ratio</i>) umfassen und sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken.• Die BAWAG Gruppe ist starkem Wettbewerb durch traditionelle Banken und neue Finanztechnologieunternehmen (sogenannte 'FinTechs') ausgesetzt.

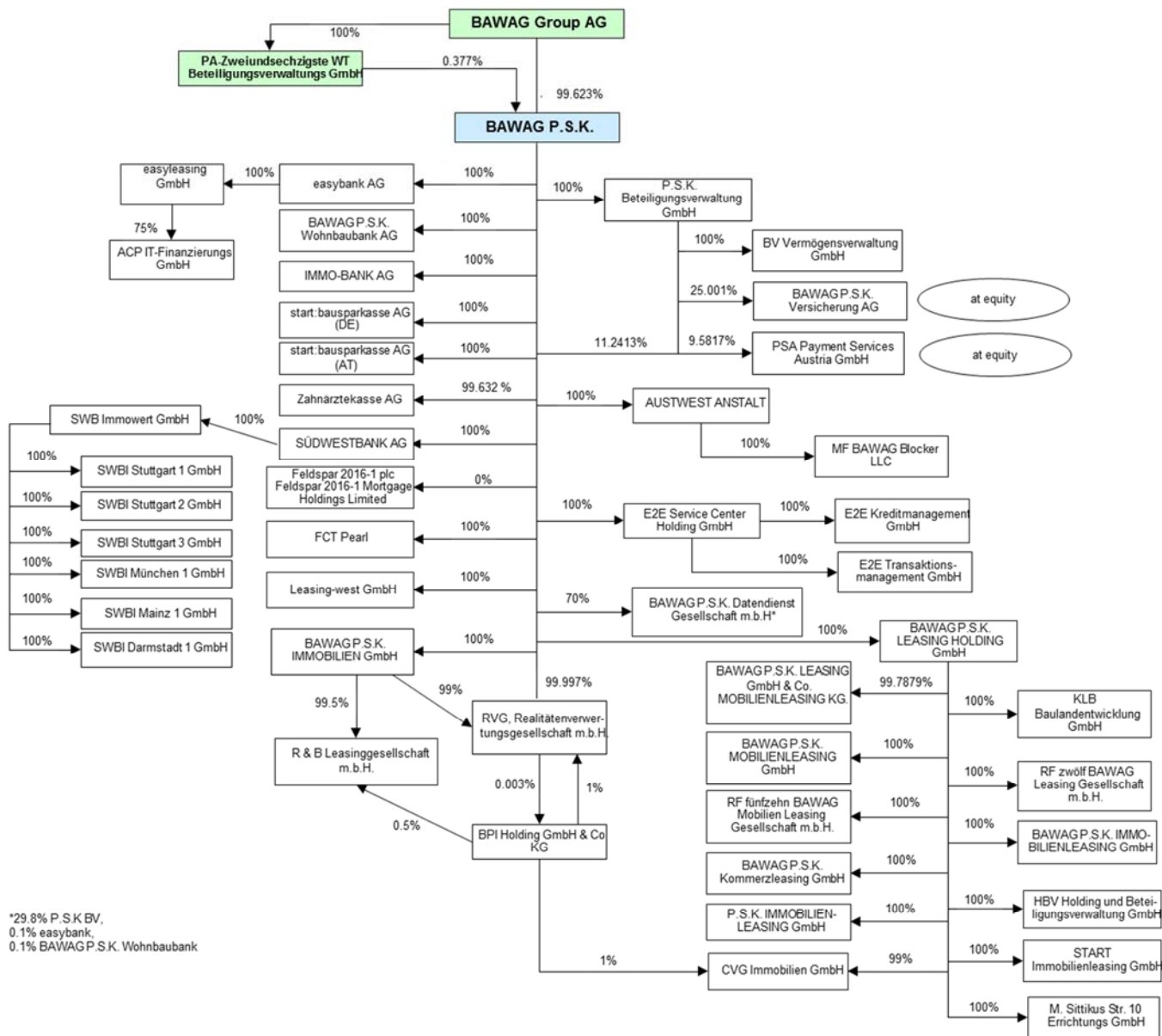
- Die Ergebnisse der BAWAG Gruppe hängen von ihrer Fähigkeit, Kundeneinlagen aufrechtzuerhalten und zu steigern sowie von dem Zugang zu externen Refinanzierungsquellen, ab.
- Die BAWAG Gruppe muss sich aufkommenden Technologien und Veränderungen des Kundenverhaltens anpassen, die durch die zunehmende Digitalisierung getriebenen werden.
- Die Geschäftstätigkeit und die Ergebnisse der BAWAG Gruppe waren und werden weiterhin erheblich durch die Integration von erworbenen Unternehmen beeinflusst.

B.5 Beschreibung der Gruppe und der Stellung der Emittentin darin

BAWAG ist die Muttergesellschaft der BAWAG Gruppe (BAWAG gemeinsam mit ihren konsolidierten Tochtergesellschaften die "**BAWAG Gruppe**" und gemeinsam mit ihren Tochterunternehmen, die der konsolidierten Aufsicht unterliegen, die "**Regulatorische BAWAG Gruppe**").

Die Geschäftstätigkeiten der BAWAG werden von ihrer operativen Tochtergesellschaft BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft ("**BAWAG P.S.K.**") durchgeführt. Wesentliche Beteiligungen der BAWAG P.S.K. umfassen, unter anderem, easybank AG, start:bausparkasse AG (Wien, Republik Österreich), BAWAG P.S.K. Wohnbaubank Aktiengesellschaft, IMMO-BANK Aktiengesellschaft, start:bausparkasse AG (Hamburg, Bundesrepublik Deutschland), und SÜDWESTBANK AG.

Das nachfolgende Konzerndiagramm zeigt die BAWAG Gruppe zum Datum dieses Basisprospekts:



*29.8% P.S.K. BV,
0.1% easybank,
0.1% BAWAG P.S.K. Wohnbaubank

B.9 Gewinnprognosen oder -schätzungen

Entfällt; es erfolgt keine Gewinnprognose oder -schätzung.

B.10 Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen

Entfällt; KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft hat den Konzernabschluss der BAWAG zum 31. Dezember 2018 und zum 31. Dezember 2017 geprüft und mit einem uneingeschränkten Bestätigungsvermerk versehen.

B.12 Ausgewählte historische Finanzinformationen.

Die folgenden Finanzkennzahlen sind den geprüften Konzernabschlüssen zum 31. Dezember 2018 und zum 31. Dezember 2017 (die "**Konzernabschlüsse**") der Emittentin entnommen (erstellt gemäß den von der EU angenommenen IFRS).

Bilanz (in Mio. €)	2018	2017
	(geprüft, soweit nicht anders angegeben)	
Bilanzsumme	44.698	46.056 ³⁾
Kredite und Forderungen an Kunden	30.482	30.793³⁾
Kundeneinlagen und eigene Emissionen	34.620	36.611
IFRS-Eigenkapital ¹⁾	3.706	3.576 ³⁾
IFRS-Eigenkapital abzgl. Immaterieller	3.202 ⁴⁾	3.088 ^{3, 4)}

Vermögenswerte		
Risikogewichtete Aktiva ²⁾	20.465	21.494 ³⁾

- 1) Eigenkapital, das den Eigentümern des Mutterunternehmens zurechenbar ist; exklusive nicht beherrschende Anteile.
- 2) Basierend auf regulatorischen Werten nach IFRS CRR (BAWAG Gruppe, fully loaded).
- 3) Die Zahlen wurden von den ursprünglich von BAWAG berichteten Zahlen angepasst.
- 4) Ungeprüft.

Erfolgsrechnung (in Mio. €)	2018	2017
	(geprüft)	
Nettozinsertrag	840,5	793,1 ⁴⁾
Provisionsüberschuss	282,8	216,9
Operative Kernerträge¹⁾	1.123,3	1.010,0⁴⁾
Gewinne und Verluste aus Finanzinstrumenten und sonstige betriebliche Erträge und Aufwendungen	47,4	110,4 ⁴⁾
Operative Erträge	1.170,7	1.120,4⁴⁾
Operative Aufwendungen²⁾	-517,9	-528,5⁴⁾
Regulatorische Aufwendungen ²⁾	-40,1	-33,8
Risikokosten	-45,1	-61,8
Gewinn vor Steuern	572,7	500,4⁴⁾
Steuern vom Einkommen	-136,2	-51,2 ⁴⁾
Nettogewinn³⁾	436,5	449,1⁴⁾

- 1) Operative Kernerträge ("**Operative Kernerträge**") : Berechnet als Summe des Nettozinsertrags und dem Provisionsüberschuss. Operative Kernerträge ist eine Alternative Leistungskennzahl (Alternative Performance Measure, "**APM**").
- 2) Dieser Posten umfasst nach IFRS auch die regulatorischen Aufwendungen. Das Management der BAWAG betrachtet die regulatorischen Aufwendungen jedoch als gesonderten Aufwandsposten. Die regulatorischen Aufwendungen werden daher separat dargestellt.
- 3) Jahresüberschuss nach Steuern, der den Eigentümern des Mutterunternehmens zurechenbar ist.
- 4) Die Zahlen wurden von den ursprünglich von BAWAG berichteten Zahlen angepasst.

Kennzahlen	2018	2017
	(ungeprüft, soweit nicht anders angegeben)	
Common Equity Tier 1 Quote ¹⁾	14,5% ¹²⁾	13,4% ^{11), 12)}
Gesamtkapitalquote ²⁾	16,3% ¹²⁾	15,2% ^{11), 12)}
Return on Risk-Weighted Assets ³⁾	2,1%	2,2% ¹¹⁾
Return on Equity ⁴⁾	12,2%	13,4% ¹¹⁾
RoE (@12% CET 1) ⁵⁾	14,3%	15,1% ¹¹⁾
RoTE ⁶⁾	14,2%	15,4% ¹¹⁾
RoTE (@12% CET 1) ⁷⁾	17,1%	17,6% ¹¹⁾
Net Interest Margin ⁸⁾	2,21%	2,24% ¹¹⁾
Cost-income Ratio ⁹⁾	44,2%	47,2% ¹¹⁾
Balance Sheet Leverage ¹⁰⁾	12,1x	12,8x ¹¹⁾

- 1) Common Equity Tier 1 Quote = Common Equity Tier 1 Kapital (CET 1) / risikogewichtete Aktiva.
Die Common Equity Tier 1 Kapital (CET 1) basiert auf regulatorischen Werten nach IFRS CRR der BAWAG Gruppe, exkl. in den Übergangphasen anrechenbarer Kapitalbestandteile (*fully loaded*).
- 2) Gesamtkapitalquote = Regulatorische Gesamtkapital / risikogewichtete Aktiva.
Das Regulatorische Gesamtkapital basiert auf regulatorischen Werten nach IFRS CRR der

BAWAG Gruppe, exkl. in den Übergangsphasen anrechenbarer Kapitalbestandteile (*fully loaded*).

- 3) Return on Risk-Weighted Assets = Nettogewinn / durchschnittliche risikogewichtete Aktiva
- 4) Return on Equity ("RoE"): Berechnet durch Division des Jahresüberschusses durch das den Eigentümern des Mutterunternehmens gemäß den Konzernabschlüssen ("**IFRS Eigenkapital**") zustehende durchschnittliche Eigenkapital. Das durchschnittliche IFRS Eigenkapital wird berechnet, indem die Endwerte der aktuellen und der vorangegangenen Periode addiert und durch zwei dividiert werden. RoE ist ein APM.
- 5) RoE (@12% CET1) ("**RoE (@12% CET 1)**"): RoE berechnet auf Basis einer Common Equity Tier 1 ("**CET 1**", wie in Verordnung (EU) Nr. 575/2013 des Europäischen Parlaments und des Rates vom 26. Juni 2013 über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen definiert) Quote von 12% auf *fully loaded* Basis, d.h. exkl. in den Übergangsphasen anrechenbarer Kapitalbestandteile. RoE (@12% CET1) ist ein APM.
- 6) Return on Tangible Equity ("**RoTE**"): Berechnung durch Division des Nettogewinns mit dem durchschnittlichen IFRS Eigenkapital abzüglich des Buchwerts der im Konzernabschluss ausgewiesenen immateriellen langfristigen Vermögenswerte ("**IFRS Tangible Equity**"). Das durchschnittliche IFRS Tangible Equity wird durch Addition der Endwerte des IFRS Tangible Equity für die gegenwärtige und die vorangegangene Rechnungslegungsperiode und Division dieser Summe durch zwei berechnet. RoTE ist ein APM.
- 7) RoTE (@12% CET 1) ("**RoTE (@12% CET 1)**"): Ertrag auf das IFRS Tangible Equity berechnet auf Basis einer fully loaded CET 1 Quote von 12%. RoTE (@12% CET 1) ist ein APM.
- 8) Net Interest Margin ("**Net Interest Margin**"): Der Einzelposten Nettozins ertrag dividiert durch das durchschnittliche verzinsliche Vermögen. Das durchschnittliche verzinsliche Vermögen wird berechnet durch Summierung des Bestands zum Ende eines jeweiligen Monats und division dieser Summe durch 12. Net Interest Margin ist ein APM.
- 9) Cost-Income Ratio ("**Cost-Income Ratio**"): Berechnet durch Division des Betriebsaufwands durch das Betriebsergebnis. In den Zahlen für den Betriebsaufwand sind bestimmte regulatorische Belastungen nicht enthalten, die ansonsten in der Position Sonstige betriebliche Erträge und Aufwendungen auf Ebene der BAWAG Gruppe im Konzernabschluss enthalten sind. Daher werden solche Regulierungsaufwendungen bei der Berechnung der Cost-Income Ratio nicht berücksichtigt. Cost-Income Ratio ist ein APM.
- 10) Balance Sheet Leverage ("**Balance Sheet Leverage**"): Berechnet durch Division der Bilanzsumme durch das IFRS Eigenkapital. Balance Sheet Leverage ist ein APM.
- 11) Die Zahlen wurden von den ursprünglich von BAWAG berichteten Zahlen angepasst.
- 12) Geprüft.

Wesentliche Verschlechterungen der Aussichten

Seit dem 31. Dezember 2018 sind keine wesentlichen nachteiligen Veränderungen in den Aussichten der Emittentin eingetreten.

Wesentliche Veränderungen bei Finanzlage oder Handelsposition

Entfällt. Seit dem 31. Dezember 2018 sind keine wesentlichen Veränderungen in der Finanzlage oder der Handelsposition der Emittentin eingetreten.

B.13 Jüngste Entwicklungen

Am 1. März 2019 gab die operative Haupt-Tochtergesellschaft der BAWAG, die BAWAG P.S.K., den erfolgreichen Abschluss (*Closing*) des Kaufs der Zahnärztekasse AG bekannt, einem im schweizerischen Dental-Factoring Markt tätigen Unternehmen mit Sitz in Wädenswil, Schweiz.

B.14 Abhängigkeit von anderen Unternehmen innerhalb der Gruppe

vgl. hierzu B.5.

B.15 Haupttätigkeiten der Emittentin

Die Emittentin ist eine Finanzholdinggesellschaft. Ihre Hauptgeschäftstätigkeit wird von ihren operativ tätigen Tochtergesellschaften durchgeführt, insbesondere von der BAWAG P.S.K.

Die BAWAG Gruppe ist mit über 2,5 Millionen Kunden eine der größten Banken in Österreich. Die BAWAG Gruppe bietet ein breites Sortiment von Bankprodukten und -dienstleistungen an, vom Privatkundengeschäft bis hin zu Unternehmenskrediten und Direktbankgeschäften, und vertreibt eine Auswahl an Versicherungen, Investment- und anderen Finanzprodukten ihrer externen

Partner.

Die BAWAG Gruppe ist mit ihrem easybank-Geschäft sowie mit Online- und Mobil-Plattformen ein wichtiger Akteur im österreichischen Direktbankenmarkt und betreibt zudem ein zentralisiertes Filialnetzwerk mit einem Fokus auf wesentliche städtische Wachstumsregionen in Österreich, speziell in Wien. Der geografische Fokus der Geschäftstätigkeit liegt auf der DACH-Region (bestehend aus Österreich, Deutschland und der Schweiz) und im speziellen auf dem Heimatmarkt der BAWAG Gruppe, Österreich, und in geringerem Umfang, auf Deutschland. Die BAWAG Gruppe ist aber auch in Westeuropa außerhalb der DACH-Region und in den Vereinigten Staaten von Amerika in den Bereichen Unternehmens- und Gewerbeimmobilien-Kreditfinanzierungen sowie im Bereich Portfoliofinanzierungen tätig. Die BAWAG Gruppe steuert die Liquidität ihres Kernfinanzierungsgeschäfts über ein Investment-Portfolio bestehend aus Finanzinstrumenten ohne direktes Exposure zu China, Russland, Ungarn oder südosteuropäischen Ländern.

Die Emittentin ist über ihre Tochterunternehmen insbesondere in den folgenden Geschäftssegmenten tätig:

BAWAG P.S.K. Retail. Das Segment BAWAG P.S.K Retail betreut Privatkunden und kleine Unternehmenskunden. Das Segment wird über ein zentrales Filialnetz sowie eine digitale Plattform betrieben und durch ein Kundenbetreuungszentrum unterstützt. Die Strategie des Segments besteht darin, mit einem datengetriebenen Ansatz für Produktangebote und Kundenbeziehungen einfache, transparente und leicht zu verstehende Produkte und Dienstleistungen über Filialen, Online- und Direktvertrieb anzubieten und dabei die anerkannte nationale Marke BAWAG P.S.K. zu vermarkten.

easygroup. easygroup umfasst die Direktbank easybank, eine Tochtergesellschaft mit einer kompletten Onlineprodukt-Palette, einschließlich Sparprodukte, Zahlungsprodukte, Kreditkarten und Krediten für Verbraucher und Kleinunternehmer, zusammen mit Auto-, Mobil- und Immobilien-Leasing-Plattformen, Bausparverträgen und Bausparkonten sowie mit der Vergabe von Krediten an internationale Verbraucher einschließlich eigener Emissionen mit einem internationalen Hypothekenkreditportfolio.

Südwestbank. Südwestbank, gegründet im Jahr 1922, ist eine Universal-Bank mit einer langen Geschichte bei der Betreuung von Kunden in der Region Baden-Württemberg im Südwesten Deutschlands mit Hauptsitz in Stuttgart, Deutschland. Südwestbank bietet ein breites Sortiment an Kredit- und Einlagenprodukten und Dienstleistungen an. Neben dem Kredit- und Einlagengeschäft bietet Südwestbank weitere Produkte an, einschließlich Versicherungen, Bausparverträgen mit Bausparkassen und Anlageberatung.

DACH Corporates & Public Sector. Dieses Segment umfasst das Kreditgeschäft mit Firmenkunden und der öffentlichen Hand sowie andere gebührenpflichtige Finanzdienstleistungen mit einem Schwerpunkt auf Laufzeitkrediten, Zahlungsdienstleistungen und dem Verkauf von Wertpapieren. Das Segment richtet sich hauptsächlich an österreichische Kunden sowie ausgewählte Kunden in Deutschland und der Schweiz.

International Business. Dieses Segment umfasst die Kredite im internationalen Unternehmenskunden- und Gewerbeimmobilienbereich der BAWAG Gruppe außerhalb der DACH-Region mit einem Fokus auf Industrieländer innerhalb Westeuropas sowie die Vereinigten Staaten.

B.16 Beteiligungs- und Beherrschungsverhältnisse

Hauptaktionäre der BAWAG sind verschiedene von den Investoren Cerberus (die "**Cerberus Aktionäre**") und GoldenTree (die "**GoldenTree Aktionäre**") verwaltete Fonds und Depotkonten mit einem Anteil von 34,99% bzw. 25,7% an der Gesamtzahl der ausstehenden Aktien der BAWAG Group AG per Datum dieses Basisprospekts. Die restlichen Streubesitzanteile der BAWAG befinden

sich im Besitz verschiedener in- und ausländischer Minderheitsaktionäre.

B.17 Kreditratings der Emittentin und der Schuldverschreibungen

Das Rating der Tochtergesellschaft BAWAG P.S.K., welche die Geschäftstätigkeit der Emittentin durchführt, wird von Moody's Deutschland GmbH ("**Moody's**") und Fitch Ratings Ltd. ("**Fitch**")³ vorgenommen.

Am 21. Januar 2019 wurde die BAWAG P.S.K. von Moody's wie folgt geratet:

Kategorie	Rating
<i>Ratingausblick</i>	<i>Stabil</i>
<i>Baseline Credit Assessment</i>	<i>baa1</i>
<i>Emittentenrating</i>	<i>A2</i>
<i>Unbesicherte Finanzinstrumente</i>	<i>A2</i>
<i>Nachrangige Finanzinstrumente - Landeswährung</i>	<i>Baa2</i>
<i>Kurzfristiges Emittentenrating</i>	<i>P-1</i>

Am 6. Februar 2019 wurde die BAWAG P.S.K. von Fitch wie folgt geratet:

Kategorie	Rating
<i>Long-term Issuer Default Rating</i>	<i>A-</i>
<i>Ratingausblick</i>	<i>stabil</i>
<i>Short-term Issuer Default Rating</i>	<i>F1</i>
<i>Viability Rating</i>	<i>a-</i>
<i>Rating für nachrangige Finanzinstrumente</i>	<i>BBB+</i>

[Moody's] [,] [und] [Fitch] [und] [●] [[wird] [werden] voraussichtlich] [[hat] [haben]] den Schuldverschreibungen folgende[s] Rating[s] erteilt: ●.] [Die Schuldverschreibungen verfügen nicht über ein Rating.]

³ Moody's and Fitch are credit rating agencies with establishments in the European Union and registered pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"). The European Securities and Markets Authority ("**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 Deutschland GmbH ("**Moody's**") and Fitch Ratings Ltd ("**Fitch**").

[BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft als Emittentin:

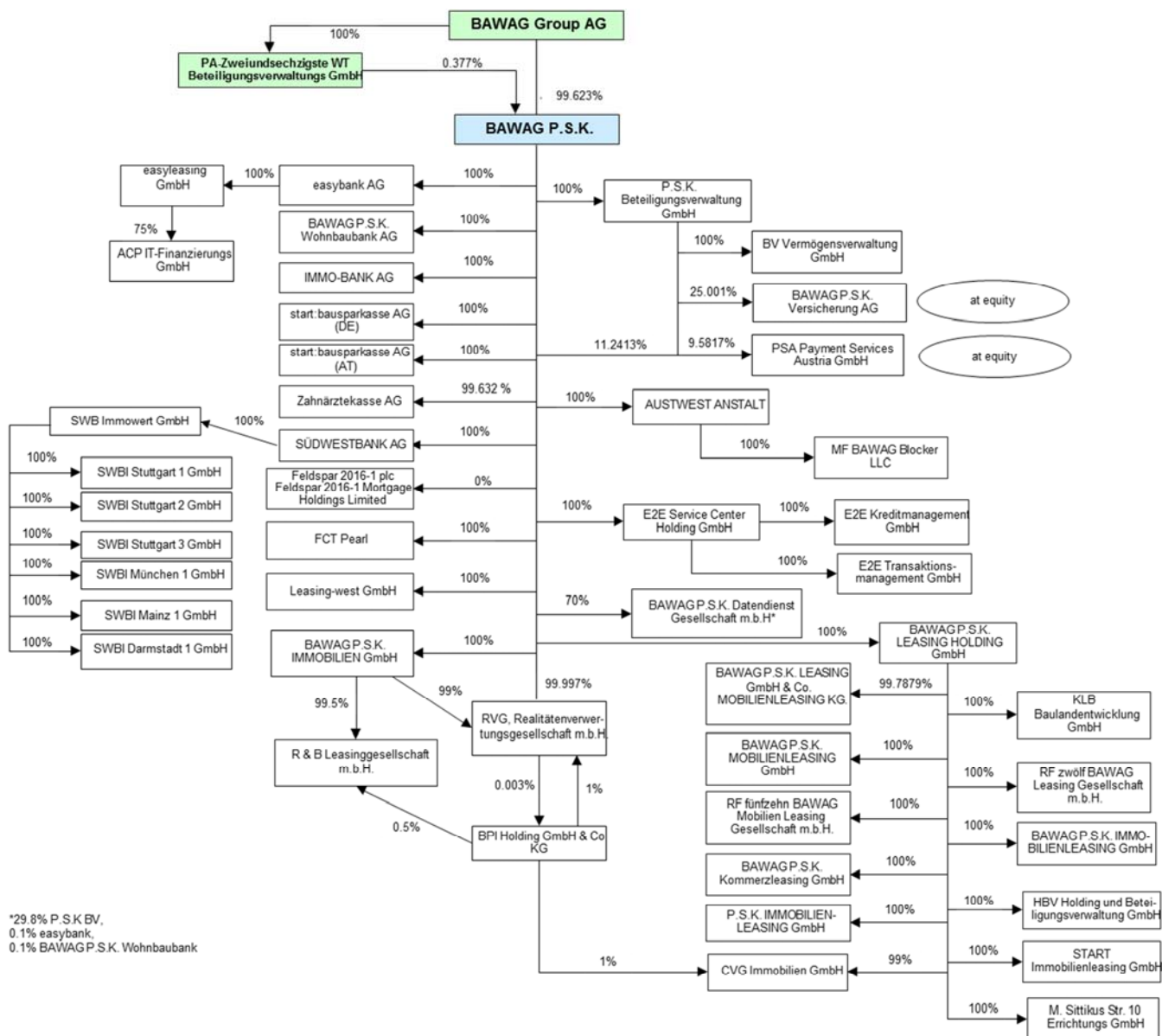
B.1	Gesetzliche und kommerzielle Bezeichnung	BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft (" BAWAG P.S.K. " oder die " Emittentin ").
B.2	Sitz	Wiedner Gürtel 11, A-1100 Wien
	Rechtsform	Aktiengesellschaft
	Auf die Emittentin anzuwendendes Recht	Österreichisches Recht
	Land der Gründung	Österreich
B.4b	Alle bereits bekannten Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken.	<p>Die Betriebsergebnisse und die Finanzlage der BAWAG P.S.K. Gruppe wurden und werden voraussichtlich weiterhin von einer Reihe von Faktoren beeinflusst; einige davon betreffen den Bankensektor im Allgemeinen. Die BAWAG P.S.K. Gruppe ist der Auffassung, dass zu den wesentlichen Faktoren die folgenden zählen:</p> <ul style="list-style-type: none">• Die Erträge der BAWAG P.S.K. Gruppe hängen erheblich von der Entwicklung ihrer Nettozinserträge ab, welche besonders durch die Entwicklung des Zinsniveaus beeinflusst werden.• Die BAWAG P.S.K. Gruppe wird durch Entwicklungen des regulatorischen Umfelds für Finanzinstitute besonders beeinflusst. Nach einer umfassenderen Überprüfung der derzeit geltenden Regulierungen über die Beaufsichtigung, die aufsichtsrechtlichen Anforderungen sowie die Sanierung und Abwicklung von Kreditinstituten und Wertpapierfirmen werden in naher Zukunft Änderungen der einschlägigen europäischen Richtlinien und Verordnungen sowie der nationalen Umsetzungsgesetze erwartet. Solche Änderungen werden voraussichtlich Ergänzungen der Säule 2 (<i>pillar 2</i>) Kapitalanforderungen, angemessene Kapital- und Liquiditätsanforderungen, bestimmte Ausnahmetatbestände, eine verbindliche Leverage Ratio und eine strukturelle Mindestfinanzierungsquote (<i>minimum net stable funding ratio</i>) umfassen und sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken.• Die BAWAG P.S.K. Gruppe ist starkem Wettbewerb durch traditionelle Banken und neue Finanztechnologieunternehmen (sogenannte 'FinTechs') ausgesetzt.• Die Ergebnisse der BAWAG P.S.K. Gruppe hängen von ihrer Fähigkeit, Kundeneinlagen aufrechtzuerhalten und zu steigern sowie von dem Zugang zu externen Refinanzierungsquellen ab.• Die BAWAG P.S.K. Gruppe muss sich aufkommenden Technologien und Veränderungen des Kundenverhaltens anpassen, die durch die zunehmende Digitalisierung getrieben werden.• Die Geschäftstätigkeit und die Ergebnisse der BAWAG P.S.K. Gruppe waren und werden weiterhin erheblich durch die Integration von erworbenen Unternehmen beeinflusst.
B.5	Beschreibung der Gruppe und der Stellung der	Die Emittentin steht (direkt und indirekt) im Alleineigentum der BAWAG Group AG (die BAWAG Group AG zusammen mit ihren konsolidierten Tochtergesellschaften die " BAWAG Gruppe ", und gemeinsam mit ihren Tochterunternehmen, die der konsolidierten Aufsicht unterliegen, die

Emittentin darin

"Regulatorische BAWAG Gruppe"), einer Aktiengesellschaft, deren Aktien an der Wiener Börse notiert sind.

Wesentliche Tochtergesellschaften der Emittentin umfassen unter anderem easybank AG, start:bausparkasse AG (Wien, Republik Österreich), BAWAG P.S.K. Wohnbaubank Aktiengesellschaft, IMMO-BANK Aktiengesellschaft, start:bausparkasse (Hamburg, Bundesrepublik Deutschland) und SÜDWESTBANK AG (die BAWAG P.S.K. zusammen mit ihren konsolidierten Tochterunternehmen die "BAWAG P.S.K. Gruppe").

Das nachfolgende Konzerndiagramm zeigt die BAWAG Gruppe, einschließlich der BAWAG P.S.K. Gruppe, zum Datum dieses Basisprospektes:



B.9 Gewinnprognosen oder -schätzungen

Entfällt; es erfolgt keine Gewinnprognose oder -schätzung.

B.10 Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen

Entfällt; KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft hat den Konzernabschluss der BAWAG P.S.K. zum 31. Dezember 2018 und zum 31. Dezember 2017 geprüft und mit einem uneingeschränkten Bestätigungsvermerk versehen. geprüft und mit einem

uneingeschränkten Bestätigungsvermerk versehen.

B.12 Ausgewählte historische Finanzinformationen.

Die folgenden Finanzkennzahlen sind den geprüften Konzernabschlüssen zum 31. Dezember 2018 und zum 31. Dezember 2017 (die "**Konzernabschlüsse**") der Emittentin entnommen (erstellt gemäß den von der EU angenommenen IFRS).

Bilanz (in Mio. €)	2018	2017
	(geprüft, soweit nicht anders angegeben)	
Bilanzsumme	44.388	45.765 ³⁾
Kredite und Forderungen an Kunden	30.482	30.793³⁾
Kundeneinlagen und eigene Emissionen	34.620	36.661³⁾
IFRS-Eigenkapital ¹⁾	3.262	3.264 ³⁾
IFRS-Eigenkapital abzgl. Immaterieller Vermögenswerte	3.038 ⁴⁾	3.061 ^{3), 4)}
Risikogewichtete Aktiva ²⁾	20.331	21.428 ³⁾

1) Eigenkapital, das den Eigentümern des Mutterunternehmens zurechenbar ist; exklusive nicht beherrschende Anteile.

2) Basierend auf regulatorischen Werten nach IFRS CRR (BAWAG P.S.K. Gruppe, *fully loaded*).

3) Die Zahlen wurden von den ursprünglich von BAWAG berichteten Zahlen angepasst.

4) Ungeprüft.

Erfolgsrechnung (in Mio. €)	2018	2017
	(geprüft)	
Nettozinsertrag	840,4	793,3 ⁴⁾
Provisionsüberschuss	282,8	216,9
Operative Kernerträge¹⁾	1.123,2	1.010,2⁴⁾
Gewinne und Verluste aus Finanzinstrumenten und sonstige betriebliche Erträge und Aufwendungen	47,3	110,3 ⁴⁾
Operative Erträge	1.170,5	1.120,5⁴⁾
Operative Aufwendungen²⁾	-497,0	470,0⁴⁾
Regulatorische Aufwendungen ²⁾	-40,1	-33,8
Risikokosten	-45,1	-125,4
Gewinn vor Steuern	593,4	495,4⁴⁾
Steuern vom Einkommen	(162,3)	(36,8) ⁴⁾
Nettogewinn³⁾	431,1	458,5⁴⁾

1) Operative Kernerträge ("**Operative Kernerträge**"): Berechnet als Summe des Nettozinsertrags und dem Provisionsüberschuss. Operative Kernerträge ist eine Alternative Leistungskennzahl (Alternative Performance Measure, "**APM**").

2) Dieser Posten umfasst nach IFRS auch die regulatorischen Aufwendungen. Das Management der BAWAG P.S.K. betrachtet die regulatorischen Aufwendungen jedoch als gesonderten Aufwandsposten. Die regulatorischen Aufwendungen werden daher separat dargestellt.

3) Jahresüberschuss nach Steuern, der den Eigentümern des Mutterunternehmens zurechenbar ist.

4) Die Zahlen wurden von den ursprünglich von BAWAG P.S.K. berichteten Zahlen angepasst.

Kennzahlen	2018	2017
	(ungeprüft)	
Common Equity Tier 1 Quote ¹⁾	12,2%	12,6% ¹¹⁾
Gesamtkapitalquote ²⁾	14,2%	15,1% ¹¹⁾
Return on risk-weighted assets ³⁾	2,1%	2,3% ¹¹⁾

Return on Equity ⁴⁾	13,7%	15,1% ¹¹⁾
RoE (@12% CET 1) ⁵⁾	14,7%	16,5% ¹¹⁾
RoTE ⁶⁾	14,7%	16,0% ¹¹⁾
RoTE (@12% CET 1) ⁷⁾	15,8%	17,6% ¹¹⁾
Net Interest Margin ⁸⁾	2,25%	2,32% ¹¹⁾
Cost-Income Ratio ⁹⁾	42,5	41,9 ¹¹⁾
Balance Sheet Leverage ¹⁰⁾	13,6x	14,0x ¹¹⁾

1) Common Equity Tier 1 Quote = Common Equity Tier 1 Kapital (CET 1) / risikogewichtete Aktiva.

Die Common Equity Tier 1 Kapital (CET 1) basiert auf regulatorischen Werten nach IFRS CRR der BAWAG P.S.K. Gruppe, exkl. in den Übergangsphasen anrechenbarer Kapitalbestandteile (*fully loaded*).

2) Gesamtkapitalquote = Regulatorische Gesamtkapital / risikogewichtete Aktiva.

Das Regulatorische Gesamtkapital basiert auf regulatorischen Werten nach IFRS CRR der BAWAG P.S.K. Gruppe, exkl. in den Übergangsphasen anrechenbarer Kapitalbestandteile (*fully loaded*).

3) Return on Risk-Weighted Assets = Nettogewinn / durchschnittliche risikogewichtete Aktiva

4) Return on Equity ("**RoE**") : Berechnet durch Division des Jahresüberschusses durch das den Eigentümern des Mutterunternehmens gemäß den Konzernabschlüssen ("**IFRS Eigenkapital**") zustehende durchschnittliche Eigenkapital. Das durchschnittliche IFRS Eigenkapital wird berechnet, indem die Endwerte der aktuellen und der vorangegangenen Periode addiert und durch zwei dividiert werden. RoE ist ein APM.

5) RoE (@12% CET1) ("**RoE (@12% CET 1)**") : RoE berechnet auf Basis einer Common Equity Tier 1 ("**CET 1**", wie in Verordnung (EU) Nr. 575/2013 des Europäischen Parlaments und des Rates vom 26. Juni 2013 über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen definiert) Quote von 12% auf *fully loaded* Basis, d.h. exkl. in den Übergangsphasen anrechenbarer Kapitalbestandteile. RoE (@12% CET1) ist ein APM.

6) Return on Tangible Equity ("**RoTE**") : Berechnung durch Division des Nettogewinns mit dem durchschnittlichen IFRS Eigenkapital abzüglich des Buchwerts der im Konzernabschluss ausgewiesenen immateriellen langfristigen Vermögenswerte ("**IFRS Tangible Equity**"). Das durchschnittliche IFRS Tangible Equity wird durch Addition der Endwerte des IFRS Tangible Equity für die gegenwärtige und die vorangegangene Rechnungslegungsperiode und Division dieser Summe durch zwei berechnet. RoTE ist ein APM.

7) RoTE (@12% CET 1) ("**RoTE (@12% CET 1)**") : Ertrag auf das IFRS Tangible Equity berechnet auf Basis einer *fully loaded* CET 1 Quote von 12%. RoTE (@12% CET 1) ist ein APM.

8) Net Interest Margin ("**Net Interest Margin**") : Der Einzelposten Nettozinsertrag dividiert durch das durchschnittliche verzinsliche Vermögen. Das durchschnittliche verzinsliche Vermögen wird berechnet durch Summierung des Bestands zum Ende eines jeweiligen Monats und division dieser Summe durch 12. Net Interest Margin ist ein APM.

9) Cost-Income Ratio ("**Cost-Income Ratio**") : Berechnet durch Division des Betriebsaufwands durch das Betriebsergebnis. In den Zahlen für den Betriebsaufwand sind bestimmte regulatorische Belastungen nicht enthalten, die ansonsten in der Position Sonstige betriebliche Erträge und Aufwendungen auf Ebene der BAWAG Gruppe im Konzernabschluss enthalten sind. Daher werden solche Regulierungsaufwendungen bei der Berechnung der Cost-Income Ratio nicht berücksichtigt. Cost-Income Ratio ist ein APM.

10) Balance Sheet Leverage ("**Balance Sheet Leverage**") : Berechnet durch Division der Bilanzsumme durch das IFRS Eigenkapital. Balance Sheet Leverage ist ein APM.

11) Die Zahlen wurden von den ursprünglich von BAWAG P.S.K. berichteten Zahlen angepasst.

Wesentliche Verschlechterungen der Aussichten

Seit dem 31. Dezember 2018 sind keine wesentlichen nachteiligen Veränderungen in den Aussichten der Emittentin eingetreten.

Wesentliche Veränderungen bei Finanzlage oder Handelsposition

Entfällt. Seit dem 31. Dezember 2018 sind keine wesentlichen Veränderungen in der Finanzlage oder der Handelsposition der Emittentin eingetreten.

B.13 Jüngste Entwicklungen

Am 1. März 2019 gab die BAWAG P.S.K. den erfolgreichen Abschluss (Closing) des Kaufs der Zahnärztekasse AG bekannt, einem im schweizerischen Dental-

Factoring Markt tätigen Unternehmen mit Sitz in Wädenswil, Schweiz.

B.14 Abhängigkeit von anderen Unternehmen innerhalb der Gruppe BAWAG P.S.K. unterliegt dem beherrschenden Einfluss ihrer Mehrheitsaktionärin BAWAG Group AG (vgl. hierzu B.5).

B.15 Haupttätigkeiten der Emittentin Die Emittentin bietet als Universalbank umfassende Bankdienstleistungen an. Das Kerngeschäft der BAWAG P.S.K. ist das Privatkundengeschäft.

Die BAWAG P.S.K. Gruppe ist insbesondere in den folgenden Geschäftssegmenten tätig:

BAWAG P.S.K. Retail. Das Segment BAWAG P.S.K. Retail betreut Privatkunden und kleine Unternehmenskunden. Das Segment wird über ein zentrales Filialnetz sowie eine digitale Plattform betrieben und durch ein Kundenbetreuungszentrum unterstützt. Die Strategie des Segments besteht darin, mit einem datengetriebenen Ansatz für Produktangebote und Kundenbeziehungen einfache, transparente und leicht zu verstehende Produkte und Dienstleistungen über Filialen, Online- und Direktvertrieb anzubieten und dabei die anerkannte nationale Marke BAWAG P.S.K. zu vermarkten.

easygroup. easygroup umfasst die Direktbank easybank, eine Tochtergesellschaft mit einer kompletten Onlineprodukt-Palette, einschließlich Sparprodukte, Zahlungsprodukte, Kreditkarten und Krediten für Verbraucher und Kleinunternehmer, zusammen mit Auto-, Mobil- und Immobilien-Leasing-Plattformen, Bausparverträgen und Bausparkonten sowie mit der Vergabe von Krediten an internationale Verbraucher einschließlich eigener Emissionen mit einem internationalen Hypothekenkreditportfolio.

Südwestbank. Südwestbank, gegründet im Jahr 1922, ist eine Universal-Bank mit einer langen Geschichte bei der Betreuung von Kunden in der Region Baden-Württemberg im Südwesten Deutschlands mit Hauptsitz in Stuttgart, Deutschland. Südwestbank bietet ein breites Sortiment an Kredit- und Einlagenprodukten und Dienstleistungen an. Neben dem Kredit- und Einlagengeschäft bietet Südwestbank weitere Produkte an, einschließlich Versicherungen, Bausparverträgen mit Bausparkassen und Anlageberatung.

DACH Corporates & Public Sector. Dieses Segment umfasst das Kreditgeschäft mit Firmenkunden und der öffentlichen Hand sowie andere gebührenpflichtige Finanzdienstleistungen mit einem Schwerpunkt auf Laufzeitkrediten, Zahlungsdienstleistungen und dem Verkauf von Wertpapieren. Das Segment richtet sich hauptsächlich an österreichische Kunden sowie ausgewählte Kunden in Deutschland und der Schweiz.

International Business. Dieses Segment umfasst die Kredite im internationalen Unternehmenskunden- und Gewerbeimmobilienbereich der BAWAG Gruppe außerhalb der DACH-Region mit einem Fokus auf Industrieländer innerhalb Westeuropas sowie die Vereinigten Staaten.

B.16 Beteiligungs- und Beherrschungsverhältnisse Die Emittentin steht vollständig (direkt und indirekt) im Eigentum der BAWAG Group AG. Hauptaktionäre der BAWAG Group AG sind verschiedene von den Investoren Cerberus (die "**Cerberus Aktionäre**") und GoldenTree (die "**GoldenTree Aktionäre**") verwaltete Fonds und Depotkonten mit einem Anteil von 34,99% bzw. 25,7% an der Gesamtzahl der ausstehenden Aktien der BAWAG Group AG per Datum dieses Basisprospekts. Die restlichen Streubesitzanteile der BAWAG befinden sich im Besitz verschiedener in- und ausländischer Minderheitsaktionäre.

B.17 Kreditratings der Emittentin und der Schuldverschreibungen

Das Rating der Emittentin wird von Moody's Deutschland GmbH ("**Moody's**") und Fitch Ratings Ltd. ("**Fitch**")⁴ vorgenommen.

Am 21. Januar 2019 wurde die Emittentin von Moody's wie folgt geratet:

Kategorie	Rating
<i>Ratingausblick</i>	<i>Stabil</i>
<i>Baseline Credit Assessment</i>	<i>baa1</i>
<i>Emittentenrating</i>	<i>A2</i>
<i>Unbesicherte Finanzinstrumente</i>	<i>A2</i>
<i>Nachrangige Finanzinstrumente - Landeswährung</i>	<i>Baa2</i>
<i>Kurzfristiges Emittentenrating</i>	<i>P-1</i>

Am 6. Februar 2019 wurde die Emittentin von Fitch wie folgt geratet:

Kategorie	Rating
<i>Long-term Issuer Default Rating</i>	<i>A-</i>
<i>Ratingausblick</i>	<i>stabil</i>
<i>Short-term Issuer Default Rating</i>	<i>F1</i>
<i>Viability Rating</i>	<i>a-</i>
<i>Rating für nachrangige Finanzinstrumente</i>	<i>BBB+</i>

[Moody's] [,] [und] [Fitch] [und] [●] [[wird] [werden] voraussichtlich] [[hat] [haben]] den Schuldverschreibungen folgende[s] Rating[s] erteilt: ●.] [Die Schuldverschreibungen verfügen nicht über ein Rating.]

Abschnitt C – Wertpapiere

C.1 Gattung und Art der Wertpapiere, einschließlich der Wertpapier Kennnummer (WKN)

Art

[Festverzinsliche Schuldverschreibungen]

[Festverzinsliche Schuldverschreibungen mit neu festsetzbarer Verzinsung]

[Variabel verzinsliche Schuldverschreibungen]

[Fest zu variabel verzinsliche Schuldverschreibungen]

[Nullkupon-Schuldverschreibungen]

Gattung

[Die Schuldverschreibungen sind nicht nachrangig und nicht besichert.][Die Schuldverschreibungen sind nicht-vorrangige Schuldverschreibungen, die nicht nachrangig und nicht besichert sind.][Fundierte Bankschuldverschreibungen sind nicht nachrangig und sind durch einen Deckungsstock besichert.][Die Schuldverschreibungen sind nachrangig und nicht besichert.]

Wertpapierkennnummer

[Vorläufige] ISIN: [●]

⁴ Moody's and Fitch are credit rating agencies with establishments in the European Union and registered pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"). The European Securities and Markets Authority ("**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 Deutschland GmbH ("**Moody's**") and Fitch Ratings Ltd ("**Fitch**").

[Vorläufige] Common Code: [●]

[Vorläufige] WKN: [●]

[Vorläufige] [Andere: [●]]

C.2 Währung der Wertpapieremission

Die Schuldverschreibungen sind in [●] begeben.

C.5 Beschränkungen der freien Übertragbarkeit

Entfällt. Die Schuldverschreibungen sind frei übertragbar.

C.8 Rechte, die mit den Schuldverschreibungen verbunden sind, Rangfolge der Schuldverschreibungen und Einschränkungen der mit den Schuldverschreibungen verbundenen Rechte

Rechte, die mit den Schuldverschreibungen verbunden sind

Jeder Gläubiger von Schuldverschreibungen hat aus ihnen das Recht, Zahlungen von Zinsen und Kapital von der Emittentin zu verlangen, wenn diese Zahlungen gemäß den Anleihebedingungen fällig sind.

Rückzahlung

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am [●] (der "**Fälligkeitstag**") zurückgezahlt. Der "**Rückzahlungsbetrag**" in Bezug auf jede Schuldverschreibung entspricht [[●] Prozent des] [dem] Nennbetrag[s] der Schuldverschreibungen.

[Falls keine vorzeitige Rückzahlung nach Wahl der Emittentin oder der Gläubiger, einfügen: Die Schuldverschreibungen sind nicht vor Ablauf ihrer festgelegten Laufzeit (außer aus steuerlichen Gründen **[im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen), Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen und Nachrangigen Schuldverschreibungen einfügen:** und aus regulatorischen Gründen] **[im Fall von Fundierten Schuldverschreibungen einfügen:** oder bei Eintritt eines Kündigungsereignisses]) rückzahlbar.]

[Falls eine vorzeitige Rückzahlung nach Wahl der Emittentin oder der Gläubiger, einfügen: Vorzeitige Rückzahlung

Die Schuldverschreibungen sind vor Ablauf ihrer festgelegten Laufzeit nach Wahl [der Emittentin] **[im Fall von Fundierten Schuldverschreibungen einfügen:** [und] [der Gläubiger]] aus steuerlichen Gründen **[im Fall von Nicht-Nachrangigen Schuldverschreibungen, Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen und Nachrangigen Schuldverschreibungen einfügen:** oder aus regulatorischen Gründen] **[im Fall von Fundierten Schuldverschreibungen einfügen:** oder bei Eintritt eines Kündigungsereignisses] rückzahlbar.]

Rückzahlung aus Steuergründen

[Außer in dem oben beschriebenen Fall der "Vorzeitige Rückzahlung" ist eine] [Eine] vorzeitige Rückzahlung der Schuldverschreibungen [ist] aus steuerlichen Gründen nur zulässig, falls die Emittentin zur Zahlung zusätzlicher Beträge auf die Schuldverschreibungen als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften der Republik Österreich oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften. **[Im Fall von Schuldverschreibungen, die keine Fundierten Bankschuldverschreibungen sind, einfügen:** Im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen und Nachrangigen Schuldverschreibungen setzt eine

solche Rückzahlung aus steuerlichen Gründen voraus, dass bestimmte weitere Bedingungen zur Rückzahlung wie etwa die vorherige Erlaubnis der zuständigen Behörde oder (gegebenenfalls Behörden) erteilt wurde.]

[Im Fall von Nachrangigen Schuldverschreibungen, einfügen:

Rückzahlung aus regulatorischen Gründen

Wenn sich die aufsichtsrechtliche Einstufung der betreffenden Instrumente ändert, was wahrscheinlich zu ihrem Ausschluss aus den Eigenmitteln oder ihrer Neueinstufung als Eigenmittel geringerer Qualität der [Regulatorischen BAWAG-Gruppe auf konsolidierter Basis][der Emittentin auf Einzelbasis]führen würde, kann die Emittentin, unter bestimmten weiteren Voraussetzungen, die Schuldverschreibungen vorzeitig zurückzahlen.]

[Im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen, einfügen:

Rückzahlung aus regulatorischen Gründen

Bei Eintritt eines MREL Disqualification Events kann die Emittentin die Schuldverschreibungen vorzeitig zurückzahlen.

"**MREL Disqualification Event**" meint zu jedem Zeitpunkt die Feststellung durch die Emittentin, dass die Schuldverschreibungen, ganz oder teilweise (i) nicht als Berücksichtigungsfähige MREL-Instrumente anerkannt werden, oder (ii) sich ihre aufsichtsrechtliche Einstufung so ändert, dass die Schuldverschreibungen wahrscheinlich von den Berücksichtigungsfähigen MREL-Instrumenten ausgeschlossen wären oder sind, wobei jeweils kein MREL Disqualification Event eintreten soll auf der Basis, (i) dass die Restlaufzeit der Schuldverschreibungen weniger beträgt als ein etwaiger Zeitraum gemäß den Anwendbaren MREL-Regeln, und/oder (ii) etwaiger anwendbarer Beschränkungen des zulässigen oder genehmigten Betrages für Berücksichtigungsfähige MREL-Instrumente zur Erfüllung von MREL gemäß den Anwendbaren MREL-Regeln.

"**Anwendbare MREL-Regeln**" meint die Gesetze, Vorschriften, Anforderungen, Leitlinien und Richtlinien im Zusammenhang mit den Mindestanforderungen für Eigenmittel und Berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL), wie jeweils anwendbar.

"**Berücksichtigungsfähige MREL-Instrumente**" meint jegliche (direkt oder indirekt begebene) Schuldtitel der Emittentin, die für die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL) nach den Anwendbaren MREL-Regeln qualifizieren.

"**MREL**" meint die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*) nach den Anwendbaren MREL-Regeln.]

Negativerklärung

Die Anleihebedingungen der Schuldverschreibungen enthalten keine Negativverpflichtung.

Kündigungsgründe

[Im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen, einfügen: Die Anleihebedingungen der

Schuldverschreibungen sehen Kündigungsgründe vor, die die Gläubiger berechtigen, die unverzügliche Rückzahlung der Schuldverschreibungen zu verlangen.]

[Im Fall von Fundierten Bankschuldverschreibungen, einfügen: Die Anleihebedingungen der Schuldverschreibungen sehen Kündigungsgründe vor, die die Gläubiger berechtigen, die unverzügliche Rückzahlung der Schuldverschreibungen zu verlangen.]

[Im Fall von Nachrangigen Schuldverschreibungen, einfügen: Die Anleihebedingungen der Schuldverschreibungen sehen keine Kündigungsgründe vor, die die Gläubiger berechtigen, die unverzügliche Rückzahlung der Schuldverschreibungen zu verlangen.]

Cross-Default

Die Anleihebedingungen der Schuldverschreibungen enthalten keine Cross-Default-Bestimmung.

Rangfolge der Schuldverschreibungen (Status)

[Im Fall von Nicht-Nachrangigen Schuldverschreibungen außer Fundierten Bankschuldverschreibungen oder Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen, einfügen: Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind mit Ausnahme von Verbindlichkeiten, die nach geltenden Rechtsvorschriften vorrangig sind.]

[Im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen, einfügen: Die Schuldverschreibungen begründen direkte, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, jedoch mit der Maßgabe, dass sie nicht-bevorrechtigte nicht-nachrangige (*non-preferred senior*) Verbindlichkeiten der Emittentin aus Schuldtiteln sind, welche die Voraussetzungen gemäß § 131 Abs. 3 Z 1 bis 3 BaSAG erfüllen. Daher sind im Falle der Insolvenz oder der Liquidation der Emittentin Ansprüche auf den Kapitalbetrag der Schuldverschreibungen: (i) nachrangig gegenüber allen anderen gegenwärtigen oder zukünftigen unbesicherten und nicht nachrangigen Instrumenten oder Verbindlichkeiten der Emittentin, die nicht die Voraussetzungen gemäß § 131 Abs. 3 Z 1 bis 3 BaSAG erfüllen; (ii) gleichrangig: (A) untereinander; und (B) mit allen anderen gegenwärtigen oder zukünftigen nicht-bevorrechtigten nicht-nachrangigen Instrumenten oder Verbindlichkeiten der Emittentin, die die Voraussetzungen gemäß § 131 Abs. 3 Z 1 bis 3 BaSAG erfüllen (ausgenommen nicht nachrangige Instrumente oder Verbindlichkeiten der Emittentin, die vorrangig oder nachrangig gegenüber den Schuldverschreibungen sind oder diesen gegenüber als vorrangig oder nachrangig bezeichnet werden); und (iii) vorrangig gegenüber allen gegenwärtigen oder zukünftigen: (A) Stammaktien oder anderen Instrumenten des harten Kernkapitals (*Common Equity Tier 1*) gemäß Artikel 28 CRR der Emittentin; (B) Instrumenten des zusätzlichen Kernkapitals (*Additional Tier 1*) gemäß Artikel 52 CRR der Emittentin; (C) Instrumenten des Ergänzungskapitals (*Tier 2*) gemäß Artikel 63 CRR der Emittentin; und (D) allen anderen nachrangigen Instrumenten oder Verbindlichkeiten der Emittentin.

"BaSAG" bezeichnet das österreichische Sanierungs- und Abwicklungsgesetz in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen des BaSAG geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen des BaSAG in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"CRR" bezeichnet die Verordnung (EU) Nr. 575/2013 des Europäischen

Parlaments und des Rates vom 26. Juni 2013 über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen und zur Änderung der Verordnung (EU) Nr. 648/2012, in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der CRR geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der CRR in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.]

[Im Fall von nachrangigen Schuldverschreibungen, einfügen: Die Schuldverschreibungen begründen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die (i) untereinander und (ii) mit allen anderen gegenwärtigen oder zukünftigen (x) Tier 2 Instrumenten (wie untenstehend definiert) und (y) gleichrangigen oder ausdrücklich als gleichrangig mit dem Schuldverschreibungen bestimmten Instrumenten oder Verbindlichkeiten; und (iii) mit allen Verbindlichkeiten der Emittentin, die in dieser Weise nachrangig sind, gleichrangig sind. Im Fall der Insolvenz oder der Liquidation der Emittentin dürfen die Forderungen aus den Schuldverschreibungen erst nach (i) den Forderungen der nicht nachrangigen Gläubiger der Emittentin und (ii) allen anderen Instrumenten oder Verbindlichkeiten der Emittentin, die nach nachrangigen Verbindlichkeiten der Emittentin befriedigt werden oder dazu bestimmt sind (mit Ausnahme von Instrumenten oder Verbindlichkeiten der Emittentin, die mit den Schuldverschreibungen gleichrangig oder diesen nachrangig sind oder dazu bestimmt sind), befriedigt werden.

"CRR" bezeichnet die Verordnung (EU) Nr. 575/2013 des Europäischen Parlaments und des Rates vom 26. Juni 2013 über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen und zur Änderung der Verordnung (EU) Nr. 648/2012, in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der CRR geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der CRR in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"Tier 2 Instrument" meint jedes (direkt oder indirekt begebene) Kapitalinstrument oder nachrangige Kreditinstrument, das als Instrument des Ergänzungskapitals (Tier 2) gemäß Artikel 63 CRR qualifiziert, einschließlich jedes Kapitalinstruments und nachrangigen Kreditinstruments, das aufgrund von CRR-Übergangsbestimmungen zu den Instrumenten des Ergänzungskapitals zählt.]

[Im Fall von Fundierten Bankschuldverschreibungen, einfügen: Die Schuldverschreibungen begründen nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind.]

C.9 Zinssatz /
Festverzinsliche
Schuldverschrei-
bungen /
Festverzinsliche
Schuldverschreibung
en mit neu
festsetzbarer
Verzinsung / Variabel
verzinsliche
Schuldverschrei-
bungen / Fest zu
variabel verzinsliche
Schuldverschreibung
en / Nullkupon-
Schuldverschrei-
bungen /
Fälligkeitstag /
Rendite

Verzinsung

Siehe auch C.8

"Festgelegte Währung" bedeutet [●].

[Falls Festverzinsliche Schuldverschreibungen, einfügen: Festverzinsliche Schuldverschreibungen beinhalten Zinsen vom [●] an, zu einem festen Zinssatz von [●] Prozent *per annum*, nachträglich zahlbar am [●].]

[Im Fall von Festverzinslichen Schuldverschreibungen oder Festverzinslichen Schuldverschreibungen mit neu festsetzbarer Verzinsung, einfügen: Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag verzinst, und zwar vom [●] (einschließlich) bis zum [●] (der "Zinsänderungstag") (ausschließlich) mit [Zinssatz einfügen] (der "Erste Zinssatz") und danach mit einem Zinssatz [von [●] Prozent] [, der dem Referenzsatz zuzüglich einer Marge von [●] Prozent (der "Marge") entspricht,] pro Jahr (der "Festgelegte Zinssatz") von (einschließlich) dem Zinsänderungstag bis zum (ausschließlich) Fälligkeitstag, wie jeweils von der

Berechnungsstelle festgelegt.

"Zahltag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem das Clearing System **[falls die Festgelegte Währung EUR ist, einfügen: und TARGET2 (Trans-European Automated Realtime Cross Settlement Express Transfer System) zur Abwicklung von Zahlungen in Euro betriebsbereit ist.]** **[falls die Festgelegte Währung nicht EUR ist, einfügen: und Geschäftsbanken und Devisenmärkte in [sämtliche relevanten Finanzzentren einfügen]** Zahlungen abwickeln].

"Referenzsatz" meint den Swap-Satz für Swap-Transaktionen in der Festgelegten Währung mit einer Laufzeit von **[relevanten Zeitraum einfügen]** Jahren, welcher am **[relevante Anzahl von Tagen einfügen]** Zahltag vor dem Zinsänderungstag (der **"Zinsänderungs-Festlegungstag"**) um **[relevante Uhrzeit einfügen]** Uhr (**[relevante Finanzzentrum einfügen]** Ortszeit) auf der Zinsänderungs-Homepage angezeigt wird.

"Zinsänderungs-Homepage" meint **[falls die Festgelegte Währung Euro ist, einfügen: die REUTERS Bildschirmseite "[ICESWAP2]" unter der Bildschirmüberschrift "[EURIBOR BASIS – EUR]"** **[falls die Festgelegte Währung nicht Euro ist, relevante Zinsänderungs-Homepage einfügen]** (oder eine Nachfolgeseite).

[Im Fall von variabel verzinslichen Schuldverschreibungen, einfügen: Die Schuldverschreibungen werden für Zeiträume ab dem [•] (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich), danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) bezogen auf ihren Nennwert verzinst. Die Zinsen der Schuldverschreibungen sind an jedem Zinszahlungstag zu entrichten.

[Falls der Angebotssatz für Einlagen in der Festgelegten Währung EURIBOR oder LIBOR ist, ist folgendes anwendbar: Der Zinssatz (der **"Zinssatz"**) für jede Zinsperiode ist der Angebotssatz (ausgedrückt als Prozentsatz *per annum*) für Einlagen in der Festgelegten Währung für die jeweilige Zinsperiode, der auf der Bildschirmseite am Zinsfestlegungstag (wie nachfolgend definiert) gegen **[Uhrzeit einfügen]** Uhr (**[maßgebliche Zeitzone einfügen]** Ortszeit) angezeigt wird (der **"Referenzsatz"**) [multipliziert mit einem Faktor] [und] **[im Falle einer Marge einfügen: [zuzüglich] [abzüglich] [im Fall eines Höchstzinssatzes einfügen [Höchstzinssatz]] [im Fall eines Mindestzinssatzes einfügen [Mindestzinssatz]]** der Marge (wie nachfolgend definiert)], wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

[Die **"Marge"** beträgt [•] Prozent *per annum*.]

"Bildschirmseite" bedeutet die REUTERS Bildschirmseite **["[EURIBOR01]" "[LIBOR01][LIBOR02]"]** oder jede Nachfolgeseite.

"Zinszahlungstag" ist [•]

"Zinsperiode" ist [•]

"Zinsfestlegungstag" bezeichnet den **[falls die Festlegung am ersten Tag der Zinsperiode erfolgt, einfügen: [ersten] [Londoner] [TARGET] [zutreffende andere Bezugnahmen einfügen]** Geschäftstag **[falls die Festlegung nicht am ersten Tag der Zinsperiode erfolgt, einfügen: [zweiten] [zutreffende andere Zahl von Tagen einfügen]** [Londoner] [TARGET] **[zutreffende andere Bezugnahmen einfügen]** Geschäftstag vor [Beginn][Ende] der jeweiligen Zinsperiode. **["[Londoner] [zutreffenden Ort einfügen]** Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in [London] **[zutreffenden Ort einfügen]** für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.] **["TARGET-**

Geschäftstag" bezeichnet einen Tag, an dem TARGET geöffnet ist.]]

[Falls der Zinssatz auf Basis des [maßgebliche Währung einfügen] CMS bestimmt wird, einfügen: Der Zinssatz für die jeweilige Zinsperiode (wie nachfolgend definiert) wird von der Berechnungsstelle gemäß folgender Formel bestimmt:

$$\frac{[\text{Min}][\text{Max}][[\text{Max}][\text{Min}][([\bullet]\text{-Jahres } [\text{maßgebliche Währung einfügen}] \text{ CMS } * [\text{Faktor einfügen}]] [-] [+][[\bullet]\text{-Jahres } [\text{maßgebliche Währung einfügen}] \text{ CMS } * [\text{Faktor einfügen}]] [+][-] [\text{Marge einfügen}]; ([[\bullet]\text{-Jahres } [\text{maßgebliche Währung einfügen}] \text{ CMS } * [\text{Faktor einfügen}]] [-] [+][[\bullet]\text{-Jahres } [\text{maßgebliche Währung einfügen}] \text{ CMS } * [\text{Faktor einfügen}]] [+][-] [\text{Marge einfügen}]); ([[\bullet]\text{-Jahres } [\text{maßgebliche Währung einfügen}] \text{ CMS } * [\text{Faktor einfügen}]] [-] [+][[\bullet]\text{-Jahres } [\text{maßgebliche Währung einfügen}] \text{ CMS } * [\text{Faktor einfügen}]] [+][-] [\text{Marge einfügen}])}{[\text{Marge einfügen}]}$$

"[maßgebliche Währung einfügen] CMS" ist der als Zinssatz *per annum* ausgedrückte Swap-Satz bezüglich in [maßgebliche Währung einfügen] denominierte Swap-Transaktionen mit der oben aufgeführten Formel angegebenen Laufzeit von Jahren, der auf der Bildschirmseite (wie nachfolgend definiert) am Zinsfestlegungstag (wie nachfolgend definiert) unter der Bildüberschrift "[maßgebliche Bildüberschrift einfügen]" und über der Spalte "[Uhrzeit und maßgebliche Zeitzone einfügen]" gegen [Uhrzeit einfügen] Uhr ([maßgebliche Zeitzone einfügen] Ortszeit) angezeigt wird (jeder solche [•]-Jahres [maßgebliche Währung einfügen] CMS ein "Referenzsatz"), wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

"Bildschirmseite" bedeutet [Bildschirmseite] oder jede Nachfolgesseite.

Die "Marge" beträgt [•] Prozent *per annum*.

"Zinsperiode" bezeichnet jeweils den Zeitraum vom [•] (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauf folgenden Zinszahlungstag (ausschließlich).

"Zinsfestlegungstag" bezeichnet den [Anzahl] [TARGET][zutreffenden Ort einfügen] Geschäftstag (wie nachstehend definiert) vor [Beginn][Ende] der jeweiligen Zinsperiode.

"[TARGET-Geschäftstag]" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem TARGET2 (Trans-European Automated Real-time Gross Settlement Express Transfer System) Zahlungen abwickelt.]

"[zutreffenden Ort einfügen] Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in [zutreffenden Ort einfügen] für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.]]

[Falls fest zu variabel verzinsliche Schuldverschreibungen, einfügen: Die Schuldverschreibungen verbriefen einen festen Zinsertrag zu Beginn der Laufzeit der Schuldverschreibungen, der in einen variablen Zinsertrag bis zur Fälligkeit der Schuldverschreibungen umgewandelt wird.]

[Im Fall von Nullkupon-Schuldverschreibungen, einfügen: Die Schuldverschreibungen sind zinsfrei.]

Basiswert auf dem der Zinssatz basiert

[Nicht anwendbar *im Fall von festverzinslichen Schuldverschreibungen.* Der Zinssatz basiert nicht auf einem Basiswert.]

[EURIBOR] [LIBOR für die Festgelegte Währung] [[maßgebliche Währung]-CMS] [●]

Fälligkeitstag

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am Rückzahlungstag [●] zurückgezahlt.

[Falls festverzinsliche Schuldverschreibungen, einfügen: Rendite

Die Rendite entspricht [●] Prozent *per annum*.]

Name des Vertreters der Gläubiger der Schuldverschreibungen

[Entfällt; in den Anleihebedingungen ist kein gemeinsamer Vertreter bestimmt.] [●]

[C.10 Erläuterung wie der Wert der Anlage beeinflusst wird, falls die Schuldverschreibungen eine derivative Komponente bei der Zinszahlung aufweisen

Siehe Punkt C.9. [Entfällt.] [Die Zinszahlung weist keine derivative Komponente auf.] [Es erfolgen keine periodischen Zinszahlungen.][●]

C.11 Einführung in einen regulierten Markt

[Für die unter dem Programm begebenen Schuldverschreibungen ist ein Antrag auf Zulassung zum Börsenhandel im regulierten Markt der Luxemburger Wertpapierbörse gestellt worden.] [Für die unter dem Programm begebenen Schuldverschreibungen ist ein Antrag auf Zulassung zum Börsenhandel im [Amtlichen Handel][Dritten Markt] der Wiener Börse gestellt worden.]

[Entfällt. Die Emittentin beabsichtigt nicht einen Antrag auf Handel der Schuldverschreibungen an einer Börse zu stellen.] [●]

Abschnitt D – Risiken

D.2 Zentrale Angaben zu den zentralen Risiken, die der Emittentin eigen sind

Die Emittentin ist Teil der BAWAG Gruppe und unterliegt mehreren Geschäftsrisiken, die mit dem Geschäft der BAWAG Gruppe und der Industrien, in denen sie tätig ist, in Zusammenhang stehen. Diese Risiken umfassen insbesondere spezielle Risiken im Zusammenhang mit folgenden Themen:

Risiken, die in Zusammenhang mit dem Geschäft der BAWAG Gruppe und der Industrien, in denen sie tätig ist, stehen

- Der Geschäftserfolg der BAWAG Gruppe ist abhängig von den politischen und gesamtwirtschaftlichen Rahmenbedingungen der Volkswirtschaften, in denen die BAWAG Gruppe tätig ist.
- Ein "Ausstieg" eines Mitglieds der EU oder der Eurozone wäre beispiellos, und die Folgen sind derzeit nicht abschätzbar. Ein solches Ereignis kann erhebliche negative Auswirkungen auf das Finanzsystem und das allgemeine Wirtschaftsklima in der EU, einschließlich Österreich, sowie erhebliche negative Auswirkungen auf die Vermögens-, Finanz- und Ertragslage der BAWAG Gruppe haben.

- Die BAWAG Gruppe ist dem Risiko des Ausfalls anderer Finanzinstitute oder staatlicher Schuldner ausgesetzt. Insolvenzen im Finanzsektor oder der Ausfall staatlicher Schuldner könnten sich aufgrund der weltweiten Verflechtung der Finanzmärkte negativ auf den gesamten Finanzsektor, einschließlich der BAWAG Gruppe, auswirken.
- Die BAWAG Gruppe ist insbesondere im Heimmarkt Österreich einem intensiven Wettbewerb ausgesetzt, der die Vermögens-, Finanz- und Ertragslage sowie die Aussichten erheblich beeinträchtigen könnte.
- Die BAWAG Gruppe ist auf das Vertrauen ihrer Kunden in das Bankensystem und das Geschäft der BAWAG P.S.K. Gruppe angewiesen. Ein Vertrauensverlust kann zu vermehrten Abhebungen von Einlagen führen, die sich erheblich nachteilig auf die Vermögens-, Finanz- und Ertragslage des BAWAG Gruppe auswirken können.
- Eine Herabstufung des Bonitätsratings der BAWAG P.S.K. oder des Ratings für bestimmte von den Emittentinnen emittierte Instrumente (z.B. Pfandbriefe) könnte ihre Refinanzierungskosten erhöhen und die Liquidität, Rentabilität, Geschäfts-, Finanz- und Ertragslage sowie die Aussichten der BAWAG Gruppe erheblich beeinträchtigen.
- Die BAWAG Gruppe ist dem Risiko von Verlusten aufgrund von Wechselkursänderungen ausgesetzt, die einen wesentlichen negativen Einfluss auf die Vermögens-, Finanz- und Ertragslage der BAWAG Gruppe haben könnten.
- Die BAWAG Gruppe ist verschiedenen Formen von Marktrisiken ausgesetzt, einschließlich Zinsänderungs- und Credit-Spread-Risiken, die einen wesentlichen negativen Einfluss auf die Vermögens-, Finanz- und Ertragslage der BAWAG Gruppe haben könnten.
- Die BAWAG Gruppe ist Risiken in Bezug auf die Kreditqualität der Kunden und Kontrahenten ausgesetzt, die einen wesentlichen negativen Einfluss auf die Geschäftstätigkeit, die Finanz- und Ertragslage und die Perspektiven der BAWAG Gruppe haben könnten.
- Die Überwachung des Kreditportfolios der BAWAG Gruppe ist abhängig von der Effektivität und Effizienz der Prozesse einschließlich der Bonitätsbeurteilungs- und Scoringsysteme und es besteht das Risiko, dass diese Systeme und Prozesse bei der Beurteilung der Kreditqualität nicht effektiv sind.
- Die BAWAG Gruppe verwendet für viele ihrer Aktivitäten Modelle, und wenn sich diese Modelle als ungenau erweisen, kann ihr Risikomanagement unwirksam oder beeinträchtigt sein und/oder der Wert ihrer finanziellen Vermögenswerte und Verbindlichkeiten kann überschätzt oder unterschätzt werden.
- Ein Teil der Aktiva und Passiva in der Bilanz der BAWAG Gruppe besteht aus Finanzinstrumenten, die sie zum beizulegenden Zeitwert bilanziert, wobei Änderungen des beizulegenden Zeitwerts erfolgswirksam erfasst werden. Hierdurch können der BAWAG Gruppe in Zukunft Verluste entstehen, die einen wesentlichen negativen Einfluss auf die BAWAG Gruppe haben könnten.
- Das internationale Geschäft der BAWAG Gruppe unterliegt Kreditrisiken, Marktrisiken, Konzentrationsrisiken, Transferrisiken, Konvertibilitätsrisiken und politischen Risiken.
- Niedrige Preise und Rentabilität der Immobilien könnten die Fähigkeit der

BAWAG Gruppe, Kreditausfälle durch Zwangsvollstreckungen auszugleichen, erheblich beeinträchtigen.

- Die BAWAG Gruppe hat einen kontinuierlichen Liquiditätsbedarf zur Finanzierung ihrer Geschäftstätigkeit und ist Liquiditätsrisiken ausgesetzt, die sich negativ auf ihre Fähigkeit zur Erfüllung ihrer Verpflichtungen auswirken können.
- Wenn sich die BAWAG Gruppe nicht an den raschen technologischen Wandel anpasst, könnte ihre Wettbewerbsfähigkeit sinken.
- Wenn die BAWAG Gruppe es versäumt, ihre Marken kosteneffizient zu fördern und zu erhalten, kann die BAWAG Gruppe Marktanteile verlieren und ihre Umsätze sinken.
- Negative Öffentlichkeitsarbeit aufgrund von Kundenbeschwerden, Rechtsstreitigkeiten oder anderen Faktoren und eine negative öffentliche Wahrnehmung des Geschäfts der BAWAG Gruppe könnten zu einem deutlichen Rückgang der Nachfrage nach ihren Produkten führen.
- Die BAWAG Gruppe kann ihre geschäftlichen und strategischen Ziele nicht erreichen, und ihre historischen Ergebnisse sind möglicherweise nicht repräsentativ für ihre zukünftigen Ergebnisse.
- Eine Beendigung oder Reduzierung der engen Zusammenarbeit der BAWAG Gruppe mit ihren Vertriebspartnern könnte wesentliche nachteilige Auswirkungen auf die Vermögens-, Finanz- und Ertragslage haben.
- Aufgrund der Unangemessenheit oder des Versagens von internen Verfahren, Mitarbeitern und Systemen oder aufgrund externer Ereignisse können unerwartete Verluste eintreten (operationelles Risiko).
- Die BAWAG Gruppe ist operationellen Risiken im Zusammenhang mit Ausfällen ihrer wichtigsten Outsourcing-Lieferanten, wie z.B. Betriebsunterbrechungen, ausgesetzt.
- Ein Ausfall der IT-Systeme der BAWAG Gruppe könnte zu einer erheblichen Beeinträchtigung der Geschäftstätigkeit der BAWAG Gruppe führen.
- Die operativen Systeme der BAWAG Gruppe sind einem zunehmenden Risiko von Cyber-Angriffen und anderer Internetkriminalität ausgesetzt, die zu einem erheblichen Verlust von Kundeninformationen, zu Reputationsschäden der BAWAG Gruppe sowie zu regulatorischen Strafen und finanziellen Verlusten führen können.
- Investitionen der BAWAG Gruppe können keine Rendite bringen, und die Bewertung von Beteiligungen der BAWAG Gruppe könnte Wertminderungen erforderlich machen. Der Verkauf von Beteiligungen kann nur mit Verlust möglich sein.
- Die BAWAG Gruppe kann Schwierigkeiten bei der Integration erworbener Unternehmen oder der Identifizierung und Bewertung der Risiken von Akquisitionen haben, was erhebliche negative Auswirkungen auf die Vermögens-, Finanz- und Ertragslage der BAWAG Gruppe haben kann.
- Rücktritt oder Verlust von Schlüsselpersonen, einschließlich der Mitglieder des Vorstands, und mögliche Schwierigkeiten bei der Rekrutierung oder Bindung qualifizierter Mitarbeiter könnten die Fähigkeit der BAWAG Gruppe zur Umsetzung ihrer Strategie beeinträchtigen.

Risiken im Zusammenhang mit regulatorischen, rechtlichen und steuerlichen Themen

Regulatorische, rechtliche und steuerliche Risiken der BAWAG Gruppe

- Vergangene, laufende und ungewisse zukünftige Reformen und Initiativen in der Gesetzgebung oder Aufsicht, einschließlich zusätzlicher und strengerer Regulierung und des Einflusses des öffentlichen Sektors auf den Finanzsektor, könnten die Geschäftstätigkeit, die Finanzlage, die Ertragslage und die Aussichten der BAWAG Gruppe erheblich beeinträchtigen.
- Die europäische und österreichische Gesetzgebung zur Abwicklung von Banken, insbesondere die Befugnisse der Abwicklungsbehörden zur Sicherstellung der Liquidierbarkeit und zur zwangsweisen Mitwirkung von Aktionären und Gläubigern in Krisensituationen, könnte, wenn solche Schritte ergriffen würden, um die Fortführung der Geschäftstätigkeit der BAWAG Gruppe oder ihrer kritischen Funktionen sicherzustellen, die Geschäftstätigkeit der BAWAG Gruppe erheblich beeinträchtigen.
- Erhöhte Kapital- und Liquiditätsanforderungen, einschließlich der Anforderungen an die Leverage Ratio und der erweiterten Aufsichtsbefugnisse, um weitere Eigenmittel oder Liquidität im Rahmen von CRD IV/CRR und vorgeschlagenen Änderungen zu fordern, können die Rentabilität der BAWAG Gruppe negativ beeinflussen.
- Mindestanforderungen an die Eigenmittel und die anrechenbaren Verbindlichkeiten, die sowohl von der zuständigen Abwicklungsbehörde gemäß BaSAG als auch der SRM-Verordnung gefordert werden, können die Rentabilität der BAWAG Gruppe beeinträchtigen. Die Emittentinnen können nicht in der Lage sein, die Mindestanforderungen an die Eigenmittel und die anrechenbaren Verbindlichkeiten zu erfüllen.
- Zukünftige Asset Quality Reviews, Stresstests, interne Modellüberprüfungen und/oder Transparenzübungen durch die EZB oder die EBA könnten zu nachteiligen Ergebnissen für die BAWAG Gruppe führen und insbesondere einen erhöhten Rückstellungsbedarf und/oder erhöhte Kapitalanforderungen auslösen.
- Die BAWAG Gruppe ist Risiken ausgesetzt, die sich aus den Ergebnissen von Audits, Inspektionen und ähnlichen Untersuchungen der Aufsichtsbehörden ergeben.
- Das Geschäft der BAWAG Gruppe könnte durch die Anforderungen zum zentralen Clearing, Reporting-, Risikominderungs- und die sonstigen Compliance-Anforderungen gemäß EMIR und MiFID II erheblich belastet werden.
- Der Zugang der BAWAG Gruppe zu Liquidität und Refinanzierung kann durch eine Änderung der Sicherheitsstandards der EZB beeinträchtigt werden.
- Die Kosten der BAWAG Gruppe für die Einhaltung der Vorschriften und Sanktionen zur Bekämpfung von Geldwäsche, Steuerhinterziehung, Korruption und Terrorismusfinanzierung sind erheblich und können weiter steigen. Die Nichteinhaltung dieser und ähnlicher Regeln kann schwerwiegende rechtliche und Reputationsfolgen haben.
- Bestimmte Aspekte der steuerlichen Rahmenbedingungen, unter denen die BAWAG Gruppe tätig ist, wie die österreichische Stabilitätssteuer,

können sich erheblich negativ auf die Vermögens-, Finanz- und Ertragslage der BAWAG Gruppe auswirken.

- Die Annahmen der BAWAG Gruppe über die Abzugsfähigkeit bestimmter Posten vom steuerpflichtigen Einkommen können sich als falsch erweisen, was zu höheren als erwarteten Steuerzahlungen führen könnte.
- Die Einführung der vorgeschlagenen Finanztransaktionssteuer könnte erhebliche nachteilige Auswirkungen auf die Geschäftstätigkeit der BAWAG Gruppe, die Finanz- und Ertragslage und die Geschäftsperspektiven haben.
- Die obligatorische Ex-ante-Finanzierung des Einlagensicherungssystems nach der EU-Einlagensicherungsrichtlinie und dessen Umsetzung durch das Bundesgesetz über die Einlagensicherung und Anlegerentschädigung durch Kreditinstitute (ESAEG) sowie eventuell höhere Beiträge könnten sich nachteilig auf die Vermögens-, Finanz- und Ertragslage der BAWAG Gruppe auswirken.
- Jüngste Änderungen der österreichischen Insolvenzordnung könnten erhebliche nachteilige Auswirkungen auf die Vermögens-, Finanz- und Ertragslage der BAWAG Gruppe haben.
- Die BAWAG Gruppe verwendet insbesondere in ihren wichtigen, auf das Privatkundengeschäft ausgerichteten Geschäftsfeldern, allgemeine Geschäftsbedingungen, was das Potenzial erhöht, dass eine für unwirksam erklärte Klausel in einer Vielzahl von Verträgen unwirksam oder undurchsetzbar ist.
- Die BAWAG Gruppe hat finanzielle Verpflichtungen gegenüber ihren Mitarbeitern, insbesondere Pensionsverpflichtungen, deren Berechnung auf einer Reihe von Annahmen beruht, die von den tatsächlichen Werten abweichen können.
- Die BAWAG Gruppe kann gegen Gesetze und Vorschriften zum Datenschutz verstoßen.
- Eine Verschärfung der Verbraucherschutzgesetze und/oder deren Auslegung sowie die Einhaltung der MiFID II können sich negativ auf die Rentabilität von Verbraucherbankgeschäften auswirken.
- Änderungen in der Rechnungslegung der BAWAG Gruppe, wie z.B. Änderungen der IFRS, könnten die Finanzergebnisse und die aufsichtsrechtlichen Kapitalquoten der BAWAG Gruppe wesentlich beeinflussen.
- Trotz der Grundsätze, Verfahren und Methoden des Risikomanagements der BAWAG Gruppe können unerkannte oder unvorhergesehene Risiken auftreten, die sich erheblich nachteilig auf die Vermögens-, Finanz- und Ertragslage der BAWAG Gruppe auswirken können.
- Die BAWAG Gruppe ist und kann in Zukunft einer Reihe von Gerichts- und Aufsichtsverfahren unterliegen, deren Ausgang einen wesentlichen negativen Einfluss auf die Vermögens-, Finanz- und Ertragslage der BAWAG Gruppe haben könnte.
- Die BAWAG Gruppe agiert in einem zunehmend regulierten Umfeld. Sollte die BAWAG Gruppe gegen die Vielzahl der für sie geltenden Gesetze und Vorschriften verstoßen, einschließlich einer zunehmenden Anzahl von Meldepflichten, können die BAWAG Gruppe oder ihre Vertreter aufsichtsrechtlichen Untersuchungen, aufsichtsrechtlichen

Beschränkungen, Strafen, Unterlassungsansprüchen, Rechtsstreitigkeiten und Strafverfolgung unterliegen.

- Die Einhaltung oder Nichteinhaltung der für die BAWAG Gruppe geltenden gesetzlichen Bestimmungen könnte erhebliche nachteilige Auswirkungen auf die Vermögens-, Finanz- und Ertragslage haben.

[Falls die BAWAG die Emittentin ist, einfügen: Spezielle regulatorische, rechtliche und steuerliche Risiken im Zusammenhang mit der Emittentin BAWAG

- Die BAWAG, die als Finanzholdinggesellschaft derzeit nur indirekt der konsolidierten Aufsicht unterliegt, könnte in Zukunft direkter und strengerer Aufsicht unterliegen.
- Die Annahmen der BAWAG über die Abzugsfähigkeit bestimmter Posten vom steuerpflichtigen Einkommen können sich als falsch erweisen, was zu höheren als erwarteten Steuerzahlungen führen könnte.]

[D.3] Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind

Allgemeine Risikofaktoren bezüglich der Schuldverschreibungen

Die folgenden Risikofaktoren können eine individuelle Beratung nicht ersetzen.

- Eine Investition in die Schuldverschreibungen setzt sehr gute Kenntnisse im Finanzbereich voraus und eignet sich daher nicht für alle Anleger.
- Die Gläubiger der Schuldverschreibungen sind dem Risiko eines Totalverlustes ihrer Investition ausgesetzt.
- Anleger könnten aufgefordert sein, Steuern und andere Abgaben oder Gebühren zu bezahlen.
- Eine Investition in die Schuldverschreibungen könnte für bestimmte Anleger rechtswidrig sein.
- Eine Änderung der Besteuerung oder anderer steuerlicher Rahmenbedingungen in der Sphäre des Gläubigers von Schuldverschreibungen können negative Auswirkungen auf die Rendite oder auf die Investition in die Schuldverschreibungen haben.
- Änderungen rechtlicher Rahmenbedingungen können die Rechte der Gläubiger der Schuldverschreibungen und die Rendite der Schuldverschreibungen beeinträchtigen.
- Die Gläubiger der Schuldverschreibungen sind im Fall eines kreditfinanzierten Erwerbs von Schuldverschreibungen massiven zusätzlichen Risiken ausgesetzt, insbesondere dem Risiko, den Kredit nicht aus den Erträgen der Schuldverschreibungen bedienen zu können.
- Die Rendite der Schuldverschreibungen unterliegt dem Inflationsrisiko und vermindert sich durch den inflationsbedingten Verlust der Kaufkraft.
- Währungsschwankungen können zu Verlusten bei der Investition in die Schuldverschreibungen führen.
- Die Schuldverschreibungen verleihen keine Rechte von Aktionären der jeweiligen Emittentin oder Dritter, wie etwa Stimm- und Gewinnbeteiligungsrechte.
- Die Gläubiger der Schuldverschreibungen tragen das Risiko, die Schuldverschreibungen nicht jederzeit zu fairen Preisen verkaufen zu können.

können (Liquiditätsrisiko).

- Handelsaussetzungen könnten negative Auswirkungen auf die Liquidität und den Kurs der Schuldverschreibungen haben.
- Die Wertentwicklung der Schuldverschreibungen ist nicht vorhersagbar und könnte nicht mit dem zugrundeliegenden Basiswerte zusammenhängen, sollte es einen geben.
- Der Kurs börsennotierter Schuldverschreibungen ist von verschiedenen Faktoren abhängig, die von der jeweiligen Emittentin nicht beeinflusst werden können.
- Die Gläubiger der Schuldverschreibungen sind dem Risiko eines ansteigenden Marktzinsniveaus ausgesetzt. Die Verwirklichung eines solchen Risikos könnte dazu führen, dass der Wert der Schuldverschreibungen erheblich sinkt.
- Die jeweilige Emittentin könnte die Schuldverschreibungen vorzeitig kündigen, was zu einem Ausfall erwarteter Erträge der Gläubiger der Schuldverschreibungen führen kann.
- Die Gläubiger der Schuldverschreibungen können allfällig vorzeitig zurückgezahlte Beträge möglicherweise nicht wunschgemäß wieder veranlagen (Wiederveranlagungsrisiko).
- Die Schuldverschreibungen unterliegen keinem System der Einlagensicherung. Als unbesicherte Kapitalgeber der jeweiligen Emittentin tragen die Gläubiger der Schuldverschreibungen ein unbeschränktes Insolvenz- und Emittentenrisiko bezüglich der jeweiligen Emittentin.
- Veränderungen des Risikoaufschlages (Credit-Spread) der jeweiligen Emittentin können den Kurs der Schuldverschreibungen negativ beeinflussen.
- Tatsächliche Zahlungsströme der Schuldverschreibungen könnten von den von Gläubigern der Schuldverschreibungen erwarteten Zahlungsströmen zu deren Nachteil abweichen.
- Die jeweilige Emittentin könnte Transaktionen tätigen, die nicht im Interesse der Gläubiger der Schuldverschreibungen sind oder es könnten aus anderen Gründen Interessenskonflikte zwischen der jeweiligen Emittentin und den Gläubigern der Schuldverschreibungen auftreten. Insbesondere könnten Sicherungsgeschäfte der jeweiligen Emittentin den Marktpreis der Schuldverschreibungen nachteilig beeinflussen. Darüber hinaus können bestimmte Dealer die jeweilige Emittentin beraten oder Transaktionen mit der einschlägigen Emittentin abschließen.
- Die Abwicklung von Transaktionen in Schuldverschreibungen erfolgt über Clearing-Systeme, für deren Funktionsfähigkeit die jeweilige Emittentin nicht verantwortlich zeichnet.
- Transaktionskosten können einen negativen Einfluss auf die Rendite der Schuldverschreibungen haben.
- Gläubiger von Schuldverschreibungen könnten nicht in der Lage sein, das durch den Erwerb der Schuldverschreibungen eingegangene Risiko durch andere Transaktionen abzusichern.
- Ein Sekundärmarkt für die emittierten Schuldverschreibungen besteht zur

Zeit der Emission vielleicht nicht oder entwickelt sich nicht.

- Das Rating einer Emission von Schuldverschreibungen unter diesem Programm könnte nicht alle Risiken einer Anlage in die Schuldverschreibungen berücksichtigen.
- Die jeweilige Emittentin kann alle bestehenden Schuldverschreibungen gemäß den Emissionsbedingungen zurückzahlen.
- Fällige Forderungen von Gläubigern der Schuldverschreibungen unterliegen einer Verjährungsfrist von 10 Jahren.
- Die Schuldverschreibungen oder Basiswerte, auf die sich die Schuldverschreibungen beziehen, können neben österreichischem oder deutschem Recht auch ausländischem Recht unterliegen.
- Zahlungen aus den Schuldverschreibungen können in den USA zur Einbehaltung einer Quellensteuer führen.
- Abwicklungsinstrumente und Überwachungsbefugnisse der FMA als Aufsichtsbehörde unter dem BaSAG, einschließlich zwingend vorgeschriebener Eigenkapital- oder Schuldenabschreibungen und Umwandlungen, können die Rechte der Gläubiger der Schuldverschreibungen mit Ausnahme fundierter Schuldverschreibungen empfindlich beeinträchtigen und zu einem Totalverlust des Investments führen.
- In der Insolvenz der jeweiligen Emittentin haben Einlagen einen höheren Rang als die Ansprüche der Gläubiger der Schuldverschreibungen aus den Schuldverschreibungen.
- Die Schuldverschreibungen können aus steuerlichen Gründen vorzeitig zurückgezahlt werden.

Risikofaktoren bezüglich einzelner Emissionen von Wertpapieren mit bestimmten Charakteristiken

- Schuldverschreibungen mit einem Abschlag (*substantial discount*) oder Aufschlag (*premium*) neigen dazu, durch allgemeine Zinssatzveränderungen eher beeinflusst zu werden.
- Ein österreichisches Gericht könnte einen Kurator für die Schuldverschreibungen bestellen, der anstelle der Anleger deren Rechte ausübt und ihre Interessen repräsentiert.
- **[Falls festverzinsliche Schuldverschreibungen, einfügen:** Inhaber von festverzinslichen Schuldverschreibungen sind dem Risiko ausgesetzt, dass der Preis einer solchen Schuldverschreibung aufgrund von Änderungen des Marktzinssatzes fällt.]
- **[Falls variabel verzinsliche Schuldverschreibungen, einfügen:** Gläubiger von variabel verzinslichen Schuldverschreibungen sind den Risiken finanzieller Benchmarks und dem Wegfall einer Benchmark ausgesetzt und der Wegfall eines Referenzzinssatzes könnte aufgrund von Auffangregelungen dazu führen, dass der Zinssatz von variabel verzinslichen Schuldverschreibungen im Ergebnis fixiert wird.
- Gläubiger von variabel verzinslichen Schuldverschreibungen sind dem Risiko schwankender Zinssätze und ungewissen Zinseinkünften ausgesetzt.]

- **[Falls fest zu variabel verzinsliche Schuldverschreibungen, einfügen:** Wenn die jeweilige Emittentin von fester Verzinsung zu variabler Verzinsung bei fix-zu-variabel-verzinsten Schuldverschreibungen wechselt, kann der Risikoaufschlag (*spread*) der festverzinslichen Schuldverschreibungen/Schuldverschreibungen mit variabler Verzinsung ungünstiger sein, als die Risikoaufschläge vergleichbarer emittierten Schuldverschreibungen mit variabler Verzinsung, die sich auf den gleichen Referenzsatz beziehen.]
- **[Falls Nullkupon-Schuldverschreibungen, einfügen:** Gläubiger von Nullkuponschuldverschreibungen sind dem Risiko ausgesetzt, dass der Preis einer solchen Schuldverschreibung aufgrund von Änderungen des Marktzinssatzes fällt.]
- **[Falls Nachrangige Schuldverschreibungen, einfügen:** Die Verpflichtungen der jeweilige Emittentin im Zusammenhang mit Nachrangigen Schuldverschreibungen sind nicht besicherte und nachrangige Verpflichtungen. Die jeweiligen insolvenzrechtlichen Bestimmungen des Bankenabwicklungsregimes und, im Besonderen, das Abschreibungsinstrument und das Bail-in Instrument, könnte die Rechte der Gläubiger massiv beeinträchtigen und könnte zu einem Totalverlust der Investition im Falle der Nicht-Überlebensfähigkeit der einschlägigen Emittentin führen.
- Die Gläubiger sind dem Risiko ausgesetzt, dass die jeweilige Emittentin nachrangige Fremdkapitalinstrumente ausgibt oder nachrangige Verpflichtungen eingeht, die Nachrangigen Schuldverschreibungen vorrangig sind.
- Die Anrechenbarkeit von Nachrangigen Schuldverschreibungen als Ergänzungskapital der Emittentin iSd CRR könnte von der zuständigen Behörde bestritten werden und die Neueinstufung des regulatorischen Kapitalstatus könnte die jeweilige Emittentin zu einer vorzeitigen Kündigung berechtigen. Market Making für die Schuldverschreibungen bedarf einer vorherigen Erlaubnis der zuständigen Behörde und unterliegt bestimmten Voraussetzungen.
- Nachrangige Schuldverschreibungen berechtigen nicht dazu, die künftige Auszahlung von Zinsen oder die Rückzahlung des Kapitals zu beschleunigen.
- Nachrangige Schuldverschreibungen können nicht vorzeitig auf Wunsch der Gläubiger zurückgezahlt werden und jegliche Rechte der jeweiligen Emittentin, die Nachrangigen Schuldverschreibungen vorzeitig zurückzuzahlen oder zurückzukaufen, sind abhängig von einer diesbezüglichen Zustimmung durch die zuständige Aufsichtsbehörde.]
- **[Falls Nicht-Nachrangige Schuldverschreibungen (außer Fundierte Bankschuldverschreibungen) und Nicht-Nachrangige Nicht-Präferierte Schuldverschreibungen, einfügen:** Die Einstufung von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen als MREL-fähige Instrumente ist mit Unsicherheiten verbunden.
- Ansprüche von Gläubigern von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen werden nachrangig gegenüber bestimmten anderen nachrangigen Ansprüchen sein.
- Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten

Bankschuldverschreibungen) und Nicht-Nachrangige Nicht-Präferierte Schuldverschreibungen können aus regulatorischen Gründen vorzeitig zurückgezahlt werden.]

- **[Falls Nicht-Nachrangige Nicht-Präferierte Schuldverschreibungen, einfügen:** Nicht-Nachrangige Nicht-Präferierte Schuldverschreibungen berechtigten nicht dazu, die künftige Auszahlung von Zinsen oder die Rückzahlung des Kapitals zu beschleunigen.
- Nicht-Nachrangige Nicht-Präferierte Schuldverschreibungen, die als "nicht-präferierte nicht-nachrangige Schuldtitel" einzuordnen sind, sind neuartige Instrumente, für die es noch keine wesentlichen historischen Handelsdaten gibt.]
- **[Falls fundierte Bankschuldverschreibungen, einfügen:** Obwohl in Österreich Rückzahlungsbeträge und Zinsen für ausstehende fundierte Bankschuldverschreibungen durch einen gesetzlich vorgesehenen Sicherungsfond gesichert sind, ist es möglich, dass Investoren weniger als ihre Investition erhalten.]

Abschnitt E – Angebot

E.2b	Gründe für das Angebot und Zweckbestimmung der Erlöse, sofern diese nicht in der Gewinnerzielung und/oder der Absicherung bestimmter Risiken liegen	[•]
E.3	Beschreibung der Angebotskonditionen	[Ausgabepreis] [Mindeststückelung] [Die Zeichnungsfrist ist vom [•] bis [•].] [Die Zeichnungsfrist kann verlängert oder verkürzt werden.] [Art der Bekanntmachung] [Weitere Angebotskonditionen sind [•].]
E.4	Beschreibung aller für die Emission/das Angebot wesentlichen, auch kollidierenden Interessen	[•]
E.7	Schätzung der Ausgaben, die dem Anleger von der Emittentin oder Anbieter in Rechnung gestellt werden	[Entfällt. Dem Anleger werden von der Emittentin keine Ausgaben in Rechnung gestellt.][•]

3 RISK FACTORS

In evaluating the Notes offered under the Programme as well as each Issuer and its business and, in particular, before making an investment in the Notes, the following Risk Factors should be carefully considered together with the other information set forth in this Base Prospectus.

If one or more of the following risks materialise, they could have a material adverse effect on the business, financial position, assets, profitability and/or business prospects of each Issuer. As a consequence, each Issuer may default or become insolvent. The market value and/or trading price of the Notes held by Noteholders may substantially decline, and Noteholders may lose part of, or even their entire investment in the Notes.

The following description is limited to risk factors which the Issuers consider to be material. The Issuers describe only those risk factors they are currently aware of and which could impair their ability to fulfil their respective obligations under the Notes. Additional risks currently unknown to the Issuers or which they currently believe to be immaterial may also adversely affect their businesses, results of operations and financial conditions. Prospective investors should therefore also read the information set out elsewhere in this Base Prospectus. The order of the risk factors as set out below does not indicate the likelihood of their occurrence nor their severity or significance. Investors should only invest an appropriate portion of their assets in the Notes. Even if an investor is ready to assume a high level of risk, financing an investment in the Notes by means of a loan substantially increases the risk of losses and is explicitly discouraged.

3.1 Risks relating to BAWAG Group

The following is a description of the risk factors which may affect the ability of the respective Issuer to fulfil its obligations under the Notes. Potential investors should carefully read and consider these risk factors before deciding upon the acquisition of any Notes.

Potential investors should consider these risk factors and all other information provided in this Base Prospectus and consult their own experts. In addition, investors should bear in mind that several of the mentioned risks may occur simultaneously and that their implication can, possibly together with other circumstances, thus be intensified. The order in which the risks are described neither represents a conclusion about their probability of occurrence nor the gravity or significance of the individual risks. The following information is not exhaustive. Indeed, further risks which are not yet apparent may also affect the business activities of BAWAG Group and the ability of the respective Issuer to meet its obligations under the Notes. Due to the occurrence of each individual risk described in the following, investors could lose their invested capital in whole or in part. Any reference to "Issuer" refers to the Issuer of the respective Notes.

3.1.1 Risks relating to the business of BAWAG Group and the industries in which it operates

An investment in the Notes involves accepting risks of the underlying operational business of the Issuers as part of BAWAG Group.

The issuer BAWAG is a financial holding company. Its main (direct and indirect) operating subsidiary is BAWAG P.S.K. The issuer BAWAG P.S.K. has six main operative banking subsidiary companies: (i) easybank AG ("**easybank**"), (ii) BAWAG P.S.K. Wohnbaubank Aktiengesellschaft ("**Wohnbaubank**"), (iii) IMMO-BANK Aktiengesellschaft ("**IMMO-BANK**"), (iv) start:bausparkasse AG (Vienna, Republic of Austria) ("**start:bausparkasse Austria**"), (v) SÜDWESTBANK Aktiengesellschaft ("**Südwestbank**") and (vi) start:bausparkasse AG (Hamburg, Federal Republic of Germany) ("**start:bausparkasse Germany**"). BAWAG P.S.K. Group operates in various jurisdictions and business areas so BAWAG P.S.K. Group's risk situation and, by extension, that of BAWAG Group, comprises various aspects.

Both Issuers are part of BAWAG Group and BAWAG Regulatory Group. Any risk factors set out in this section "3.1.1 Risks relating to the business of BAWAG Group and the industries in which it operates" below relating to BAWAG Group or BAWAG Regulatory Group equally apply to both Issuers.

The overall risk situation of BAWAG Group and any of the following single risks may negatively influence the future income, asset and liquidity situation of each of the Issuers and therefore the ability of each of the Issuers to meet their respective obligations under the Notes:

3.1.1.1 *BAWAG Group's business success is dependent on the political and general macroeconomic conditions of the economies in which BAWAG Group is active.*

BAWAG Group is exposed to risks resulting from the general macroeconomic and political conditions of the economies in which it operates both generally and as they specifically affect financial institutions. The last several years have been characterised by increased political uncertainty as Europe in particular has been impacted by its sovereign debt crisis, the outcomes of the referenda in the U.K. on EU membership and in Italy on contemplated constitutional reform, the refugee crisis and the increasing attractiveness to voters of populist and anti-austerity movements. The severity of the European sovereign debt crisis appears to have abated somewhat over recent years as actions by the European Central Bank ("**ECB**"), rescue packages from EU member states and a general economic recovery appear to have stabilised the situation in Europe to some extent, however, political uncertainty has nevertheless continued to be at an elevated level in recent periods.

The elevated political uncertainty could trigger the unwinding of certain aspects of European integration that have benefitted BAWAG Group's businesses; for example, based on the EU principle of single authorisation, BAWAG Group may offer banking services throughout the EU in reliance on its authorisation by the Austrian Financial Markets Authority (*Österreichische Finanzmarktaufsichtsbehörde* - "**FMA**"), which is a benefit it could lose as a result of the disintegration described above. The prospects for national structural reform and further integration among EU member states, both viewed as important tools to reduce the eurozone's vulnerabilities to future crises, appear to have worsened. These factors may increase uncertainty leading to reduced levels of economic activity and output which may materially reduce BAWAG Group's business success.

The most important economies for BAWAG Group are the economies of Austria, the Federal Republic of Germany ("**Germany**"), the U.K., the United States, the Republic of Ireland ("**Ireland**") and the French Republic ("**France**"). BAWAG Group is exposed to general and industry-specific risks to which banks operating in the above-mentioned countries are exposed. Accordingly, the emergence of adverse economic conditions in any or all of those regions may in turn have an adverse impact on BAWAG Group. Any deterioration in global and/or relevant regional economic conditions could result in reductions in business activity, lower demand for BAWAG Group's products and services, reduced availability of credit, increased funding costs and/or decreased asset values.

The banking markets of Western Europe and the United States are currently characterised by low (or even negative) interest rates coupled with high competition leading, for example, to low margins in the banking industry in general. The factors and events that could negatively influence the business success of BAWAG Group include, without limitation, a general economic downturn, increasing unemployment, inflation, hyperinflation, deflation, currency fluctuations, falling real estate prices, insolvencies, as well as specific aspects such as energy cost/oil price, terrorist attacks or financial crises. Specifically, any negative market developments in the real estate markets in which it holds real estate portfolios could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects. Indirectly, BAWAG Group could be similarly negatively affected by adverse developments of commodity prices as the economic success of certain of its corporate customers directly correlates with the development of commodity prices, particularly oil prices. Moreover, BAWAG Group is in competition with other financial institutions in Austria as well as in the remaining DACH regions (Germany and Switzerland) and generally on an international level. Market conditions have been particularly challenging for financial institutions in recent years and they may further deteriorate.

Furthermore, the number of world-wide geopolitical conflicts has increased significantly in the last few years, as the recent conflicts in North Korea, Qatar, Syria and Ukraine demonstrate. Expectations regarding geopolitical events and their impact on the global economy remain uncertain in both the short and medium term. These conflicts have a significant impact on the economies of countries directly or indirectly involved and on customers, investors and sponsors who are located, or who have assets or conduct business, in such countries.

Any deterioration of the general economic climate, the economic situation of the financial services sector, the future exacerbation or expansion in geopolitical conflicts and any resulting deterioration of the financial standing of BAWAG Group's customers generally could have a material adverse effect on BAWAG Group's 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.

3.1.1.2 An "exit" by any current member of the EU or the eurozone would be unprecedented, and the consequences currently cannot be assessed. Such event may have a material adverse effect on the financial system and the general economic climate in the EU, including Austria, and a significant negative impact on BAWAG Group's business, financial condition, results of operations and prospects.

The result of the U.K.'s referendum to leave the EU and the subsequent initiation of the legal process pursuant to Article 50 of the Lisbon Treaty that must, unless extended, concluded or otherwise terminated, end in March 2019 with the U.K. exiting the EU, commonly referred to as "**Brexit**", may have significant, unpredictable consequences for the economies and financial markets in both the U.K. and the EU and, thus, on the business of BAWAG Group. On 14 November 2018, the European Commission published a draft Article 50 Withdrawal Agreement which will need to be concluded by the European Council, the European Parliament and the U.K. The British Parliament voted against this Article 50 Withdrawal Agreement on 15 January 2019. "Brexit" will become effective on 30 March 2019 unless the U.K.'s withdrawal declaration is unilaterally revoked or an extension of the March 30 deadline is agreed. Given the uncertainty of the ongoing process of the U.K.'s withdrawal from the EU, it is difficult to determine the exact impact on BAWAG Group over the long term. BAWAG Group is also unable to determine with any precision the impact of Brexit on its business operations in the U.K. in the short-term, as there remains limited clarity on the details or timing of the changes. In addition, BAWAG Group's business operations in the U.K. largely consist of a performing residential mortgage loan portfolio which means that it would be primarily affected if Brexit resulted in an increase of defaults of the borrowers in its residential mortgage loan portfolio or if a substantial devaluation of the GBP which could force it to write down the value of its portfolio. Regardless of the ultimate terms and date of exit from the EU, the referendum has created significant political, financial and macroeconomic turmoil and uncertainty. Therefore, Brexit could result in significant macroeconomic deterioration including, in particular, increased volatility of foreign exchange markets (as evidenced by the result of the U.K. general election of 8 June 2017), a further devaluation of the euro against other leading currencies and a decrease of the gross domestic product in the EU. Any of these developments could have a severe adverse impact on the economic situation and consumer climate in the EU, including Austria and Germany (for which the U.K. is an important trade partner).

Moreover, the "Brexit" vote has also given a voice to political parties challenging European integration and other EU countries could follow suit and also leave the EU in the future, or threaten to leave unless certain concessions are made, especially if Brexit or any other member country's exit does not materially negatively affect such country. The resulting uncertainty could have significant effects on the value of the euro and on the prospects for member states' financial stability, which in turn could lead to a significant deterioration of the sovereign debt market. If one or more eurozone members default on their debt obligations or decide to leave the common currency, this would result in the reintroduction of one or more national currencies. Possible consequences of such a departure for an exiting member state may also include the loss of liquidity supply by the ECB, the need to introduce capital controls and, subsequently, certificates of indebtedness, a possibility of a surge in inflation and, generally, a breakdown of its economy. Businesses and other debtors whose main sources of income are converted to a non-euro currency could be unable to repay their euro-denominated debts. This and the resulting need to restate existing contractual obligations could have unpredictable financial, legal, political and social consequences, leading not only to significant losses on sovereign debt but also on private debt in that country. Given the highly interconnected nature of the financial system within the eurozone, and the levels of exposure BAWAG Group has to counterparties holding sovereign and private debt around Europe, its ability to plan for such a contingency in a manner that would reduce its exposure to non-material levels is limited. In the wider eurozone, concerns over the euro's future might cause businesses to cut investment and people to cut back their spending, thus pushing the eurozone into recession. Nervous depositors in other struggling eurozone countries could start withdrawing their deposits or moving them to other countries, thus provoking a banking crisis. The euro could lose but also increase in value in case that exiting countries are coming from the economically weaker periphery. Depending on the exact mutual development of the FX-rates embedded in the global exchange-rate regime, this might impact BAWAG Group's ability to repay its obligations. If the overall economic climate deteriorates as a result of one or more departures from the eurozone, BAWAG Group's businesses could be materially adversely affected, and, if overall business levels decline or it is forced to write down significant exposures among its various businesses, BAWAG Group could incur substantial losses.

The decision of any eurozone member to exit the common currency would be unprecedented, and its financial, legal, political and social consequences cannot be reliably assessed. As the financial system of the eurozone is highly integrated, a significant systemic impact would be likely.

Any negative consequences of a member state leaving the eurozone may thus also have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects being predominantly active in the eurozone. In particular, without limitation, it may be required to take impairments on its sovereign debt

exposures and other assets in full or in part, and may suffer from a general deterioration of the economic activity both within and outside the eurozone.

The effectiveness of the two EU stability mechanisms, the European Financial Stability Facility and the European Stability Mechanism, remains ambiguous, and may be threatened by further rating downgrades of EU member states since their ratings are based on those of the financing members. An exit by any current eurozone member may also negatively affect presently financially stable and sound eurozone countries including Austria, Germany and France.

The realisation of any of these risks may therefore adversely affect the respective Issuer's ability to meet its obligations under the Notes.

3.1.1.3 BAWAG Group is exposed to the risk of defaults of other financial institutions or sovereign debtors. Insolvencies in the financial sector or the default of sovereign debtors could, due to the worldwide interdependency of financial markets, have an adverse effect on the entire financial sector, including BAWAG Group.

The financial distress of large credit institutions, insurance undertakings, other financial institutions or sovereign debtors has the potential to adversely affect financial markets and counterparties in general. This results from the fact that the business activities of large financial institutions such as trading and clearing are closely interwoven. Uncertainty in respect of the financial stability of large financial institutions or their default may cause liquidity restrictions, losses and defaults of other market participants. Similar effects may result from the default of sovereign debtors, particularly if these relate to developed economies in Europe or North America. These systemic risks may adversely affect those financial market participants and intermediaries with whom BAWAG Group maintains business relationships, including credit institutions, investment firms, exchanges and providers of clearing services. The insolvency and non-viability of systemically important or relevant financial institutions, as occurred in the course of the financial crisis, a potential default of sovereign debtors or the materialisation of any other systemic risk could have a material adverse effect on the entire financial sector including BAWAG Group's business, financial condition, results of operations and prospects. Specifically, BAWAG Group's business is subject to the risk that borrowers and other contractual partners may not be able to meet their obligations to BAWAG Group due to insolvency, application of resolution tools by resolution authorities, lack of liquidity, global or local economic issues, operational failure, political developments or other reasons.

Bonds issued by public sector entities have recently been exposed to considerable market price fluctuations. Several eurozone states have been affected, in particular Greece, Ireland, Portugal, Spain and Italy, as well as various other countries, especially in Eastern Europe.

If the values of public sector bonds decline, undergo haircuts dictated by political decisions, or under certain circumstances even fall to zero in the event of insolvency of the public sector entities, thus generating a loss in cash value, this would lead to impairments or force BAWAG Group to realise losses if it decides to sell the relevant instrument, and will have direct adverse effects on BAWAG Group's income statement.

An insolvency of a public sector entity could also lead to general instability and contagious effects, which could lead to adverse effects on BAWAG Group's financial condition and results of operations even if BAWAG Group has no direct exposure to such entity.

BAWAG Group is also exposed to credit risk in relation to banks based in Spain, Italy and other states severely affected by the financial market crisis, as well as other banks with operations focusing on these countries. The continued economic viability of some of these counterparties may become questionable, especially if economic conditions worsen. Financial institutions are likely to be particularly affected by a deterioration of macroeconomic conditions because of, among other things, increasing defaults, the negative revaluation of assets pledged as collateral and increased withdrawals of customer deposits.

In addition, some of these counterparties currently rely heavily on refinancings from central banks. Central banks could reduce their refinancing programs or introduce stricter eligibility criteria. In addition, central banks have indicated the conclusion of quantitative easing programs and a rise in interest rates, which is likely to make future refinancings more expensive. Other banks, depending on the development of real estate markets in the above mentioned countries, may have to perform substantial write-downs on their real estate loan portfolios. Furthermore, the efforts of some of these countries to consolidate their national budgets are also adversely affecting their economies, which may have negative consequences for the economic situation of banks in these countries.

The realisation of one or all of the risks described above could have a material adverse effect on BAWAG Group's 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.

3.1.1.4 *BAWAG Group is exposed to intense competition, particularly in its home market of Austria, which could have a material adverse effect on its business, financial condition, results of operations and prospects.*

The financial services industry is subject to significant competition, particularly in Austria, BAWAG Group's home market. In the corporate and public sector lending business, BAWAG Group faces competition from an increasingly diverse mix of lenders with the entry of non-bank financial institutions such as insurance companies, debt funds, sovereign wealth funds, private equity firms, high net worth individuals and family offices. In the consumer banking business, including competition to lend to consumers and competition for consumer deposits, BAWAG Group primarily competes with other banks operating in Austria and its other markets. However, continued technological advancements and developments in e-commerce make it possible for non-bank financial institutions and other new entrants to offer products and services that traditionally have been offered exclusively by banks, including competition for loans, deposits and other products and services offered by BAWAG Group. Such non-bank competitors may be subject to less or more favourable regulation than traditional banks. In particular, BAWAG Group faces growing competition from financial services technology companies (so-called 'FinTechs'). The implementation of Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market (known as 'PSD2') may also enable the emergence of new competitors, which could reduce the relevance of traditional bank platforms and weaken brand relationships. In addition, competition in the financial services industry could be substantially distorted by government intervention, such as the Austrian bank levy (*Bankenstabilitätsabgabe*) which was introduced in 2011.

In accordance with its strategy, BAWAG Group generally strives to avoid offering low-profit or even loss-making products as currently offered by many of its competitors. However, intense competition forces BAWAG Group to continuously review the pricing of its products and it cannot be assured that BAWAG Group will be able to price its products in a manner that ensures their profitability or at least leads to cross-selling opportunities. Furthermore, customers are focusing increasingly on the various services offered in connection with banking products. Further increases in customer expectations could require BAWAG Group to increase its investments in the development of strong and efficient services in both physical and digital channels. Any failure to manage the competitive dynamics to which it is exposed could have a material adverse effect on BAWAG Group's 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.

3.1.1.5 *BAWAG Group is dependent on the confidence of its customers in the banking system and the business of BAWAG Group. A loss of confidence may cause increased deposit withdrawals which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.*

One of the core funding strategies of BAWAG Group is stable customer deposits. Their availability depends on various external factors beyond its control such as the confidence of the public in the economy, the financial sector, and BAWAG Group. A change of such confidence levels, as well as an increase in general interest rates or the deterioration of economic conditions may limit the ability of BAWAG Group to maintain an adequate level of customer deposits on acceptable terms, which may have a material adverse effect on its ability to fund its operations (see also "3.1.1.15 BAWAG Group has a continuous demand for liquidity to fund its business activities and is exposed to liquidity risks, which may negatively affect its ability to fulfil its obligations."). In 2005 and 2006, due to unsuccessful investments which related primarily to interest rate and currency swaps, BAWAG Group experienced a liquidity crisis which threatened the economic survival and viability of BAWAG Group. BAWAG Group takes these past events into account when conducting its liquidity stress tests and reviewing its recovery plan, however, the recurrence of such a liquidity crisis cannot be excluded. Significant outflows of deposits could have a material adverse effect on BAWAG Group's 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.

3.1.1.6 A downgrading of BAWAG P.S.K.'s credit rating or the rating relating to specific instruments issued by the Issuers (such as covered bonds) could increase its refinancing costs and could have a material adverse effect on BAWAG Group's liquidity, profitability, business, financial condition, results of operations and prospects.

BAWAG Group's operating subsidiary BAWAG P.S.K. is rated by Moody's with a long-term issuer rating of A2 with a stable outlook and by Fitch Ratings Limited ("**Fitch**") with a long-term issuer rating of A- with a stable outlook.

Despite the stable outlook of the ratings, BAWAG P.S.K.'s credit ratings could be subject to downgrades in the future. As a precondition for assigning a certain credit rating, credit rating agencies may expect the issuers to comply with certain criteria and covenants. Any non-compliance by BAWAG P.S.K. with these criteria and covenants may lead to rating downgrades. Such downgrades could contribute to an increase in BAWAG Group's refinancing costs and BAWAG Group is unable to predict the extent of the effects that would follow a credit downgrade of BAWAG P.S.K. These would depend on a number of factors including whether a downgrade affects financial institutions across the industry or on a regional basis, or is intended to reflect circumstances specific to BAWAG P.S.K.; any actions its senior management may take in advance of or in response to the downgrade; the willingness of counterparties to continue to do business with it; any impact of other market events and the state of the macroeconomic environment more generally. In particular, should any of the major credit rating agencies lower BAWAG P.S.K.'s credit rating to a level considered sub-investment grade, significant aspects of its business model would be materially and adversely affected.

Additionally, under many of the contracts governing derivative instruments to which BAWAG P.S.K. is a party, a downgrade could require it to post (additional) collateral, lead to terminations of contracts with accompanying payment obligations for BAWAG P.S.K. or give counterparties additional remedies. Especially, taking potential credit rating downgrades into account when conducting stress tests and drawing up the recovery plan does not guarantee that the negative effects anticipated as part of these tests and plans will not be exceeded in case of an actual credit rating downgrade.

Therefore, possible future downgrades in the financial rating of BAWAG P.S.K. could have a material adverse effect on BAWAG Group's liquidity, 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.

3.1.1.7 BAWAG Group is exposed to the risk of loss due to changes in foreign exchange rates, which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

BAWAG Group performs some of its business activities in non-European countries and European countries which are not eurozone members, including originating loans and purchasing loan portfolios and may also include the expansion of BAWAG Group's retail business into the U.K. and other foreign countries. Transactions in foreign currencies, such as CHF, GBP and USD, are exposed to various risks. Revenue in other currencies may be reduced as a result of its conversion into euro, and expenses in currencies other than the euro may increase due to conversion. Cash flow hedges which BAWAG Group regularly uses to address these risks may prove to be ineffective to manage these risks as they are based on certain assumptions (relating, among other things, to the repayment profile of the hedged cash flows) which may prove incorrect. Assets denominated in foreign currencies may have to be depreciated in the case of a devaluation of the currency and it cannot be guaranteed that hedges which BAWAG Group employs (using foreign exchange derivatives and refinancing facilities in the same currency) adequately protect it against the accompanying risks. Moreover, risk-weighted assets denominated in foreign currencies may have to be recalculated in the case of an appreciation of the currency in which they are denominated. The risk of increasing risk-weighted assets denominated in foreign currencies is not hedged by BAWAG Group.

These risks could have a material adverse effect on BAWAG Group's 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.

3.1.1.8 BAWAG Group is exposed to various forms of market risks, including interest rate risk and credit spread risks, which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

BAWAG Group is subject to various forms of market risks, including the risk of losses due to open risk positions and unfavourable developments in market variables such as interest rates, foreign exchange rates, share prices or

volatility. Market risks can arise in connection with trading activities (the short-term sale and purchase of securities) and non-trading activities (the entry into and maintenance of positions in assets held by BAWAG Group for other reasons).

BAWAG Group's market risks predominantly (but not solely) relate to non-trading risk activities; particularly credit spread risks and interest rate risks. For example, the credit quality of a financial instrument held by BAWAG Group may decrease which would likely lead to a fall of such instrument's market price and have a negative effect on the assets of BAWAG Group. Market risks also arise from the interest rate environment and potential changes in rates.

Low interest rates may, for example, deter customers from holding deposits with BAWAG Group, which could reduce the availability of funding from deposits. A continuing low interest rate environment such as the current environment may also put pressure on deposit net interest margins throughout the industry, negatively affecting BAWAG Group's margins. At extremely low interest rates, margins can be particularly compressed as the interest rates on loans decline while the rates that banks pay on deposits by law cannot be lower than 0%.

Increases in interest rates may cause the market price of BAWAG Group's assets to decline. In the event of sudden large or frequent increases in interest rates, BAWAG Group may not be able to re-price both its rates and liabilities quickly enough, which may negatively affect margins and overall revenue in the short term, particularly if the maturities of BAWAG Group's assets on one hand and its liabilities on the other hand do not match. Furthermore, historically low interest rates have and continue to allow the financing of real estate at low costs, which may result in inflated real estate prices. Subsequent rises in interest rates could lead to a sharp increase in borrowers becoming unable to repay their loans and to sharp falls in property values which could negatively affect the value of their collateral. In addition, unfavourable market developments could adversely affect the fair value of BAWAG Group's derivatives, assets and liabilities.

Due to the nature of its business activities and its exposure to market risks, an unfavourable development of market variables, such as interest rates, foreign exchange rates, share prices or volatility, could have a material adverse effect on BAWAG Group's 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.

3.1.1.9 BAWAG Group is exposed to risks concerning customer and counterparty credit quality which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

BAWAG Group is exposed to many financial products, counterparties and obligors whose credit quality can have a significant adverse impact on BAWAG Group's earnings and the value of assets on BAWAG Group's balance sheet. BAWAG Group is at risk that the economic situation of its counterparties deteriorates and that its counterparties are or become incapable to fulfil their financial obligations or such financial obligations become subject to a bail-in. Furthermore, BAWAG Group is exposed to additional risk, such as tenant risk in relation to mortgage loans, which could adversely affect a counterparty's ability to fulfil its obligations to BAWAG Group. BAWAG Group is also exposed to the risk that it may have to provide involuntary credit extensions to counterparties who are unable to attain refinancing elsewhere. As part of the ordinary course of its operations, BAWAG Group estimates and establishes provisions for credit risks and the potential credit losses inherent in these exposures, including assessments of security rights and value of collateral. This process involves complex judgments, including the determination of certain assumptions and effect of macro-economic conditions on the ability of customers to repay their loans and on the realisation of security. BAWAG Group may fail to adequately identify or anticipate factors which could adversely affect customer or counterparty credit quality, including those factors resulting from value changes due to country-specific political and economic conditions (country risks) and from cluster formation with regards to risk factors or counterparties. The failure of customers or counterparties to meet their commitments as they fall due may result in higher impairments on the fair value of assets or hedging derivatives and/or have a negative impact on BAWAG Group's lending portfolio and income. This could have a material adverse effect on BAWAG Group's 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.

3.1.1.10 BAWAG Group's monitoring of its loan portfolio is dependent on the effectiveness, and efficient operation, of its processes including credit grading and scoring systems and there is a risk that these systems and processes may not be effective in evaluating credit quality.

BAWAG Group uses processes including credit grading and scoring systems in evaluating the credit quality of its customers and to facilitate the early identification and management of any deterioration in loan quality. Changes in credit quality information are reflected in the credit grade of the relevant borrower with the resulting grade

influencing the management of that borrower's loans. BAWAG Group pays special attention to non-performing loans (NPLs), loans accounted for on a non-accrual basis, restructured loans and other loans identified as potential problem loans. However, there is a risk that BAWAG Group's credit grading and scoring systems and processes may not be effective in evaluating the credit quality of customers or in identifying changes in loan quality in a timely manner. Any such failure in the timely identification of loan impairment or its credit grading and scoring system generally could result in inadequate provisioning or have a material adverse effect on BAWAG Group's 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.

3.1.1.11 BAWAG Group uses models across many of its activities and if these models prove to be inaccurate, its management of risk may be ineffective or compromised and/or the value of its financial assets and liabilities may be overestimated or underestimated.

BAWAG Group uses models across many, though not all, of its activities including, but not limited to, capital management, credit grading, provisioning, valuations, liquidity, pricing and stress testing. BAWAG Group also uses financial models to determine the fair value of derivative financial instruments, financial instruments through profit or loss, certain hedged financial assets and financial liabilities and financial assets classified as available for sale in accordance with International Financial Reporting Standards ("**IFRS**"), as adopted by the European Union. Since BAWAG Group uses risk measurement models based on historical observations, there is a risk that they underestimate or overestimate exposure to various risks to the extent that future market conditions deviate from historical experience. In addition, the risk measurement models may fail to take into account certain other relevant factors (both historical and current), or the models may be otherwise incomplete. Furthermore, as a result of evolving regulatory requirements, the importance of models across BAWAG Group's business has been heightened and their importance may continue to increase, in particular because of reforms introduced by the Basel Committee on Banking Supervision ("**BCBS**"), including the framework known as 'Basel IV' (see also "3.1.2.1.1 Past, ongoing and uncertain future reforms and initiatives in legislation or supervision, including additional and more stringent regulation and public sector influence on the financial sector, could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects." below). Certain of BAWAG Group's models are in the process of being implemented and are subject to ongoing regulatory review.

Should BAWAG Group's models not accurately estimate its exposure to various risks, it may experience unexpected losses. BAWAG Group may also incur losses as a result of decisions made based on inaccuracies in these models, including the data used to build them or an incomplete understanding of these models. If BAWAG Group's models are not, or are deemed not to be, effective in estimating its exposure to various risks or determining the fair value of its financial assets and liabilities or if its models prove to be inaccurate, its business, financial condition, results of operations and prospects could be materially adversely affected.

The realisation of any of these risks may adversely affect the respective Issuer's ability to meet its obligations under the Notes.

3.1.1.12 A portion of the assets and liabilities on BAWAG Group's balance sheet comprises financial instruments that it carries at fair value, with changes in fair value recognized in the income statement. As a result of such changes, BAWAG Group may incur losses in the future which could have a material adverse effect on BAWAG Group.

A portion of the assets and liabilities on BAWAG Group's balance sheet comprises financial instruments that it carries at fair value, with changes in fair value recognized in the income statement. Fair value is defined as the price at which an asset or liability could be exchanged in an arm's-length transaction between knowledgeable, willing parties, other than in a forced or liquidation sale. If the value of an asset carried at fair value declines (or the value of a liability carried at fair value increases) a corresponding unfavourable change in fair value is recognized in the income statement.

Observable prices or inputs are not available for certain classes of financial instruments. Fair value is determined in these cases using valuation techniques which BAWAG Group believes to be appropriate for the particular instrument. The application of valuation techniques to determine fair value involves estimation and management judgment, the extent of which will vary with the degree of complexity of the instrument and liquidity in the market. Management judgment is required in the selection of the appropriate parameters, assumptions and modelling techniques. The fair value of such instruments may not accurately reflect the actual values of these instruments in specific market environments and BAWAG Group may consequently be required to adjust the fair values accordingly, potentially requiring BAWAG Group to recognise losses in the future which could have a material

adverse effect on BAWAG Group, and may therefore adversely affect the respective Issuer's ability to meet its obligations under the Notes.

3.1.1.13 The international business of BAWAG Group is subject to credit risks, market risks, concentration risks, transfer risks, convertibility risks and political risks.

BAWAG Group also conducts certain transactions outside of Austria with key international accounts within a pre-defined risk framework. Outside of Austria, BAWAG Group focuses predominantly on Germany, other Western European countries and the United States. BAWAG Group's focus on Germany is evidenced by the recently completed acquisitions of Südwestbank and DEUTSCHER RING Bausparkasse AG (now renamed to start:bausparkasse AG) and the signing of definitive agreements to acquire BFL Leasing GmbH and EOS Health Honorarmanagement AG.

The business activities of BAWAG Group and its subsidiaries and associated companies outside of Austria are subject to the typical risks of international business activities which arise from, among other things, the necessary development and expansion of the business infrastructure, different economic conditions and different legal and taxation systems. For example, in connection with its retail business BAWAG Group must deploy significant resources to observe different consumer protection regimes. Furthermore, in connection with its real estate business BAWAG Group must deal with different legal regimes regarding the enforcement of security interests over real estate assets.

BAWAG P.S.K.'s subsidiary easygroup holds performing residential mortgage loan portfolios in France and the U.K. In respect of both portfolios, BAWAG Group is subject to, among others, credit risks (see also "3.1.1.9 BAWAG Group is exposed to risks concerning customer and counterparty credit quality which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects."). In particular, the mortgages securing the loans may not be sufficient to cover losses in case real estate prices deteriorate. In addition, in view of amortisation of the loan portfolios, BAWAG Group faces the risk of failing to find reinvestment opportunities generating equivalent net interest income at an equivalent level of risk. This reinvestment pressure may cause BAWAG Group to enter into transactions with lower margins and/or higher risk profiles. The reinvestment pressure may intensify, for example, if borrowers opt for an early repayment of their loans.

Furthermore, as of 31 December 2018, 54% of the loans in the residential mortgage loan portfolio in the U.K. are bullet loans (0% for the French residential mortgage loan portfolio). These are loans that only require interest payments during the term of the loan, with the principal to be repaid in full at the end of the term. In most cases, the entire principal must either be repaid or refinanced at the end of the term, which results in repayment or refinancing risks which are greater than those of loans where the monthly instalments consist of interest and principal components. In view of the full payment falling due at maturity of the loans, bullet loans represent a higher default risk at maturity compared to amortising loans. Further, in the U.K. in particular it is common market practice for the principal to be repaid using the proceeds from the sale of the underlying real estate. Any adverse movements in the market price of the underlying real estate may increase the credit risk resulting from the gap between sales proceeds and outstanding loan amount.

Moreover, BAWAG Group's international business is subject to greater credit risk concentrations than its retail business particularly due to high volume financings which it extends to corporate customers as part of its international business.

In addition, as the economic success of certain international corporate customers directly correlates with the development of commodity prices and, in particular, oil prices, BAWAG Group's international business could be negatively affected by adverse developments in commodity prices.

The international business of BAWAG Group also exposes it to a greater degree of political, social and economic risks as described in more detail above (see risk factor "3.1.1.1 BAWAG Group's business success is dependent on the political and general macroeconomic conditions of the economies in which BAWAG Group is active.").

A materialisation of any of these risks could have a material adverse effect on BAWAG Group's 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.

3.1.1.14 Low prices and profitability of real estate could materially impair BAWAG Group's ability to compensate loan defaults by foreclosing on collateral.

Real estate comprises over 76% of BAWAG Group's collateral portfolio as of 31 December 2018. A significant devaluation of commercial real estate could have adverse effects on the banking sector, including BAWAG Group, which could be particularly negatively affected by any such devaluation due to its exposure to commercial real estate in Austria, Ireland, the U.K., the United States, Germany and the Netherlands. Reduced income of its customers from commercial real estate may result in payment defaults and write-offs on assets held by BAWAG Group.

Due to its heavy reliance on real estate collateral located in Austria, France, the U.K. and Ireland, BAWAG Group would also be negatively affected by devaluations of such real estate. Political developments, such as Brexit, may lead to devaluations of real estate prices.

In the case of foreclosures, real estate collateral may not be sufficient to cover secured claims due to declining market values. Resulting write-offs could have a material adverse effect on BAWAG Group's 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.

3.1.1.15 BAWAG Group has a continuous demand for liquidity to fund its business activities and is exposed to liquidity risks, which may negatively affect its ability to fulfil its obligations.

Liquidity risk encompasses the risk that BAWAG Group is unable to fulfil its payment obligations at the time they become due. BAWAG Group is subject to the liquidity risk of not having access to sufficient liquidity at acceptable terms as and when required (refinancing risk), and that BAWAG Group, due to insufficient market funding or due to market disturbances, is not able to, or may only at a loss, terminate or settle transactions (market liquidity risk).

BAWAG Group's funding strategy is dependent upon its stable customer deposits base (see also "3.1.1.5 BAWAG Group is dependent on the confidence of its customers in the banking system and the business of BAWAG Group. A loss of confidence may cause increased deposit withdrawals which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects."). As of 31 December 2018, of the €29,428 million retail and corporate savings products, €25,469 million were variable deposits which can be withdrawn on short notice. Therefore, BAWAG Group is subject to the risk of material deposit outflows which may be outside of its control.

If BAWAG Group is unable to meet its funding requirements, it may be forced to sell liquid assets at economically unfavourable terms in order to attempt to restore its liquidity position. Market liquidity risk may materialise where inadequate market liquidity or a market disruption limit BAWAG Group's ability to easily monetise assets. Refinancing risk could also result from a rollover of funding positions coupled with a longer period of increased refinancing costs. In general, BAWAG Group is exposed to the risk of higher funding costs if and to the extent its asset/liability management does not adequately address mismatches of maturities, interest rates, currencies or other parameters. In addition, external funding sources may become – possibly within a very short time period – insufficient. The ongoing extraordinary liquidity provisioning and asset buying by the ECB may reflect continued structural problems in the refinancing markets. Furthermore, a change in the ECB's policies could undermine market confidence and liquidity in Europe and, therefore, destabilise the markets. In addition, a recession in Europe could endanger economic recovery and lead to a loss of trust in the stability of the financial markets.

BAWAG Group also issues covered bonds as part of its funding strategy. A lack of liquidity in the market for covered bonds would therefore negatively affect BAWAG Group. Such a lack could, for example, result from the loss of confidence following an insolvency of other issuers of covered bonds. Furthermore, the ECB's ongoing intervention, which also includes the purchase of covered bonds, has contributed to a tightening of the spreads of covered bonds. The interest spreads may widen significantly or demand for covered bonds may decline after the ECB ceases its intervention.

The financial crisis resulted in pressure on banks' creditworthiness, often irrespective of their financial strength, and has had a similar effect on other capital markets participants. A market disruption of substantial magnitude could restrict BAWAG Group's access to the capital markets and limit its ability to obtain short, medium and long-term refinancing on acceptable terms and meet regulatory capital requirements.

Any deterioration in BAWAG Group's liquidity could have a material adverse effect on its 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.

3.1.1.16 If BAWAG Group fails to adapt to rapid technological changes its competitiveness could decline.

BAWAG Group's IT and communications systems are critical to its success. In particular, BAWAG Group relies heavily on its proprietary online banking platform, which requires constant ongoing development and investment to reflect new technological developments and changes in industry practice, including as a result of regulatory changes and innovation in products and services. If BAWAG Group is unable to manage upgrades, developments or changes to its proprietary online banking platform and other IT systems, it could be subject to operational disruption, reputational damage, regulatory scrutiny, and significant additional costs.

The online direct banking industry is subject to rapid technological change with new product and service introductions, evolving regulatory requirements and industry standards, and constantly changing merchant and consumer needs and expectations. For example, new online-based market entrants may be able to offer similar products at more attractive prices due to lower fixed costs. Furthermore, online-based market entrants may introduce new products or services, and BAWAG Group may be unable to introduce competing products quickly or at reasonable cost, or at all. In order to remain competitive and grow in this rapidly evolving market, BAWAG Group must continually adapt and enhance its existing technology and product offerings, and continue to develop new products to meet the particular service requirements of specific markets or types of customers. To do this, BAWAG Group needs to anticipate consumer banking demands and technological trends in a wide variety of markets and industries and devote appropriate resources to technology, including research and development. Efforts to enhance and improve existing products and technologies, as well as develop new ones, involve inherent risks, and BAWAG Group may not be able to anticipate these enhancements and developments successfully. BAWAG Group may also fail to accurately foresee developments in online banking or other technologies, which could lead it to investment in technologies and products that do not gain market acceptance or generate sufficient returns. There is also a risk that BAWAG Group may not have adequate financial or technological resources, or that it may not be able to secure appropriate products and distribution channels to satisfy changing consumer demand. Any delay in the delivery of new products or services, or the failure to differentiate BAWAG Group's products and services from those of current or future competitors, could render them less desirable to its customers, or possibly even obsolete.

If BAWAG Group is unable to develop technologies internally, it may have to license or acquire technologies from third parties, which may be costly or not possible at all. Any failure to remain innovative or to introduce new or upgraded technologies that are responsive to changing consumer or regulatory requirements may have a material adverse effect on BAWAG Group's competitiveness and could cause it to lose its market position in core markets, which could have a material adverse effect on BAWAG Group's 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.

3.1.1.17 If BAWAG Group fails to promote and maintain its brands in a cost-effective manner, BAWAG Group may lose market share and its revenues may decrease.

BAWAG Group believes that developing and maintaining awareness of its brands, including "BAWAG P.S.K.", "easybank" and "Qlick", in a cost-effective manner is critical to attracting new and retaining existing customers to its online offering. The successful promotion of its brands will depend largely on the effectiveness of its marketing efforts and the experience of customers with its products and services. BAWAG Group's efforts to build its brands have involved significant expenses, and it is likely that its future marketing efforts will require it to incur significant additional expense. These brand promotion activities may not result in increased revenues and, even if they do, any increases may not offset the expenses incurred. BAWAG Group may incur additional marketing costs as it expands into new markets under its new brand name "Qlick" or where its brands BAWAG P.S.K. or easybank are currently less prominent, and it may not be successful in establishing its brand in new markets. If BAWAG Group fails to successfully promote and maintain its brands or if BAWAG Group incurs substantial expenses in an unsuccessful attempt to promote and maintain its brands, BAWAG Group may lose its existing customers to its competitors or be unable to attract new customers. The materialisation of any of these risks, alone or in combination, could have a material adverse effect on BAWAG Group's 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.

3.1.1.18 Negative publicity due to customer complaints, litigation or other factors, and a negative public perception of BAWAG Group's business, could cause demand for its products to significantly decrease.

BAWAG Group's reputation is very important for the attraction of new, and retention of existing customers, as well as for cross-selling additional products. There can be no assurance that BAWAG Group will continue to maintain a

good relationship with its customers or avoid negative publicity. Negative publicity about BAWAG Group, its industry or its management, including the quality and reliability of its online offering and the effectiveness of its credit decision-making system, could adversely affect its reputation and the confidence in, and the use of, its online offering.

Such harm to BAWAG Group's reputation can arise due to many reasons, including:

- failure by BAWAG Group to meet minimum standards of service and quality;
- employee misconduct;
- inadequate protection of customer information, compliance failures and security breaches;
- inability to effectively manage and resolve complaints from customers or third-party service providers, even if inaccurate;
- business practices of BAWAG Group or of its cooperation partners which, or which are perceived to, unduly infringe consumer rights; and
- litigation or regulatory actions resulting from relationships with customers, including with consumer protection bodies such as the Consumer Information Association (*Verein für Konsumenteninformation*), competitors or regulatory authorities.

Any damage to BAWAG Group's reputation arising from negative publicity, or a negative perception of online banking in general, could have a material adverse effect on BAWAG Group's 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.

3.1.1.19 BAWAG Group may fail to achieve its business and strategic objectives, and its historical results may not be representative of its future results.

BAWAG Group may not be able to achieve its business and strategic objectives in the future, which could lead to a material decline in profits and materially affect interest payments and the results of operations in general. This could result from developments or technological advances in the relevant markets, in particular competition from certain financial technology companies that may create disruptive competition for BAWAG Group's existing business models. The various elements of BAWAG Group's strategy may be individually unnecessary or collectively incomplete. BAWAG Group's strategy may also prove to be based on flawed assumptions regarding the pace and direction of future change across the banking sector including a misjudgement of customer behaviour and demand. BAWAG Group's management may adopt strategic decisions including the implementation of new cost-saving or efficiency programs, new product or service concepts and other types of strategic measures which may not render the anticipated returns within the expected timeframe or at all. This may lead, among others, to wasted resources or a need for further investments. Moreover, in the context of the adoption and implementation of strategic decisions, the allocation or re-allocation of financial resources and staff to one or more functions or activities may in hindsight prove to be disadvantageous for BAWAG Group, for example if a certain business area is left with insufficient qualified staff following a re-allocation of personnel. In addition, any aspect of BAWAG Group's strategy that is dependent upon the value and competitive advantage conveyed by intellectual property rights (including trademarks) may not be adequately protected or deemed to be enforceable.

BAWAG Group's financial performance also depends upon the growth of the geographical and industry markets in which it currently operates, as well as its ability to expand within these markets and into new markets. It can be difficult and costly to attract new customers within existing markets because of the reluctance of many customers to change providers, including as a result of costs directly associated with transitioning to new providers and the risk of downtime or loss of functionality. BAWAG Group's growth strategy focuses on select acquisitions intended to develop or acquire new products and services (such as BAWAG Group's acquisition of the card issuing business of SIX Payment Services Austria and investments in the functionality of its software). BAWAG Group may not be able to successfully implement these strategies, and even if it does, they may not provide BAWAG Group with the value and benefits it anticipates.

The business strategy of BAWAG Group is subject to continual review. Despite its current business strategy BAWAG Group may, among other things, fail to successfully:

- identify and conclude attractive acquisitions;
- integrate acquired entities, e.g., Südwestbank;
- expand its retail business into Germany; and
- migrate older current account models with low or negative profit margins into the new more profitable KontoBoxes models.

Furthermore, BAWAG's Audited Consolidated Annual Financial Statements, BAWAG P.S.K.'s Audited Consolidated Annual Financial Statements and the other historical financial information included in this Base Prospectus do not necessarily indicate what BAWAG Group's and BAWAG P.S.K. Group's results of operations, financial position, cash flows or costs and expenses will be in the future.

3.1.1.20 A termination or reduction of BAWAG Group's close cooperation with its distribution partners could have a material adverse effect on its business, financial condition, results of operations and prospects.

Partnerships play an important role for BAWAG Group. A cornerstone of its strategy is to cooperate with product providers in Austria on a long-term basis. For example:

- through BAWAG P.S.K. Versicherung AG, a joint venture company that is 25% owned by BAWAG Group and 75% owned by the Generali Group, BAWAG Group offers its customers insurance products;
- in cooperation with its partner Amundi, BAWAG Group offers its customers investment products;
- in cooperation with its partner Western Union, BAWAG Group offers person-to-person money transfer, money orders, business payments and commercial payment services; and
- in cooperation with its partner Wüstenrot, BAWAG Group offers building savings loans.

If any such cooperation agreement was to be terminated or its scope to be narrowed and BAWAG Group was not able to substitute such cooperations by other means (e.g., through its own distribution channels), or if the targets or plans cannot or only in part be realised, it could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects, and may therefore adversely affect the ability of the Issuer to meet its obligations under the Notes.

The termination of the cooperation agreement with Österreichische Post Aktiengesellschaft ("**Austrian Post**") may not result in the intended cost savings and may negatively impact the customer experience during the transition period or as a result of a smaller branch network resulting in the loss of customers and business opportunities or may have other adverse effects on BAWAG Group.

BAWAG P.S.K.'s network of approximately 426 branches is operated under a cooperation agreement with Austrian Post, whereby Austrian Post provides certain financial services, including cash deposits, payments and withdrawals, on behalf of BAWAG P.S.K. at branches owned or leased by Austrian Post. At the end of 2017, BAWAG Group terminated the cooperation agreement with effect as of 31 December 2020. Following the termination of the cooperation agreement by BAWAG Group, BAWAG Group and Austrian Post have agreed to work towards a materially complete separation already by the end of 2019. The separation agreement is intended to also adjust pricing for services provided by Austrian Post to market rates and based on performance for transaction services and advisory activity in the transitional period through 2019. During the transition period, BAWAG Group intends to create a standalone branch network of approximately 100 branches through the opening of approximately 25 new branches to supplement the 75 branches that BAWAG P.S.K. currently owns or leases. Furthermore, BAWAG Group plans to hire and train new advisors to replace, in part, a portion of the advisors currently provided by Austrian Post, although at significantly reduced staffing levels. Currently approximately 100 of the nearly 850 advisors in the BAWAG P.S.K. network are Austrian Post employees, trained and managed by BAWAG P.S.K. All personnel in the highly dispersed network would be consolidated to the target network.

There are significant uncertainties arising from this strategy. In particular, adequate locations for new branches may be unavailable, and the costs and efforts associated with setting up such a network and hiring and training personnel may be significantly greater than anticipated. As a result, the transition to the independent network may

be difficult. In addition, because much of BAWAG P.S.K.'s current branch network is staffed by Austrian Post personnel, the level of service provided in the branch network may be adversely affected prior to the effective date of the termination. If customer service is negatively affected during the three-year transition period, BAWAG P.S.K. may experience a loss of customers and business opportunities that is greater than anticipated.

Although BAWAG Group terminated the cooperation agreement because it believes that a smaller, focused network controlled by it would result in significantly lower costs and better customer service, the realised cost savings may be significantly less and the loss of customers and business opportunities may be significantly greater than anticipated. The reduction in the number of branches may negatively impact customer experience and revenues, particularly if the transition of customers to online and mobile services is less rapid than expected. The streamlining of the network may also lead to greater customer loss than expected, including the loss of deposits held by these customers, if BAWAG Group fails to retain anticipated customers numbers associated with consolidated branches.

If BAWAG Group fails to achieve its business and strategic objectives by streamlining its branch network or if its related assumptions prove to be incorrect, the termination of the cooperation agreement could have a material adverse effect on BAWAG Group's 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.

3.1.1.21 Due to any inadequacy or failure of internal procedures, employees and systems or due to external events unexpected losses could occur (operational risk).

BAWAG Group is exposed to unexpected losses caused by the operational risk of inadequacy or failure of internal procedures, employees or systems or due to external risks including legal risk. This encompasses (i) internal risks including theft and fraud by employees, development and process failures, business interruptions or system failures, and lack of sufficient human resources and (ii) external risk factors such as property damage and fraud by customers. These risks increase in volatile, illiquid or in developing markets. The legal inability of BAWAG Group's counterparties to close a transaction, contractual deficiencies, incomplete documentation of transactions or legal particularities and amendments in the legal foundations of a company could lead to claims/receivables from a transaction not being legally enforceable which could result in BAWAG Group incurring losses which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

In addition, employee misconduct such as fraud is not always possible to deter or prevent. BAWAG Group is, in particular, exposed to the risk that its employees misappropriate customer funds. BAWAG Group has taken precautions in order to detect such unlawful actions. The precautions that BAWAG Group has taken to detect and prevent such activities may not be effective, which could subject BAWAG Group to additional liability and have a negative effect on BAWAG Group's business, financial condition, results of operations and reputation, and may therefore adversely affect the respective Issuer's ability to meet its obligations under the Notes.

3.1.1.22 BAWAG Group is exposed to operational risks related to failings of its key outsourcing suppliers, such as service interruptions.

BAWAG Group outsources significant parts of its business to third-party suppliers. All decisions on the outsourcing of any business activities are taken in line with a framework which BAWAG Group has implemented for this purpose. The most significant outsourcing arrangements relate to the outsourcing of various IT operations, certain compliance functions and the management of real estate portfolios in France and the U.K. Outsourcing to third-party suppliers is crucial to the efficient operation of BAWAG Group. However, the outsourcing of services to third-party suppliers involves certain risks, including legal risks, performance risks, the suitability of the service provider, loss of know-how, service interruptions, lack of service quality, leaking of confidential information, sudden terminations of service contracts, insolvency of the provider or similarly disruptive events. Additionally, BAWAG Group may not be able to exercise the same level of control over third-party service providers as with its own employees, which could limit BAWAG Group's ability to ensure the quality of the service provided. These risks, if they materialise, could have a material adverse effect on BAWAG Group's 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.

3.1.1.23 Failure of BAWAG Group's IT systems could lead to a significant impairment of the business operations of BAWAG Group.

BAWAG Group's information technology division provides the majority of the IT services for its entities and product offerings, including its proprietary banking platform, in the areas of product pricing and products sales, assessing acceptable levels of risk exposure, determining product approvals, setting required levels of provisions and capital,

providing and maintaining customer service (including payment services and other customer transactions) and maintaining regulatory requirements. To provide redundancy BAWAG Group operates two separate datacentres in Vienna, each of which is connected to the internet by two telecom providers via separate physical lines. However, a catastrophic event in Vienna could potentially disable both datacentres. In particular, BAWAG Group faces the risk of loss events due to the instability, malfunction or outage of its IT system and IT infrastructure. Such losses could materially affect BAWAG Group's ability to perform business processes and may, for example, arise from technical failures, human error, unauthorised access, cybercrime, natural hazards or disasters, or similarly disruptive events as well as from the erroneous or delayed execution of processes as either a result of system outages or degraded services in systems and IT applications. A delay in processing a transaction, for example, could result in an operational loss if market conditions worsen during the period after the error. IT-related errors may also result in the mishandling of confidential information, damage to BAWAG Group's computer systems, financial losses, additional costs for repairing systems, reputational damage, customer dissatisfaction or potential regulatory or litigation exposure. This could have a material adverse effect on BAWAG Group's reputation, 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.

3.1.1.24 *BAWAG Group's operational systems are subject to an increasing risk of cyber-attacks and other internet crime, which could result in material losses of customer information, damage BAWAG Group's reputation and lead to regulatory penalties and financial losses.*

BAWAG Group is exposed to the risk of breaches of the security of its computer systems due to unauthorised access to network resources or other forms of cyber-attack or internet crime including the use of viruses and trojans. The increasing frequency and sophistication of recent cyber-attacks, as evidenced by the large-scale attack on computers based in Ukraine in June 2017 which then spread internationally, has resulted in an elevated risk profile for many organisations around the world. Such breaches could disrupt BAWAG Group's business, result in the disclosure of confidential information and create significant financial and/or legal exposure and could damage the reputation of BAWAG Group. BAWAG Group devotes significant resources towards the protection of its systems against such breaches, but it cannot be guaranteed that the protection measures BAWAG Group has taken will be effective against all threats, particularly against unknown future threats given the use of new technologies and increasing reliance on the Internet and the varying nature and evolving sophistication of such attacks. There is no assurance that BAWAG Group's security measures will provide absolute security. BAWAG Group's efforts to ensure the integrity of its systems may not be sufficient to anticipate or to implement effective preventive measures against all security breaches of these types, especially because the techniques used change frequently or are not recognized until launched, and because cyber-attacks can originate from a wide variety of sources, including third parties outside BAWAG Group such as persons who are involved with organised crime or associated with external service providers or who may be linked to terrorist organisations or hostile foreign governments. If an actual or perceived breach of security occurs, customer perception of the effectiveness of BAWAG Group's security measures could be harmed which could result in the loss of customers.

Actual or anticipated attacks and risks may cause BAWAG Group to incur increased costs, including costs to deploy additional personnel and protection technologies, train employees, and engage third party experts and consultants. The realisation of any of the aforementioned risks could have a material adverse effect on BAWAG Group's 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.

3.1.1.25 *Investments of BAWAG Group may not yield a return, and the valuation of participations of BAWAG Group could make impairments necessary. The sale of participations may only be possible at a loss.*

BAWAG Group holds participations in stock exchange listed and non-stock exchange listed entities in its banking book and is dependent on investment income from these participations. These participations relate to leasing companies, real estate companies, financial institutions, payment services providers, energy suppliers and media companies. In addition to the risk that its investments may not generate income, BAWAG Group is also subject to the risks of devaluation and write-offs, because a deterioration of a participation's financial situation may lead to a depreciation in value, or loss of this participation. The participation risk encompasses possible changes in the market value of non-consolidated associated companies, possible depreciation requirements relating to the value of the participation and poor profitability of non-consolidated associated companies. The participation risk does not relate to operating subsidiaries, because the risks applicable to these differ according to the specific type of risk and are therefore already taken into consideration under these risks. BAWAG Group performs yearly valuations of its participations. Any necessity to write-off participations in non-consolidated associated companies could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

BAWAG Group has already disposed of several participations and is generally considering the sale of other participations. The sale price of such participations could be less than their book value, which could have a material adverse effect on BAWAG Group's 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.

3.1.1.26 BAWAG Group may have difficulty in integrating acquisitions or identifying and assessing risks of acquisitions, which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

BAWAG Group considers acquisitions from time to time to support its business objectives and complement the development of its business in its existing and new geographic markets. For example, in 2016, BAWAG Group acquired start:bausparkasse Austria and IMMO-BANK from the Volksbanken Group. Furthermore, in 2017, BAWAG Group closed the acquisition of (i) PayLife, the card issuing business of SIX Payment Services Austria, and (ii) Südwestbank. In 2018, BAWAG Group closed the acquisition of DEUTSCHER RING Bausparkasse AG, Hamburg (now renamed to start:bausparkasse AG). Finally, in the same year, BAWAG Group also signed definitive agreements regarding the full acquisition of BFL Leasing GmbH, a Frankfurt-area based leasing company, as well as two factoring companies, namely the Hamburg, Germany, based EOS Health Honorarmanagement AG and the Swiss Zahnärztekasse AG. Such strategic transactions demand significant management attention and require BAWAG Group to divert financial and other resources that would otherwise be available for its existing business. Even though BAWAG Group reviews the companies, businesses, assets, liabilities or contracts it plans to acquire, it is generally not feasible for these reviews to be complete in all respects. As a result, BAWAG Group may fail to adequately assess risks and liabilities associated with acquired businesses and assume unanticipated liabilities. Furthermore, BAWAG Group may be unable to effectively settle liabilities that are unknown at the time of the acquisition, such as legacy tax claims and claims from former employees, among others. BAWAG Group may also fail to adequately assess the effect of an acquisition on its regulatory performance metrics, in particular its regulatory capital adequacy requirements or liquidity requirements under the applicable banking regulations. If it later turns out that the original assessment by BAWAG Group underestimated an acquisition's effects on such regulatory requirements, so that the impact needs to be subsequently adjusted, and if the negative effect cannot be otherwise compensated, for example, through the profitability of its operations or the reduction of risk weighted assets, BAWAG Group may be unable to meet one or more of such regulatory requirements under the applicable regulations. In such case, the competent supervisory authority could, for example, suspend or limit the payment of dividends.

In addition, acquired businesses may not perform as well as expected, or may not achieve the expected results within the anticipated timeframe, and the benefits of an acquisition (including expected synergies) may take longer to realise than expected or may not be realised fully or at all. Moreover, the integration of acquired businesses is typically a complex, time consuming and expensive process. Such processes may take longer than anticipated or involve higher expenses than originally anticipated, and be subject to a number of uncertainties, such as costs and expenses associated with unexpected difficulties, a diversion of management's attention from BAWAG Group's daily operations and/or strategic business decisions, a potential loss of key employees and customers or an additional demand on management related to the increase in the size and scope of BAWAG Group's operations. Furthermore, acquisitions by BAWAG Group often require regulatory clearance which may delay or prevent the closing of signed acquisitions. There can be no assurance that these clearances will be obtained on a timely basis or if at all. In addition, BAWAG Group might have difficulty integrating any entity with which it combines its operations. Failure to complete announced business combinations or failure to integrate acquired businesses successfully into BAWAG Group could have a material adverse effect on BAWAG Group's 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. These eventualities could also lead to departures of key employees, or lead to increased costs and reduced profitability if BAWAG Group felt compelled to offer them financial incentives to remain. There can be no assurances that BAWAG Group will be able to successfully pursue, complete and integrate any future acquisition targets.

3.1.1.27 Resignation or loss of key personnel, including members of the Management Board, and possible difficulties in recruiting or retaining qualified employees could adversely affect BAWAG Group's ability to execute its strategy.

BAWAG Group's key personnel, i.e. the management of BAWAG Group and other members of its senior management, have been essential in establishing and implementing BAWAG Group's key strategies. In addition, BAWAG Group needs to attract new talent to be able to compete in the national and international banking market. Limitations on the remuneration policies of credit institutions, in particular on the variable elements of

remuneration, as set forth in Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as amended ("**CRD IV**") and as implemented in the Austrian Banking Act (*Bundesgesetz über das Bankwesen – "**BWG**"*) and the local regulations applicable to credit institutions, could impede BAWAG Regulatory Group's efforts to retain or recruit highly qualified personnel. Furthermore, emerging competitors from the FinTech industry as well as employers in other industries competing for talent with BAWAG Group (such as consulting firms or auditors) or employers in other jurisdictions may not be subject to these limits on remuneration policies and could therefore be able to offer more attractive remuneration packages than BAWAG Regulatory Group. If BAWAG Regulatory Group is unable to retain the services of one or more members of its management, it may not succeed in attracting individuals with equal qualifications and comparable experience within a suitable time period and at adequate terms. The loss of management or other key personnel and failure in recruiting new replacing personnel could have a material adverse effect on BAWAG Group's 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.

3.1.2 Risks relating to regulatory, legal and tax matters

In addition to BAWAG Group's risks relating to the operational business described above, the following risk factors relating to regulatory, legal and tax matters contribute to BAWAG Group's operative and financing risk, and may therefore adversely affect the ability of each of the Issuers to meet its respective obligations under the Notes.

3.1.2.1 Regulatory, legal and tax risks relating to BAWAG Group

The following regulatory, legal and tax risks equally apply to both BAWAG and BAWAG P.S.K. as issuers and parts of BAWAG Group.

3.1.2.1.1 Past, ongoing and uncertain future reforms and initiatives in legislation or supervision, including additional and more stringent regulation and public sector influence on the financial sector, could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

The business activities of BAWAG Group, including those of BAWAG P.S.K., are subject to national, European and international legal frameworks as well as supervision by regulatory authorities in the relevant markets. The financial crisis has prompted the supervisory practice to act more rigorously, and the international standard setters such as, for example, the BCBS and the Financial Stability Board ("**FSB**") as well as national and European legislators, governments and regulatory authorities have adopted a variety of financial regulation reforms to improve the ability of the financial sector to withstand future crises. Further reforms are pending or may still be proposed. The wide range of new laws, regulations, guidelines and other papers or current proposals includes, but is not limited to:

- early intervention and resolution powers of supervisory and resolution authorities to intervene in, and prior to, a crisis of banks, including the forced participation of creditors to bear losses and participate in a recapitalization (so-called 'bail-in');
- restrictions on the remuneration policies and practices of institutions;
- more stringent rules for the annual supervisory review and evaluation process ("**SREP**") by which the ECB assesses and measures the risks for each bank and assesses its adequacy of own funds, liquidity, business model and internal governance and institution-wide controls and subsequently may require the banks to hold additional own funds and liquidity;
- the establishment of the Single Supervisory Mechanism ("**SSM**") with the ECB as the central prudential supervisor directly supervising significant institutions including BAWAG P.S.K. and the creation of a Single Resolution Mechanism ("**SRM**") with, the Single Resolution Board ("**SRB**") as the central body in charge of, *inter alia*, the resolvability assessment, the resolution planning and resolution of, *inter alia*, institutions directly supervised by the ECB, including BAWAG P.S.K, both within the eurozone and any other EU countries that choose to participate in these mechanisms;
- revised frameworks to prevent market abuse, for investment services and markets in securities and other financial instruments;

- reporting and information requirements for securities financing transactions such as securities lending or repurchase transactions (so-called 'repos') as well as transparency and approval requirements for the reuse of collateral (so-called 're-hypothecation');
- a regulation on the production, use and supervision of financial benchmarks;
- new rules on payment services, including stricter security requirements for electronic payments and opening up the European payment market to non-banks offering account information or payment initiation services after the implementation of Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market (known as 'PSD2');
- due diligence, risk retention and transparency rules in connection with securitizations;
- proposals for more stringent and risk-sensitive capital requirements, in particular in relation to credit risk, counterparty credit risk and market risk, leverage and liquidity standards including, in particular, the proposals of December 2017 made by the BCBS in relation to revisions to the standardized approach for credit risk, operational risk, constraining the use of internal models for credit risk, capital floors and revisions to the leverage ratio (known as 'Basel IV', see also "3.2.31 Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss." and "3.1.2.1.3 Increased capital and liquidity requirements, including leverage ratio requirements and enhanced supervisory powers to demand further own funds or liquidity under CRD IV/CRR and proposed amendments may adversely affect the profitability of BAWAG Group.");
- proposals for transposing the FSB standard on total loss-absorbing capacity ("**TLAC**") developed for global systemically important institutions into the European resolution regime applicable to all banks by integrating the more stringent TLAC requirements into the minimum requirements for own funds and eligible liabilities ("**MREL**") as laid out in Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms ("**BRRD**") (see also "3.1.2.1.3 Increased capital and liquidity requirements, including leverage ratio requirements and enhanced supervisory powers to demand further own funds or liquidity under CRD IV/CRR and proposed amendments may adversely affect the profitability of BAWAG Group.");
- the envisaged revision of the regulations governing the European System of Financial Supervision with a possible view to impose fees on the supervised entities to finance the European supervisory authorities, namely the European Banking Authority ("**EBA**") and the European Securities and Markets Authority ("**ESMA**"); and
- a targeted review by the ECB as banking supervisory authority of the internal models used by banks within the eurozone, such as BAWAG Regulatory Group (the targeted review of internal models or "**TRIM**" project).

It is not yet fully clear if, when and how those reforms that have not yet been finalized could be implemented. Neither the final scope of the currently available proposals nor their full potential effect on BAWAG Regulatory Group may be determined at this stage. The likely possibility of other future changes of the regulatory framework causes uncertainty for BAWAG Regulatory Group and the financial sector as a whole.

As a consequence of the financial and sovereign debt crisis, the Austrian State and governmental and regulatory authorities in the EU and Austria have increased their involvement in the financial sector by providing capital and funding to, as well as acquiring stakes in, financial institutions in the course of bail-outs. In Austria, related events have become the subject of increased public awareness, including investigations by legislative bodies. Continued and focused attention of the regulator and other authorities on the financial sector, and active involvement in strategic decisions of financial institutions in which the Austrian State holds participations is therefore to be expected.

In addition, regulatory authorities, in particular those with jurisdiction over BAWAG Regulatory Group, including the ECB under the SSM and the FMA for certain other matters, enjoy substantial discretion in their regulation of banks. The exercise of this discretion and the means available to the regulatory authorities, have been steadily increasing during recent years.

The aforementioned events and any other regulatory measures, as well as possibly a more stringent supervisory practice, including by the ECB, the FMA, and for the Issuers German subsidiaries, the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "**BaFin**"), in the future may, once adopted or implemented, influence the profitability of BAWAG Regulatory Group's business activities, require adjustments of its business practices and/or increase costs, including compliance costs. Implementing the required changes may also require the attention and substantial resources of BAWAG Regulatory Group's management. BAWAG Regulatory Group may face higher financing and/or capital costs and restrictions on its growth or permitted business activities. The business model of BAWAG Group as well as individual business areas could be endangered. Any reforms of regulatory law or practice could affect the financial position, assets, profitability and business prospects of BAWAG Group, and may therefore adversely affect the respective Issuer's ability to meet its obligations under the Notes.

3.1.2.1.2 European and Austrian legislation regarding the resolution of banks, in particular the powers of resolution authorities to ensure resolvability and to force shareholders and creditors to participate in a situation of crisis, could, if such steps were taken to ensure that BAWAG Group or critical functions thereof continue(s) as a going concern, significantly affect BAWAG Group's business operations.

Austria participates in the SRM which centralizes at a European level the key competences and resources for managing the failure of banks in the eurozone. The SRM is based on Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (the Single Resolution Mechanism Regulation or "**SRM Regulation**") and the BRRD which has been implemented in Austria by the Federal Act on the Recovery and Resolution of Banks (*Bundesgesetz über die Sanierung und Abwicklung von Banken* – "**BaSAG**").

The SRM Regulation and the BaSAG grant broad powers to public authorities. For a bank or banking group directly supervised by the ECB, such as BAWAG Regulatory Group, the SRB assesses its resolvability and may require legal and operational changes to the structure of BAWAG Group to ensure its resolvability. In the event that such a bank is failing or likely to fail and certain other conditions are met, the SRB is responsible for adopting a resolution scheme for resolving the bank pursuant to the SRM Regulation. The European Commission and, to a lesser extent, the Council of the European Union, have a role in endorsing or objecting to the resolution scheme proposed by the SRB. The resolution scheme would be addressed to and implemented by the competent national resolution authority, which is, for Austrian entities such as the Issuers and their Austrian banking subsidiaries, the FMA. The FMA would insofar act in accordance with the SRM Regulation and the BaSAG. For the inclusion of the Issuers' German subsidiaries in a resolution scheme adopted by the FMA, a resolution college including BaFin must be established. The SRM Regulation and the BaSAG provide the SRB and the FMA, respectively, with a set of resolution tools which may be used under certain conditions for resolution, such as the imminent failure of a credit institution, to achieve one or more resolution objectives. These tools are the sale of the entity's business to the private sector, the establishment of a bridge institution or the transfer of assets and liabilities to an asset management vehicle (so-called 'bad bank') as well as the bail-in tool. In particular, pursuant to the SRM Regulation and the BaSAG, if certain conditions with respect to a credit institution, such as the issuer (as the case may be) BAWAG P.S.K., or a financial holding company, such as, as the issuer (the case may be) BAWAG, are met, the SRB and the FMA are entitled to allocate losses and recapitalization needs to such entity's shareholders and creditors by the dilution of the existing shareholders of the failing entity or the cancellation of their shares outright, the write down in full or in part of the principal amount or the outstanding amount of any capital instruments that qualify as additional tier 1 capital instruments or tier 2 capital instruments, such as the Subordinated Notes, as well as any other subordinated debt instruments liabilities and finally even senior unsecured liabilities (subject to exceptions in respect of certain liabilities) or convert such capital instruments and eligible liabilities into new CET 1 instruments, in particular of the resolved entity or a bridge institution. Furthermore, pursuant to the SRM Regulation and the BaSAG, a write-down and conversion of additional tier 1 and tier 2 capital instruments, such as the Subordinated Notes, may be imposed at the "point of non-viability" before and regardless of any subsequent resolution action. In addition to the resolution tools, the SRB and the FMA hold a number of additional powers to facilitate the process in case of a resolution, including the power to potentially suspend obligations of a credit institution in resolution such as redemption or interest payment obligations under notes issued, to restrict the enforcement of security interests in relation to any assets of the institution and to suspend termination rights until the expiration of the business day following the day of publication of the notice of suspension.

The SRM Regulation and the BRRD, implemented under Austrian law by the BaSAG, are intended to eliminate, or reduce, the need for public support of banks in a crisis. Therefore, the overall goal is the limitation of public

financial support for such banks, if any, to cases of last resort after having assessed and exploited, to the maximum extent practicable, the resolution powers, including the allocation of losses and recapitalization requirements to shareholders and creditors.

Regulatory measures under the BRRD resolution framework as implemented in the BaSAG and as applicable under the SRM Regulation taken in the event of failure of the Issuers or any of their banking subsidiaries, in particular the participation of the respective Issuers' shareholders, holders of other relevant capital instruments and/or creditors and/or the use of any other of the available resolution tools, may severely affect the rights of the Noteholders as it may result in the cancellation of interest payments or payments of principal under the Notes and the write-down in full or in part of the Notes and hence in the loss of the entire investment.

3.1.2.1.3 Increased capital and liquidity requirements, including leverage ratio requirements and enhanced supervisory powers to demand further own funds or liquidity under CRD IV/CRR and proposed amendments may adversely affect the profitability of BAWAG Group.

In December 2010, the BCBS published a set of comprehensive changes to the international capital adequacy framework, known as 'Basel III', which have been implemented into EU law by a legislative package. This legislative package consists of the directly applicable CRR and the CRD IV (together, the "**CRD IV/CRR**" package) which has been implemented in Austria by amendments to the BWG. The implementation of Basel III into European and Austrian law brought stricter requirements on the eligibility of capital instruments and items as regulatory own funds, higher minimum capital ratios, introduced new capital buffers and a binding liquidity coverage ratio (the "**LCR**") and equipped the competent supervisors with discretion to a certain extent as regards additional buffers. The CRD IV/CRR package became effective on 1 January 2014, with some regulatory requirements gradually phasing in through 1 January 2023.

The minimum capital requirements (so-called 'Pillar 1 requirements') for EU and thus Austrian credit institutions are primarily set forth in the CRR. The CRR requires each credit institution to maintain an adequate level of regulatory capital in relation to its risks. Relevant risks include, in particular, credit risk, market risk and operational risk (including, among other things, risks related to certain external factors, as well as to technical errors and errors of employees). Common Equity Tier 1 ("**CET 1**") capital forms the key component of a credit institution's regulatory capital for compliance with the capital requirements under the CRR. CET 1 capital primarily consists of share capital, retained earnings and other reserves, subject to certain regulatory adjustments. Another component of regulatory capital is AT 1 capital which includes, for example, certain unsecured subordinated perpetual capital instruments and related share premium accounts. Generally, the terms and conditions of all instruments recognized as CET 1 capital must require that the principal amount of the instruments will be written down, or converted into CET 1 capital when the CET 1 capital ratio of the relevant institution falls below a minimum of 5.125% (or such higher level as the issuing institution may determine), although regulators may require a higher trigger, for example for stress-testing purposes. CET 1 capital and AT 1 capital together constitute "Tier 1" capital. Tier 1 capital requirements are aimed at ensuring the ability to absorb losses on a "going concern" basis. Tier 2 capital forms the lower tier of the regulatory capital and generally consists of long-term subordinated debt instruments with loss absorption capacity only on a "gone concern" basis. Tier 1 capital and tier 2 capital together constitute the "own funds" of a credit institution. The CRR gradually excludes certain existing capital instruments (which have been issued in the past) from their eligibility as own funds (so-called 'phasing out') or reclassifies those instruments to a lower own funds quality. For example, existing hybrid capital instruments will, over time, be phased out as AT 1 capital. Furthermore, the former Tier 3 capital is no longer recognized as own funds under the CRR.

The minimum requirements for Tier 1 capital amount to 6% since 1 January 2015. The total capital ratio without capital buffers has remained at 8% of risk-weighted assets.

The introduction of capital buffers is addressed in the CRD IV and implemented into Austrian law by the BWG and the Capital Buffers Regulation (*Kapitalpuffer-Verordnung – KP-V*). All capital buffers have to consist of CET 1 capital. The BWG requires Austrian credit institutions to have a permanent capital conservation buffer of 2.5% of risk-weighted assets. Furthermore, the following additional capital buffers may be prescribed by national legislators or supervisory authorities: (a) a countercyclical capital buffer of up to 2.5% of risk-weighted assets generated in the respective EU member state (for Austria and Germany, the relevant national countercyclical capital buffer rates have been set by the FMA and the BaFin at 0% as of 2018, respectively); (b) a systemic risk buffer (for Austrian credit institutions, the systemic risk buffer may be set between 1 and 2% and is relevant since 1 January 2016; for BAWAG Regulatory Group, a systemic risk buffer has been set by the FMA at 1%), and further (c) a buffer for global systemically important institutions (which does not apply to BAWAG Regulatory Group) and (d) a buffer for other systemically important institutions (which generally applies to BAWAG Regulatory Group, but is not materially relevant since the systemic risk buffer is higher than the buffer for other systemically

important institutions and only the higher of those two buffers is applied). On a risk-weighted basis for the financial year 2018, the consolidated countercyclical buffer for BAWAG Regulatory Group amounted to 0.11%.

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 for risks that are not otherwise recognized in the statutory capital requirements or other surcharges depending on the individual situation of the bank and may also take or require to be performed, other measures such as restrictions on or changes to a bank's business. 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'. Pillar 2 requirements must be fulfilled with CET 1 capital in addition to the statutory capital and buffer requirements, and any non-compliance may have immediate legal consequences such as restrictions on dividend payments and other distributions. For 2018, the Pillar 2 requirement has been set at 2.25% and will stay at this level for 2019.

In sum, BAWAG Regulatory Group must fulfill a SREP capital ratio (fully loaded) of 10.36% (comprising the 4.5%, Pillar 1 base requirement (minimum CET 1 capital ratio), the capital conservation buffer of 2.5% of risk-weighted assets, the countercyclical buffer of 0.11% (based on risk-weighted assets as of 31 December 2018), the systemic risk buffer of 1% and the 2.25% additional Pillar 1 requirement).

Also following the SREP, the ECB may communicate to individual banks or banking groups, including BAWAG Regulatory Group, (and has done so in the past) an expectation to hold further CET 1 capital, the so-called 'Pillar 2 guidance'. Although the Pillar 2 guidance is not legally binding and failure to meet the Pillar 2 guidance does not automatically trigger legal action, the ECB has stated that it expects banks to meet the Pillar 2 guidance. For 2018, the Pillar 2 guidance has been set at 1% and will stay at this level for 2019.

On 23 November 2016, and following a broader review of the rules currently in place, the European Commission published a proposal to change the CRD IV/CRR package, the SRM Regulation and the BRRD. In a press release dated 14 February 2019 (ref. 6292/19), the Council of the European Union invited the Committee of Permanent Representatives (COREPER) to endorse compromise proposals (these proposals together the "**Banking Package Compromise**") agreed in trilogue proceedings. According to a further press release by the Council of the European Union (ref. 105/19 dated 15 February 2019), such endorsement was made on 15 February 2019. As part of the Banking Package Compromise, a binding leverage ratio of 3% of Tier 1 capital is proposed in order to prevent institutions to excessively increase their leverage. In addition, it is proposed that institutions will be required to meet, amongst others, a binding minimum net stable funding ratio (the "**NSFR**"), more risk-sensitive capital requirements for counterparty credit risk, market risk and exposures to central counterparties and tighter regulation of large exposures, including disclosure or reporting obligations. With regard to the recovery and resolution framework, the Banking Package Compromise proposes, *inter alia*, to align the FSB's standard on a TLAC applying to global systemically important banks with the MREL requirements and to change the ranking of unsecured debt instruments in the insolvency hierarchy by introducing a new class of unsecured non-preferred debt instruments. In 2019, the proposals of the Banking Package Compromise are expected to be adopted by the European Parliament and the Council of the European Union. While BAWAG Regulatory Group does not qualify as a global systemically important banking group subject to TLAC requirements, adoption of the Banking Package Compromise will impact the MREL requirements applicable to BAWAG Regulatory Group in the future.

The need to comply with the aforementioned existing and proposed requirements and the change in ranking of certain debt instruments issued or to be issued by BAWAG Regulatory Group could have a material adverse effect on BAWAG Group's 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. In particular, if the above-mentioned requirements are not met, the Issuers may be required to cancel the payment of distributions on their respective Notes that are scheduled to be paid pursuant to the Terms and Conditions of their respective Notes.

3.1.2.1.4 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.

In order for banks to have available sufficient amounts of equity and debt eligible to absorb losses in resolution and to be utilized in case of a bail-in so that resolution can occur without recourse to public financial support, banks are required under the SRM Regulation and BaSAG to meet MREL requirements at all times. MREL requirements are determined on case-by-case basis for each institution or banking group by the competent resolution authority, which in the case of BAWAG Regulatory Group is the SRB. Under the currently applicable

legal regime, MREL ratios are expressed as a percentage of the total liabilities and own funds of the relevant institution; as part of the European Commission's proposal of 23 November 2016 to amend the BRRD and the SRM Regulation, it is intended to change this approach to express MREL as percentages of the total risk exposure amount and the leverage ratio exposure measure. The SRB as the competent resolution authority for BAWAG Regulatory Group under the SRM Regulation may also require, that such percentage is wholly or partially composed of own funds or of a specific type of liabilities. As of the date of this Base Prospectus, the SRB has not yet announced any MREL requirements for BAWAG Regulatory Group. BAWAG Group expects the SRB to specify MREL requirements for BAWAG Regulatory Group in the second quarter of 2019. The MREL requirements and their required structure will presumably have an effect on the balance sheet structure and the composition of funding of BAWAG Regulatory Group and they could have a material adverse effect on BAWAG Regulatory Group's 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.

If BAWAG Regulatory Group is not able to meet the MREL requirements specified by the SRB, this could result in higher financing costs, regulatory measures and, if resolution measures were imposed on members of BAWAG Regulatory Group, including the Issuers, could significantly affect its business operations, could lead to losses for creditors (including Noteholders) and could result in restrictions on, or materially adversely affect the respective Issuer's ability to meet its obligations under the Notes.

3.1.2.1.5 Future asset quality reviews, stress tests, internal model reviews and/or transparency exercises by the ECB or the EBA could lead to detrimental results for BAWAG Group and trigger, in particular, an increased demand for provisions and/or strengthened capital requirements.

In October 2014, and in light of the establishment of the SSM, the ECB completed a comprehensive assessment of 130 major European banks (including BAWAG Regulatory Group) in close cooperation with the EBA and national supervisors which consisted of a supervisory risk assessment, an asset quality review ("**AQR**") and a stress test (jointly referred to as the "**Comprehensive Assessment**").

The EBA is required to at least annually consider whether it is appropriate to carry out EU-wide assessments of the resilience of financial institutions. The EBA decided not to carry out an EU-wide stress test in 2017. In 2017, the ECB also carried out a sensitivity analysis of interest rate risk in the banking book (the so-called 'IRRBB stress test 2017') for all banks under its direct supervision, including BAWAG Regulatory Group, in order to examine how hypothetical changes in the interest rate environment would affect banks in the eurozone. The results were published on 9 October 2017. On 31 January 2018, the EBA launched its next EU-wide stress test and published the results on 2 November 2018. No credit institution within BAWAG Regulatory Group was part of EBA's stress test sample.

On 31 January 2018, the ECB launched a stress test including banks from ten Euro area countries and covering 70% of the banking sector assets in the Euro area in which BAWAG Regulatory Group participated. The results were published in 1 February 2019. In the stress test's adverse scenario, BAWAG Regulatory Group's CET 1 ratio would have been reduced from 13.4% as at year-end 2017 (before restatements made by BAWAG and BAWAG P.S.K. in respect of their financial statements for 2018) by 240bps on a 3-year cumulative basis to 11.0%.

Any future stress tests or transparency exercises as well as any internal model reviews, such as the ECB's TRIM project, may have detrimental effects on BAWAG Regulatory Group. These include an increased demand for provisions, the requirement to increase own funds or higher refinancing costs due to the publication of the results, all of which could have a material adverse effect on BAWAG Group's 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.

3.1.2.1.6 BAWAG Group is subject to risks attributable to findings based on audits, inspections and similar investigations conducted by regulators.

BAWAG Group has been, and expects to be, subject to periodic and ad hoc audits, inspections and similar investigations conducted by regulators which focus on BAWAG Group's compliance with applicable laws and regulations. This may for example include inspections conducted by or on behalf of the ECB or the Central Bank of Austria ("**OeNB**") for prudential purposes or audits conducted by or on behalf of the Austrian Financial Reporting Enforcement Panel (*Österreichische Prüfstelle für Rechnungslegung*) or the FMA, in each case either on a random basis or on a targeted basis such as in case of indications for the non-compliance with banking regulatory requirements or the infringement of accounting standards. It cannot be ruled out that the findings in any of those audits, inspections and similar investigations will lead to supervisory action and/or (additional) requirements for BAWAG Group imposed by the regulators and/or adversely affect BAWAG Group's reputation should those findings become public.

The realization of any of these risks could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

3.1.2.1.7 BAWAG Group's business could be significantly burdened due to the central clearing, reporting, risk mitigation and other compliance requirements imposed by EMIR and MiFID II.

In 2012, the EU adopted the European Market Infrastructure Regulation (Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories or "**EMIR**"). EMIR requires the clearing via a central counterparty of certain standardized over-the-counter ("**OTC**") derivative contracts the average value of which is reaching or exceeding specified clearing thresholds during a 3-day period, reporting to trade repositories and various risk mitigation techniques depending on the counterparty's status, including rules regarding margining and collateral arrangements. Accordingly, EMIR and related developments such as the adoption of MiFID II, its national implementations, and the new Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (the Markets in Financial Instruments Regulation or "**MiFIR**") may require adaptations of its commercial practices and further increase costs, including compliance costs. The requirements imposed by EMIR, MiFID II, its national implementations, and MiFIR already resulted in higher costs which are primarily due to higher ongoing expenditures for software applications and personnel required to address new requirements relating to, *inter alia*, transaction reporting, trade reporting, cost transparency, new technical standards and initial margins for non-cleared derivatives. These risks could have a material adverse effect on BAWAG Group's 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.

3.1.2.1.8 The access of BAWAG Group to liquidity and funding may be adversely affected by a change of the collateral standards of the ECB.

Following the sovereign debt crisis, the ECB has intervened in the money market via a series of measures, including facilitating the access to low-interest loans with favorable collateral requirements for European financial institutions. Any tightening of these collateral standards (such as the rating for collateral securities) could increase the cost of funding of BAWAG Group. Any limitation imposed on BAWAG Group's access to liquidity at adequate terms could have a material adverse effect on BAWAG Group's 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.

3.1.2.1.9 The cost incurred by BAWAG Group for compliance with anti-money laundering, anti-tax evasion, anti-corruption and anti-terrorism financing rules and regulations and sanctions is significant and may further increase. Failure to comply with these and similar rules may have severe legal and reputational consequences.

The rules and regulations applicable to the financial sector on the prevention of money laundering, tax evasion, corruption and the financing of terrorism as well as sanctions have been and are subject to ongoing tightening. This trend goes hand in hand with political initiatives to tighten measures against tax fraud to increase tax revenue. On the European level, the new Fourth Anti-Money Laundering Directive (Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing) came into force in 2015. Austria has transposed this directive by adopting the Financial Market Anti Money Laundering Act (*Finanzmarkt-Geldwäschegesetz*) which became effective on 1 January 2017 as well as the Austrian Beneficial Ownership Register Act (*Wirtschaftliche Eigentümer Registergesetz*) which in part became effective on 16 September 2017 and in full on 15 January 2018.

BAWAG Group engages in business with customers and counterparties from a diverse background. In light of recent U.S. and EU sanctions, particularly against Russian individuals, it cannot be ruled out that some of BAWAG Group's customers or counterparties are or may become subjected to sanctions. Such sanctions may result in BAWAG Group being unable to gain or retain such customers or counterparties or receive payments from them. In addition, association with such individuals or countries may damage BAWAG Group's reputation or result in significant fines.

BAWAG Group dedicates significant funds, personnel, technical and other resources to its compliance with anti-money laundering, anti-tax evasion (including the Foreign Account Tax Compliance Act ("**FATCA**") and the Common Reporting Standard ("**CRS**", transposed into Austrian law by *Gemeinsamer Meldestandard Gesetz – GMSG*)), anti-corruption and anti-terrorism financing rules and sanctions and may even have to step-up these efforts in line with a future tightening of these rules.

Despite these efforts, BAWAG Group cannot guarantee that all applicable anti-money laundering anti-corruption and anti-terrorism financing rules and sanctions as well as all FATCA and CRS regulations are consistently complied with at all times and in all respects. BAWAG Group may in the future become subject to investigations by authorities alleging a violation of such rules, and failure to comply with these and similar rules, or the allegation of such failure may have severe legal, monetary and reputational consequences and could have a material adverse effect on BAWAG Group's 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.

3.1.2.1.10 Certain aspects of the tax framework under which BAWAG Group operates, such as the Austrian stability tax, may have a substantial negative effect on BAWAG Group's business, financial condition, results of operations and prospects.

The tax framework under which BAWAG Group operates is subject to changes that could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects. As of 1 January 2011, Austrian banks are subject to a stability tax to fund government-borne bank recapitalization expenditures. The financial burden of BAWAG Group amounted to €26.64 million in the financial year 2018 (€4.76 million bank levy 2018, €19.87 million contributions to the deposit guarantee scheme and €2.00 million contributions to the Austrian bank resolution fund). Any increase of the stability tax or its imposition in addition to the said *ex-ante* contributions could result in substantial additional costs for BAWAG Group and could have a material adverse effect on BAWAG Group's 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.

3.1.2.1.11 BAWAG Group's assumptions regarding the deductibility of certain items from its taxable income may prove incorrect which could lead to higher than expected tax payments.

BAWAG Group expects that its deferred tax assets from prior tax loss carryforwards will be fully absorbed through the first half of the financial year 2019. The deductibility of these tax loss carryforwards is based on a number of assumptions, including, among others, the correct recognition of these items, certain earning levels and unchanged tax regulations. If any of these assumptions prove incorrect, BAWAG Group may not be able to deduct these items (in whole or in part) from its taxable income resulting in higher than expected tax payments which could have a material adverse effect on BAWAG Group's 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.

3.1.2.1.12 The introduction of the proposed Financial Transaction Tax could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

On 22 January 2013, the Council of the European Union adopted a decision authorizing eleven EU member states (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain) to proceed with the introduction of a financial transaction tax under the European Union's "enhanced cooperation procedure". The European Commission on 14 February 2013 adopted a draft directive for the implementation of the financial transaction tax. Since then, the introduction of the financial transaction tax is subject to ongoing discussions at the EU level with the result that the final scope, design and entry into force of the financial transaction tax remain uncertain. Estonia is no longer participating. Different forms of national financial transaction taxes have already been implemented in a number of European jurisdictions, including France and Italy. While Austria supports the introduction of a financial transaction tax at EU level, there are no concrete plans to implement such a tax at the national level. Depending on the final details of these proposals, the implementation of these proposals could result in compliance costs as well as market consequences and could have a material adverse effect on BAWAG Group's 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.

3.1.2.1.13 The mandatory ex-ante funding of the Deposit Guarantee Scheme pursuant to the EU Deposit Guarantee Schemes Directive and its implementation by way of a Federal Act on the Deposit Guarantee and Investor Compensation by Credit Institutions (ESAEG), and possibly higher contributions could have an adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

The Deposit Guarantee Scheme Directive (Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes or the "DGSD") requires each EU member state to have in place one or more deposit guarantee schemes ("DGS") and further requires that, until 3 July 2024, each national DGS is provided with financial means collected through *ex-ante* contributions of the participating banks at a target level of, in general, 0.8% of covered deposits of all its member banks. As the former Austrian mandatory DGS did not require *ex-ante* funding but only obligated member banks to make *ex-post* contributions following the occurrence

of a protection event, i.e. after deposits of any member bank would have become unavailable and the DGS had to protect depositors, Austria was required to introduce annual *ex-ante* funding to its national DGS. The DGSD has been implemented into Austrian law through the Federal Act on the Deposit Guarantee and Investor Compensation by Credit Institutions (*Bundesgesetz über die Einlagensicherung und Anlegerentschädigung bei Kreditinstituten* – "ESAEG") on 14 August 2015 which has triggered an additional financial burden for BAWAG Regulatory Group (which amounted to €17.7 million in the financial year 2018). Further, in case the regular contributions to the DGS are not sufficient to cover a protection event, in total an additional contribution per calendar year of up to 0.5% – or more if approved by the FMA – of covered deposits of its members will have to be paid. Such burden could have an adverse effect on BAWAG Group's 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.

3.1.2.1.14 Recent amendments of the Austrian Insolvency Act could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

In 2017, the Austrian Insolvency Act (*Insolvenzordnung – IO*) was amended by the Insolvency Law Amendment Act 2017 (*Insolvenzrechtsänderungsgesetz 2017 – "IRÄG 2017"*). This amendment provides for major changes to personal insolvency law, including, *inter alia*, the elimination of a minimum insolvency payment (formerly 10%) and the reduction to five years of the time period during which the debtor has to pay (part of) his income to the creditors (formerly seven years).

Thus, the IRÄG 2017 may result in some consumers being released from their debts without performing any payments, increasing the number of insolvency proceedings and reducing recoveries. Furthermore, this may lead to lower price bids in the context of Austrian non-performing loan (NPL) sales.

Consequently, this may result in reduced recovery from defaulted retail loans and thus may have a negative impact on BAWAG Group's financial and earnings position, and may therefore adversely affect the respective Issuer's ability to meet its obligations under the Notes.

3.1.2.1.15 BAWAG Group uses standardized agreements and standardized terms and conditions, in particular in its important retail-focused business segments, which increases the potential that, if any clause is held to be void, this clause is invalid or unenforceable in a large number of contracts.

BAWAG Group has legal relationships with a large number of customers. In this context, BAWAG Group uses standardized documents, standard-form contracts and standardized terms and conditions, some of which are regulated by law, e.g., regarding the adequate disclosure of interest rates in loan or savings accounts agreements with retail customers. From time to time, BAWAG Group is subject to litigation, e.g., brought by consumer protection associations (including the Chamber of Labor (*Arbeiterkammer*) and the Consumer Information Association (*Verein für Konsumenteninformation*)) which are statutorily entitled to assert collective redress claims, regarding the validity of certain aspects of its terms. If such documents, contracts or terms and conditions turn out to contain provisions that are disadvantageous to customers of BAWAG Group, or if clauses in such documents or contracts are declared invalid and thus replaced by statutory provisions which are unfavourable to customers of BAWAG Group, a large number of standardized documents, contracts or terms and conditions could be affected.

Additionally, standardized contractual terms and conditions under Austrian law (*Allgemeine Geschäftsbedingungen*) have to comply with statutory laws, which means they are subject to rigid fairness and transparency controls by the courts regarding their content and the way they, or legal concepts described therein, are presented to the other contractual party by the person using them. This applies in particular if they are used vis-à-vis retail customers, who form the majority of BAWAG Group's customers. As a general rule, standardized terms are invalid if they are not transparent, clearly worded, or if they are unbalanced or discriminate against the other party inappropriately. Due to the frequent changes to the legal framework, particularly with regard to court decisions relating to general terms and conditions (including such terms and conditions that have been used customarily by numerous market participants), BAWAG Group cannot fully protect itself against risks arising from the use of such standardized contractual terms. Even if documents, contracts and terms and conditions are prepared with legal advice, it is not possible to avoid all potential risks from the outset or in the future, as the changes may continue to occur in the legal framework, particularly via case law. BAWAG Group faces similar risks regarding standardized agreements and standardized terms and conditions in other jurisdictions, for example in Germany.

If any of BAWAG Group's standardized agreements and standardized terms and conditions are found to be invalid or unenforceable, BAWAG Group may, among other things, not rely on such agreements and conditions and be forced to reimburse its customers for fees or expenses paid to it. The realization of this risk or any of the other

risks described above could have a material adverse effect on BAWAG Group's 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.

3.1.2.1.16 BAWAG Group has financial obligations to its employees, in particular retirement obligations, the calculations of which are based on a number of assumptions, which may differ from actual rates.

BAWAG Group operates funded and unfunded defined benefit pension schemes and defined contribution schemes for beneficiaries to which employee pension benefits are offered (as element of their overall employee benefits). As of 31 December 2018, BAWAG Group had total defined benefit obligations (DBO) (under IAS 19) amounting to €263 million of which €6 million are funded by plan assets administered by the respective pension insurance funds for the Austrian banking sector. In the financial years 2018 and 2017, the annual expenses (*Jahresaufwände*) recorded in its consolidated profit and loss statements (service cost and net interest expense) amounted to €5 million and €5 million, respectively, while pension benefits payments and contributions to pension insurance funds which were recognized as usage of the pension provision for defined benefit schemes (*Leistungs- und Beitragszahlungen*) amounted to €14 million and €12 million, respectively. In addition, contributions to pension insurance funds for defined contribution schemes (*Beitragszahlungen*) amounted to €8 million and €16 million, respectively.

BAWAG Group's defined benefit obligations are based on certain actuarial assumptions such as discount rates, life expectancies and rates of increase in compensation levels as well as investment strategies of the pension insurance funds that can vary. BAWAG Group has recognized provisions for unfunded plans and for funded plans to the extent that such funded plans are not fully funded.

A change in actuarial assumptions with respect to, *inter alia*, discount rates, changes in salaries and pension levels, life expectancies or staff turnover, could lead to an increase in BAWAG Group's pension obligations and to the need for additional provisions. In past years, the financial and sovereign debt crisis resulted in substantially decreased interest rates in the capital markets which had negative effects on the discount rates and the funding ratio of BAWAG Group's pension plans. Changes in actuarial assumptions or under-performance of plan assets could also adversely affect BAWAG Group's results of operation and financial position. Differences between the discount rate and actual returns on plan assets can require BAWAG Group to record additional re-measurements.

The majority of the plans' obligations are to provide benefits for the life of the member, so that increases in life expectancy will result in an increase in the plans' liabilities. Furthermore, the legal conditions governing BAWAG Group's pension obligations are subject to changes in applicable legislation or case law. BAWAG Group cannot provide any assurance that it will not, in the future, incur new or more extensive pension obligations due to changes in such legislation and case law, or that such changes will not have an impact on its previous calculations with respect to its pension obligations. Moreover, future amendments to accounting standards may affect BAWAG Group's pension obligations. Should this be the case, this could have a material adverse effect on BAWAG Group's results of operation and financial position, and may therefore adversely affect the respective Issuer's ability to meet its obligations under the Notes.

3.1.2.1.17 BAWAG Group may fail to comply with laws and regulations with respect to private data protection.

BAWAG Group is subject to national and international laws and regulations governing the collection, use, retention, sharing and security of personal data. A failure to comply with applicable laws or regulations could have an adverse impact on BAWAG Group's reputation and subject BAWAG Group to penalties or claims, which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects. The need to comply with data protection legislation results in significant controlling, operational and reputational risks which can affect BAWAG Group in a number of ways including, for example, making it more difficult to maintain and exploit marketing data and also through potential litigation relating to the alleged misuse of personal data. Regulation regarding data collection and data protection may also become more stringent in the future. Thus, new laws, regulations or developments in this field and changes in consumer behaviour could interfere with BAWAG Group's strategies to use privacy-related information for its marketing efforts, particularly with respect to its retail customers, could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

As a result of significant amendments to laws or regulations in countries in which BAWAG Group operates, BAWAG Group may have to incur higher costs or change its business practices. BAWAG Group also expects compliance to become more complex and to involve higher costs and the increasing risk of non-compliance may give rise to civil liability, administrative orders (including injunctive relief), fines or even criminal charges. On 25 May 2018, the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the

protection of natural persons with regard to the processing of personal data and on the free movement of such data ("**General Data Protection Regulation**") came into force and introduced substantial changes to the data protection regime of the EU and replaced, on account of its direct applicability, national data protection laws. In addition, the General Data Protection Regulation increased the maximum levels of fines.

BAWAG Group is also exposed to the risk that its data could be wrongfully appropriated, lost or disclosed, or processed in breach of data protection laws, by it or on its behalf. If BAWAG Group or any third party service providers on which it may rely, fails to transmit customer information in a secure manner, or if any such loss of personal customer data were otherwise to occur, BAWAG Group could face liability under data protection laws. This could also result in the loss of its customers' goodwill and deter new customers. There is also a risk of data abuse by any of its service providers for which BAWAG Group may have to assume liability.

The realization of any of these risks could have a material adverse effect on BAWAG Group's 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.

3.1.2.1.18 Tightening of consumer protection laws and/or their interpretation as well as compliance with MiFID II may have a negative influence on the profitability of consumer banking transactions.

Retail banking is a significant business area of BAWAG Group. Any tightening of consumer protection laws or the interpretation thereof by courts or other competent authorities could result in lower profitability of certain of its products and services, which may impair BAWAG Group's ability to offer certain products and services or to enforce certain clauses and thus could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

Likewise, limitations imposed by, and the cost of compliance with the new rules implemented into national law under MiFID II have resulted and will continue to result in further limitations, increased cost and lower profitability of BAWAG Group's retail banking business involving financial instruments.

3.1.2.1.19 Changes in the Issuers' financial reporting, such as changes to IFRS, could materially affect the Issuers' financial results and regulatory capital ratios.

BAWAG and BAWAG P.S.K. prepare their consolidated financial statements in accordance with IFRS. Future amendments to the IFRS or their interpretation, as announced by the International Accounting Standards Board ("**IASB**") (an increased amount of amendments has been proposed since the financial crisis) will have to be applied by both Issuers and could have a material adverse effect on the Issuers' financial reporting, their own funds, 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. For example, the new IFRS 16 "Leases", which replaced IAS 17 and is effective from 1 January 2019, is expected to result in a decrease of BAWAG Group's Common Equity Tier 1 capital ratio (fully loaded) by 0.18 percentage points to 14.33%

3.1.2.1.20 Despite BAWAG Group's risk management policies, procedures and methods, it may be exposed to unidentified or unanticipated risks, which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

BAWAG Group may be exposed to risks which are not sufficiently covered by its risk management policies. Although BAWAG Group has devoted significant resources to develop its risk management policies and intends to continue to do so in the future, there can be no guarantee that the risk management policies are fully effective in mitigating BAWAG Group's risk exposure against all types of risk, including risks that it fails to identify or anticipate or that are generally unknown. Additionally, it should be noted that some of BAWAG Group's quantitative tools and metrics are based on historical market behavior and developments, which may limit their effectiveness at predicting future economic changes. The risk management tools used in the financial sector failed to predict a number of the losses experienced during the global financial crisis and it cannot be guaranteed that BAWAG Group's systems will be able to predict future risks accurately. The realization of any of these risks could have a material adverse effect on BAWAG Group's 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.

3.1.2.1.21 BAWAG Group is, and may in the future be, subject to a number of legal and regulatory proceedings, the outcome of which could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

BAWAG Group is subject to a number of legal and regulatory proceedings that are often highly complex, take considerable time and are difficult to predict or estimate. Such proceedings include lawsuits with customers and

consumer protection associations, such as the Chamber of Labor and the Consumer Information Association. Legal claims asserted against BAWAG Group may involve new or untested legal theories. The outcome of such proceedings is, therefore, difficult to predict or estimate until late in the proceedings, which may also last for several years.

Furthermore, the volume of claims and the amount of damages and penalties claimed in litigation, arbitration and regulatory proceedings against financial institutions are generally high. Proceedings brought against BAWAG Group may result in judgments, settlements, fines, penalties, injunctions, court orders, or other results adverse to BAWAG Group, which could have a material adverse effect on BAWAG Group's reputation, organization, business, financial condition, results of operations and prospects.

In general, any litigation could have a negative influence on the financial condition of BAWAG Group. The amounts ultimately incurred in relation to legal proceedings may be substantially higher or lower than the amounts reserved for by BAWAG Group and, if the amounts are higher, this could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects, and may therefore adversely affect the ability of the Issuer to meet its obligations under the Notes.

At present, BAWAG Group is party to the following proceedings which could have a significant financial impact on BAWAG Group:

- BAWAG Group is party to proceedings against the City of Linz before the Commercial Court of Vienna which could have a significant financial impact on BAWAG Group. In November 2011, the City of Linz sued BAWAG P.S.K. for payment of CHF 30.6 million (corresponds to an amount of approximately €24.2 million for the purposes of the court procedure) plus interest and costs. The City of Linz bases its claim on the allegation that a swap transaction into which it entered with BAWAG P.S.K. was void. BAWAG P.S.K. rejects these claims and has filed a counter-claim seeking payment of €417.7 million plus interest and costs from the City of Linz. For reasons of utmost precaution, this receivable has been written down to a carrying value of approximately €254 million in the financial year 2011. BAWAG P.S.K. bases its claim on costs related to the termination of the swap transaction and an outstanding payment due under the swap transaction. Were the court to hold that the swap transaction was void, BAWAG P.S.K. could be obligated to pay the claimed amount to the City of Linz in full or in part, and BAWAG P.S.K. may not be awarded, in full or in part, the payment sought and would then be required to further write down its claims. In addition, even if the court holds that the swap transaction was valid, BAWAG P.S.K. may still not be awarded, in full or in part, the payment sought, in which case it would be required to further write down its claims. Finally, depending on the outcome of the proceedings, BAWAG P.S.K. may be required under statutory law to bear some or all of the court and legal fees of the City of Linz. Further court hearings have been scheduled for 2019, some of which have already taken place in March 2019.
- BAWAG Group is a party to several proceedings before different courts relating to the insolvency of ALPINE, which could have a significant financial impact on BAWAG Group. BAWAG P.S.K. was joint lead manager or co-lead manager for bonds issued by ALPINE Holding GmbH from 2010 to 2012. In July 2013, insolvency proceedings were opened regarding this corporate issuer. Several claims have been filed against the banks involved in the issuance and the distribution of ALPINE bonds, among them BAWAG P.S.K. Generally, these claims allege either erroneous investment advice or prospectus liability (or both). Following an internal assessment of the claims based on erroneous investment advice, BAWAG Group identified and consequently settled a limited number of cases that it believed were well founded. The remaining claims currently filed against BAWAG Group amount to approximately €28.2 million which are (also) based on prospectus liability and in certain cases (amounting to an aggregate volume of €12 million in dispute) are also grounded on allegedly erroneous investment advice. In addition, further claims based on prospectus liability could be brought against BAWAG P.S.K. In order to assess whether the prospectus liability claims against BAWAG Group as well as other involved banks are well founded, the competent court appointed an expert in April 2015. The expert opinion has not yet been finalized. In spring 2019, numerous witnesses are expected to be heard by the court. However, there is no set date for presentation of the expert's opinion. The expert regularly updates the parties to the proceedings on her findings. Based on the information shared to date, BAWAG Group believes that there is no substantiated indication that there will be a basis for a prospectus liability claim, while the outcome of the proceedings – which are still pending in the first instance – is not conclusively predictable. Furthermore, in May 2017, the public prosecutor's office denied continuation of the prosecution and investigation against unidentified members of the lead arrangers (*Anzeige gegen Unbekannt*) for criminal wrongdoing relating to the issuance of the bonds of ALPINE Holding GmbH. Following such decision, several investors had filed a request for the continuation of the investigations. On 24 January 2018, the regional court for criminal matters of Vienna (*Landesgericht für Strafsachen Wien*) dismissed such request and the decision of the public prosecutor's

office is now final. In its reasoned statement, the public prosecutor held that there was no indication that members of the lead arrangers committed any unlawful acts in connection with the issuance or the distribution of the bonds of ALPINE Holding GmbH. However, it cannot be excluded that the civil law courts may find in favor of the claimants and order BAWAG P.S.K. to pay the entire amount claimed to the bond investors.

- On the other hand, BAWAG Group and other banks sued Austria to enforce guarantees which Austria had granted under the Act on the Strengthening of Company Liquidity (*Unternehmensliquiditätsstärkungsgesetz – "ULSG"*) with respect to certain repayment claims of these banks against ALPINE Bau GmbH. The claims of BAWAG Group amount to approximately €19 million. The guarantee claims are being pursued by the banks in two separate legal proceedings. On 18 August 2017 BAWAG Group and the other banks obtained a favorable judgment from the court of first instance (*Handelsgericht Wien*) in the legal proceedings referred to as "ULSG II" obliging Austria to pay an amount equal to €7.5 million (plus default interest) to BAWAG Group. The court of appeals (*Oberlandesgericht Wien*) repealed the judgment and remitted the case to the court of first instance for judgment after a supplementary taking of evidence. In the event that the court-appointed expert concludes that the prospectus liability claims were well founded and/or that the banks knew, or should have known, about the unsound financial situation of the ALPINE Group, this may also negatively impact the cases against Austria, which could force BAWAG Group to write off the repayment claim of approximately €19 million.

If these risks were to materialize, this could have a material adverse effect on BAWAG Group's 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.

3.1.2.1.22 BAWAG Group operates in an increasingly regulated environment. If BAWAG Group fails to comply with the wide range of laws and regulations applicable to it, including an increasing number of reporting requirements, BAWAG Group or its representatives may become subject to regulatory investigations, regulatory restrictions, penalties, injunctive reliefs, litigation and criminal prosecution.

BAWAG Group has to comply with the wide range of laws and regulations applicable to it, including an increasing number of reporting requirements, such as, *inter alia*, mandatory voting rights notifications, obligations imposed by the Common Reporting Standards (CRS), the ECB's 'AnaCredit' project by which granular credit and credit risk data has been collected from September 2018 onwards, and additional reporting requirements imposed by the ECB, the OeNB and other authorities. It cannot be guaranteed that BAWAG Group continuously complies with all laws and regulations at all times, particularly given the fast pace at which legislation, regulation and jurisprudence develops. In countries where BAWAG Group does not have a local presence, compliance with local laws is more challenging. Also when BAWAG Group enters or invests in new markets, it may be subject to additional laws and regulations and compliance therewith may be more challenging especially during the initial phase. BAWAG Group or its representatives may become subject to regulatory investigations, regulatory restrictions, penalties, injunctive reliefs, litigations and criminal prosecution for any failures to comply with all laws and regulations. This could have a material adverse effect on BAWAG Group's 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.

3.1.2.1.23 Compliance or non-compliance with legal provisions applicable to it could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

Legal compliance by BAWAG Group can be associated with significant costs. Non-compliance with applicable laws or regulations can lead to sanctions imposed by the competent supervisory authorities and a loss of reputation. Such additional costs, or the imposition of fines or sanctions, or a loss of reputation could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects.

This particularly applies to bank supervisory regulations, regulations generally applicable to companies, and tax regulations:

- *Bank supervisory regulations.* BAWAG Group is subject to supervision by financial supervisory authorities in all jurisdictions in which it carries on banking activities. It cannot be excluded that the banking license of BAWAG Group, in the case of serious and repeated breaches of regulatory provisions, may in the future be withdrawn or restricted in a jurisdiction. Should the banking license of BAWAG Group be withdrawn or restricted in a jurisdiction this could have a material adverse effect on BAWAG Group's 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.

- *Regulations generally applicable to companies.* In addition to the specific regulations applicable to financial service providers, BAWAG Group must comply with a series of other regulations relating to general corporate law areas such as labor, competition and tax law. These regulations and their interpretation by the competent authorities are subject to change. BAWAG Group expects that in the future, the costs associated with compliance with these regulations will increase which could have a material adverse effect on BAWAG Group's 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.
- *Tax regulations.* The financial position, the assets position and the profitability of BAWAG Group is particularly dependent on the taxation of profits at the level of BAWAG Group, its subsidiaries and affiliates. Amendments to local tax law or other regulations could affect the ability or willingness of prospects to enter into business relations with members of BAWAG Group. Every amendment of the legal situation, judicial or administrative practice of taxation could have a material adverse effect on BAWAG Group's 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.

3.1.2.2 *Specific regulatory, legal and tax risks relating to the Issuer BAWAG*

The following risk factors specifically relate to BAWAG.

3.1.2.2.1 *BAWAG, as a financial holding company which is currently indirectly subject to consolidated supervision, may become subject to direct and more stringent supervision in the future.*

BAWAG conducts its business via subsidiary companies, some of which qualify as credit institutions. BAWAG qualifies as a parent financial holding company and, together with its subsidiaries, constitutes a regulatory banking group (*Kreditinstitutsgruppe*) within the meaning of § 30 BWG but is not subject to prudential banking regulation and supervision itself. Pursuant to § 30(5) and (6) BWG, BAWAG P.S.K. must comply with the prudential requirements of the BWG on a consolidated basis. Therefore, at present, the Issuer is under no direct obligation to comply with prudential banking regulations. It is, however, indirectly subject to consolidated supervision. In the Banking Compromise Package dated 14 February 2019, the Council of the European Union proposes, *inter alia*, to bring financial holding companies directly within the scope of the prudential regulation framework. In diverging from the current legal situation, financial holding companies would be directly responsible to comply with consolidated prudential requirements under the proposal where consolidated supervision applies. In addition, financial holding companies would need to obtain approval to operate a banking group from the ECB, which may be coupled with additional requirements in relation to the risk management and compliance system. Certain exemptions apply, *inter alia*, in case a financial holding company's principal activity is to acquire subsidiaries, is not designated as the resolution entity of any of its resolution groups, a subsidiary is designated as responsible to ensure the group's compliance with prudential requirements on a consolidated basis and the financial holding company does not engage in taking management, operational or financial decisions affecting its group or subsidiaries qualifying as credit institutions or financial institutions.

If these proposals were implemented and if BAWAG were not able to rely on an exemption from the approval requirement, a direct and more stringent supervision of BAWAG could materially and adversely affect BAWAG's business, financial condition, results of operations and prospects, and may therefore adversely affect the ability of BAWAG to meet its obligations under the Notes.

3.1.2.2.2 *BAWAG's assumptions regarding the deductibility of certain items from its taxable income may prove incorrect which could lead to higher than expected tax payments.*

BAWAG assumes that it will be able to deduct goodwill amortizations and tax loss carryforwards from its taxable income. For the financial years 2018 to 2021 (inclusive), BAWAG expects to deduct goodwill amortizations from the acquisition of BAWAG P.S.K., resulting in a total projected reduction of its taxable income of approximately €302 million. If this assumption proves incorrect, BAWAG may not be able to deduct this item (in whole or in part) from its taxable income resulting in higher than expected tax payments which could have a material adverse effect on BAWAG's business, financial condition, results of operations and prospects, and may therefore adversely affect the ability of BAWAG to meet its obligations under the Notes.

3.2 General risk factors relating to the Notes

The following risk considerations cannot substitute individual advice.

The following risk considerations display general risks and cannot account for the individual circumstances of potential investors. They are no replacement for an indispensable consultation with bank, legal, management and tax consultants to assess the consequences of an investment in the Notes for the individual investor. Any reference to "Issuer" refers to the Issuer of the respective Notes.

3.2.1 An investment in the Notes requires substantial knowledge of financial matters and is not suitable for all investors.

An investment in the Notes is not suitable for investors with insufficient knowledge of financial matters. Investors should consider if an investment in the Notes meets their personal requirements. Any investment requires detailed knowledge of the structure of the respective issue of Notes. Consequently, investors have to be able to evaluate the risks connected with it. If one or several of the following risks occur, transaction costs may be frustrated, and investors may lose some, or all of their investment.

3.2.2 The Noteholders are exposed to the risk of a total loss of their investment.

If one or more of the risks described in this Base Prospectus occur, this may result in material decreases in the price of the Notes or, in the worst-case scenario, in a total loss of interest and capital invested by the Investor.

3.2.3 Investors may be required to pay taxes and other charges or duties.

Prospective investors in the Notes may be required to pay taxes or other charges and duties levied in accordance with the laws and judicial and administrative practices of the applicable jurisdiction and should consult their own tax advisers in this regard. Investor's attention is particularly drawn to the taxation of the Notes under Austrian law as explained in more detail in the Sections "*14 Taxation*" and "*14.1 Taxation in Austria*" of this Base Prospectus.

3.2.4 An investment in the Notes may be unlawful for certain investors.

Neither the respective Issuer, nor the Dealers or any of their affiliates are responsible for the lawfulness of an investment in the Notes by a prospective investor, or its compliance with any applicable laws, regulation or regulatory policy, and prospective investors must not rely on the respective Issuer, the Dealers or any of their affiliates as to the legality of its investment in the Notes.

3.2.5 A modification of the taxation or other fiscal parameters in the sphere of the Noteholder may have material adverse effects on the interest yield, or otherwise on the investment in the Notes.

No assurance can be given that the tax situation in the sphere of the Noteholder, as it exists at the date of this Base Prospectus, will remain unchanged in the future. Future changes of the legal situation, the judicial or fiscal administrative practice cannot be ruled out and the consequences of such changes in the legal situation, the judicial or fiscal administrative practice are exclusively the risk of the Noteholder and consequently have to be borne solely by the Noteholder.

In general, payments under structured notes as well as gains, which are generated as the result of a sale or redemption of structured products, may be taxable in the home country of the respective investor or in other jurisdictions. The fiscal implications for investors with restricted or unrestricted tax liability in Austria are described in the Section "*14 Taxation*" of this Base Prospectus. However, even this description cannot account for all eventualities for persons with restricted or unrestricted tax liability in Austria, for which reason the fiscal implications for the individual investor can deviate from the general described legal situation.

3.2.6 Changes in the legal parameters may affect the rights of the Noteholders under, and the profitability of the Notes.

The Terms and Conditions are based on German and Austrian law, including but not limited to tax laws and regulations presently in force (i.e. at the time of application for approval of this Base Prospectus). Future changes of the legal situation, the judicial or fiscal administrative practice after the publication of this Base Prospectus may have negative effects on the rights of Noteholders under the Notes and the profitability of the Notes. The purchase, the holding or the sale of Notes may be made subject to additional conditions in the future, or may otherwise be treated negatively or even be prohibited.

Every investor should consult its own legal, tax and financial advisors to clarify the fiscal and legal parameters and impact of its investment and possible legal restrictions of the investment in the Notes. Neither BAWAG nor BAWAG P.S.K. assumes any form of guarantee or liability for the consequences that changes in the applicable law, its interpretation or changes in judicial practice may have on the rights of Noteholders under the Notes.

3.2.7 In case of a credit financed purchase of the Notes, the Noteholders are subject to additional risks, in particular the risk that the credit cannot be repaid with the proceeds of the Notes.

If the purchase of the Notes is financed by credit, the investor, in case of a delay or non-occurrence of a repayment under the Notes, is subject to the risk that in addition to not receiving payments under the Notes, the credit assumed for the purchase of the Notes, including interest, cost and fees, has to be (re)paid. Consequently, Noteholders should not rely on their ability to finance debt and interest service by the proceeds of a sale or redemption of the Notes.

Investors are strongly advised to review their personal financial and economic resources for their required ability to make interest payments and service debt under the credit even if the Notes do not yield any returns.

In view of the increased risk potential, investors are strongly discouraged to finance a purchase of the Notes by means of credit.

3.2.8 The yield of the Notes is subject to the risk of inflation and the yield is reduced in case of a decrease in spending capacity caused by inflation.

The risk of a financial loss due to demonetization (risk of inflation) is in particular existent if the actual inflation is higher than the assumed. Both the value of the respective Issuer's assets and earnings, as well as the returns the investors can gain through the purchase of the Notes are subject to inflation risk. A high inflation rate can consequently have an impact on the value or performance of the Notes, independent of the performance of the respective Issuer.

3.2.9 Currency fluctuations may lead to losses in connection with an investment in the Notes.

If the Notes relate to securities or receivables calculated in currencies other than Euro, the risk of losses in case of currency fluctuations exists. Even if the Notes are secured against currency fluctuations, losses may occur because of different interest rate levels. Even if the Notes are denominated in Euro, they may be traded or settled in other currencies. Currency fluctuations may therefore adversely affect the value and the performance of the Notes.

If a Note is denominated in a foreign currency or if it is a Dual Currency Note, the Noteholder is exposed to the risk of changes in currency exchange rates, which may affect the yield of such Note. For example, a change in the value of any foreign currency against the Euro will result in a corresponding change in the Euro value of a Note denominated in a currency other than Euro. If the underlying exchange rate falls and the value of the Euro correspondingly rises, the price of the Note expressed in EUR falls.

3.2.10 The Notes carry no rights of shareholders of the respective Issuer or of third parties, such as voting or profit sharing rights.

The Noteholders are creditors of the respective Issuer. The Noteholders have no shareholders' rights, in particular no participation and voting rights in the general assembly of the respective Issuer or of a third party, and in particular no entitlement to participate in the distribution of earnings of the respective Issuer or of third parties.

3.2.11 The Noteholders are subject to the risk that the Notes cannot be sold for fair prices at any time (liquidity risk).

Notes issued under the Programme will be new securities, which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the respective Issuer. Although application is intended to be made for the Notes issued under the Programme to be admitted to listing on the official list of the Luxembourg Stock Exchange and to trading on the regulated markets of the Luxembourg Stock Exchange and/or the Vienna Stock Exchange or any other regulated stock exchange as the case may be, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading

market for any particular Tranche of Notes. Consequently, any purchaser of a Note must be prepared to hold the Note until maturity and final redemption of such Note.

3.2.12 Trade suspensions could have a negative effect on the liquidity and the market price of the Notes.

The CSSF, the FMA or any other competent authority is entitled to suspend the trade of listed securities or to require the respective company to suspend trade for various reasons, in particular in the context of combating market manipulation and insider trading. The company on its own accord has to suspend trading of the securities if such trading no longer complies with the rules of the regulated market, provided that such a measure is not contrary to the interests of investors or the interest of maintaining an orderly functioning market. In case the company does not act on its own accord, the CSSF or the FMA has to require a trade suspension if this is in the interest of maintaining an orderly functioning market and is not contrary to the interests of investors. Every trade suspension may have a negative effect on the price of the Notes.

3.2.13 The performance of the Notes is not predictable and may not be correlated with the value of an underlying instrument, if any.

The performance of the Notes is not predictable. In particular, no prediction of future returns can be made based on the past performance of the Notes. The price of the Notes generally is not correlated with the value of an underlying instrument. The value of the Notes and of any underlying instrument may vary over time. These fluctuations depend on various factors, such as the area of activity of the company, economic reasons and speculations. No guarantee, assurance or estimate or comparable declaration for a specific performance of the Notes or of future investments can be given.

The historic performance of the underlying instrument/reference value of the Notes, including baskets of underlying instruments/reference values should not be seen as decisive for the future performance of the underlying instrument/reference value, including baskets of underlying instruments/reference values.

3.2.14 The market price of listed securities depends on several factors which the respective Issuer may not influence.

The market value of the Notes will be affected by the creditworthiness of the respective Issuer and a number of additional factors, including the market interest and yield rates and the time remaining to the maturity date. The market value of Index Linked Notes and Equity Linked Notes may further be influenced by the value of the index or the reference asset, their volatility, the dividend rate on the reference asset, or the dividend on the securities being part of the index and the financial results and prospects of the issuer of the reference asset or a security being part of the index. The value of the Notes, the reference assets or the index depends on a number of interrelated factors, including economic, financial and political events, including factors affecting capital markets generally and the stock exchanges on which the Notes, the reference asset, the securities being part of the index, or the index are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. Investors in Index Linked or Equity Linked Notes should be aware that the historical market prices of the reference asset or the index should not be taken as an indication of such reference assets' or index's future performance during the term of any Note.

3.2.15 The Noteholders are exposed to the risk of an increase of market interest levels. The realization of such risk could lead to a significant decrease of the value of the Notes.

The risk of changes in interest rates constitutes one of the main risks of interest bearing securities. The level of interest on the financial and capital markets can vary every day and consequently can lead to daily changes in the price of the Notes. The risk of changes in interest rates is the result of the uncertainty over future changes of the market interest level for all market participants. In particular the purchasers of Fixed Rate Notes are exposed to a risk of changes in interest rates in terms of a price loss, if the market interest level increases. In general, the stronger the increase of the market interest level, the greater is the price loss of (Fixed Rate Notes) securities. The longer the remaining term of the Notes and the lower their coupon is, the stronger are the price fluctuations. The market interest level is amongst other factors determined by the market environment, the national budgetary policy, the policy of the central banks, the development of the economic situation, the inflation, the foreign level of interest and exchange rates fluctuations. The relevance of the individual factors is not quantifiable and varies over time.

3.2.16 The respective Issuer may redeem the Notes before maturity, which could lead to a loss of yields expected by the Noteholders.

The Final Terms may provide for an early redemption right in respect of individual tranches of the Notes. An early redemption right allows the respective Issuer in case of certain events as specified in the Final Terms to call the respective Notes before the maturity date and to redeem the Notes. As regards Notes with an early redemption right of the respective Issuer, an early redemption may lead to a loss of yields expected by the Noteholders. If the issuing/purchase price is higher than the early redemption price, the Noteholders may suffer losses in case of an early redemption which could be further increased by transaction costs and expenses.

3.2.17 The Noteholders may not be able to re-invest amounts repaid prior to the maturity date (re-investment risk).

Noteholders are at risk to be unable to reinvest interest payments as well as proceeds from sales before maturity, redemption at maturity or early redemption of the Notes in comparable notes with an at least equal yield.

3.2.18 The Notes are not covered by any deposit guarantee scheme. As unsecured creditors of the respective Issuer, the Noteholders are exposed to an unlimited insolvency and respective Issuer risk.

Noteholders' receivables against the respective Issuer under the Notes are not secured by the statutory deposit guarantee scheme pursuant to the Deposit Guarantee and Investor Compensation Act (*Einlagensicherungs- und Anlegerentschädigungsgesetz* – "ESAEG") implementing the Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes ("DGSD"). Further the Notes, other than Covered Bonds, are not secured by any collateral. The Noteholders are consequently exposed to the risk that the respective Issuer as debtor cannot or only partly meet its obligations under the Notes (in particular redemption and interest payments) in which case the Noteholders would not be entitled to any compensation by the deposit guarantee scheme. This accordingly has a negative impact on the yield and repayment of the capital invested. In case of an insolvency of the respective Issuer, the Noteholders (other than holders of Covered Bonds) do not enjoy a preferential treatment compared to other creditors of the respective Issuer. In case of insolvency of the respective Issuer other creditors could have a better legal position owing to rights of segregation (*Aussonderungsrecht*) or rights of separation (*Absonderungsrecht*), to which the claims of the Noteholders are subordinated.

Noteholders of covered bond issues which are secured by separate cover pools could suffer losses due to a decline of the value of the cover pool. Such losses would not be covered by the Austrian deposit guarantee system.

3.2.19 Changes in the credit spread of the respective Issuer could negatively influence the price of the Notes.

Credit spreads are additional charges dependent on the creditworthiness compared to risk-free interest rates for comparable maturities. In case of a worsening of the creditworthiness of the respective Issuer during the term of the Notes, an increase of the respective Issuer's credit-spread may lead to lower prices of the Notes.

3.2.20 The effective cash-flow under the Notes could deviate negatively from the cash-flow expected by the Noteholders.

The Notes in general provide a certain cash-flow profile under certain circumstances. The Final Terms define the conditions, the time and the amount of a redemption and/or possible interest payment. In the case of the conditions not being met, the effective cash-flow may differ from the expected cash-flow. The realization of the cash-flow risk may lead to interest payments and/or the redemption being omitted in full or in part.

3.2.21 The respective Issuer may enter into transactions which are not in the interest of the Noteholders, or other conflicts of interest between the respective Issuer and the Noteholders may occur. In particular, hedging-transactions by the respective Issuer may adversely affect the market price of the Notes. In addition, certain of the Dealers may advise the respective Issuer or enter into transactions with the respective Issuer.

The respective Issuer is entitled to purchase and sell securities on any market or over the counter for own account or account of others and to issue further securities. Additionally, the respective Issuer is active on the national and international equity, debt and foreign exchange markets. Consequently, the respective Issuer can enter into transactions for own account or account of others which may directly or indirectly involve financial instruments or other values that serve as underlying instruments/reference values of the Notes, and it can act in respect of these

transactions as if the Notes had not been issued. It cannot be excluded consequently that these transactions may have a negative impact on the performance of the price of the Notes or their reference values.

In particular, mitigation of the financial risks incurred by the respective Issuer in connection with the Notes through hedging-transactions in the reference values of the Notes are part of the ordinary business of the respective Issuer. Such hedging-transactions may affect both the market price of the reference value and the amount of a repayment under the Notes. The respective Issuer is not obliged to inform the Noteholders of transactions in reference values or of hedging-transactions relating to reference values, even if such transactions are liable to influence the market price of the reference value or the amount of a repayment under the Notes. Noteholders always should inform themselves of the development of the market prices and reference values.

In addition, certain of the Dealers have, directly or indirectly through affiliates, provided investment and commercial banking, financial advisory and other services to the Bank and its affiliates from time to time, for which they have received monetary compensation. Certain of the Dealers may from time to time also enter into swap and other derivative transactions with the Bank and its affiliates. In addition, certain of the Dealers and their affiliates may in the future engage in investment banking, commercial banking, financial or other advisory transactions with the Bank or its affiliates.

3.2.22 The clearing of securities transactions is conducted through clearing systems. The respective Issuer cannot assume any responsibility for the operational reliability of such systems.

Bearer Notes issued under the Programme may be represented by one or more Global Notes kept in custody by or on behalf of different clearing systems, in particular OeKB CSD GmbH, Clearstream Banking, Luxembourg, or Euroclear, Brussels, depending in the issue, and Noteholders will not be entitled to receive definitive notes. Noteholders' beneficial interest in the Notes is purchased and sold using such clearing systems. The respective Issuer will discharge its payment obligations under the Notes by making payments to a common service provider / the depository. The respective Issuer does not assume any responsibility or liability as to whether the Notes are actually transferred to, or payments are actually made to the relevant investor. Investors instead have to rely on the procedures of the relevant clearing system.

3.2.23 Transaction costs may have a material adverse effect on the yield of the Notes.

In connection with the purchase, depositing and sale of the Notes, commissions, charges and other transaction costs may be incurred, which can lead to significant costs for the investor. In particular for small investments, these costs can be disproportionately high in comparison with the investment volume. These costs may significantly decrease the yields under the Notes. Investors are strongly advised to inform themselves about transaction costs prior to any investment in the Notes.

3.2.24 The Noteholders may not be able to hedge the risk assumed by the purchase of the Notes through other transactions.

Noteholders cannot rely on the ability to enter into transactions during the term of the Notes that reduce the risks connected with the Notes. Such transactions depend on market conditions and the respective underlying, and may only be entered at unfavourable terms or market prices, thereby causing losses of the Noteholders.

3.2.25 A secondary market for Notes issued may not exist at the time of issuance or may not develop.

A secondary market for Notes issued may not exist at the time of issuance or may not develop. Even a developed market may not be liquid and therefore investors may not be able to sell their Notes. Even if the Notes are traded after the initial issuance, they may trade at a discount to their initial offering price, depending on prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the respective Issuer.

3.2.26 A rating of an issue of Notes under the Programme might not consider all risks of an investment in the Notes.

The risks of an investment in the Notes may not be adequately reflected by a rating of the Notes, if any. Ratings may be suspended, downgraded or withdrawn, and this may have an adverse effect on the market value of the Notes. A credit rating of an issue of Notes under the Programme might not consider all possible risks of the respective Issuer, the Terms and Conditions of the Notes, the market in general and any other factors influencing

such rating. In any case, a credit rating assigned to an issuance of Notes under this Programme is not a recommendation to sell, buy or hold Notes.

3.2.27 The respective Issuer may redeem all outstanding Notes in accordance with the applicable Terms and Conditions.

Unless in the case of any particular Tranche of Notes the relevant Final Terms specify otherwise, in the event that the respective Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Austria or any political subdivision thereof or any authority therein or thereof having power to tax, the respective Issuer may redeem all outstanding Notes in accordance with the applicable Terms and Conditions.

The price of the Notes may fluctuate in anticipation of an early redemption and/or the Notes may be subject to early redemption in case of an event specified in the Terms and Conditions of the relevant Notes.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specify that the Notes are redeemable at the respective Issuer's option in certain other circumstances the respective Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low or, as the case may be, the Notes may be subject to early redemption in case of the occurrence of an event specified in the applicable Final Terms (early redemption event).

In any of such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes. On this risk, refer to the risk factor "3.2.17 *The Noteholders may not be able to re-invest amounts repaid prior to the maturity date (re-investment risk).*"

3.2.28 Due claims of the Noteholders are subject to limitation after the expiration of 10 years.

Pursuant to Austrian general civil law, claims of holders of Notes governed by Austrian law for the repayment of the capital invested prescribe if they are not judicially asserted within 30 years. This provision, however, is not mandatory law. Accordingly, the Terms and Conditions provide that claims for repayment of the capital invested prescribe upon the expiry of 10 years following the respective due date for the repayment. Consequently, if Noteholders do not assert their claims for repayment of the capital invested within 10 years following the respective due date, the claim can no longer be enforced against the respective Issuer.

3.2.29 The Notes or underlying instruments may be subject to foreign law other than German or Austrian law.

Pursuant to the Final Terms, the Notes are subject to German and/or Austrian law. Despite such choice of law, however, the application of other mandatory foreign laws on or in relation to the Notes cannot be excluded. In particular, underlying instruments may be exclusively subject to the laws of jurisdictions other than Germany or Austria. Such applicable foreign laws may deviate significantly from Austrian or German law and, consequently, may have a negative effect on the legal position of the Noteholders.

Every investor should consult its own legal advisor for the clarification of the fiscal and legal parameters of its investment and the clarification of possible legal restrictions of the investment in the Notes as the risk considerations in this Base Prospectus display the general risks and cannot account for the individual circumstances of potential investors. The respective Issuer does not assume any form of guarantee or liability.

3.2.30 Payments under the Notes may be subject to U.S. withholding tax.

The respective Issuer and other financial institutions through which payments on the Notes are made may be required to withhold at a rate of up to 30% on all, or a portion of payments made after 31 December 2018, pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly referred to as "**FATCA**", the Foreign Account Tax Compliance Act). This withholding does not apply to payments on Notes that are issued prior to the date that is six months after the date on which the final regulations that define "foreign passthru payments" are filed unless such Notes are characterized as equity for U.S. federal income tax purposes.

Austria has entered into an intergovernmental agreement with the United States regarding the implementation of FATCA (the "**IGA**"). Pursuant to the IGA, the respective Issuer will be required to report certain information in respect of its accountholders and investors to the IRS, and generally would not be subject to withholding under

FATCA on any payments it receives. The IGA leaves open the possibility that the respective Issuer may be required to withhold on certain other payments that are deemed attributable to U.S. sources.

Withholding may be required if: (i) an investor does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the respective Issuer, (ii) an investor does not consent, where necessary, to have its information disclosed to the IRS or (iii) any FFI that is an investor, or through which payment on the Notes is made, is not exempt from FATCA withholding. An investor that is an FFI that is withheld upon generally will be able to obtain a refund only to the extent an applicable income tax treaty with the United States entitles such institution to a reduced rate of tax on the payment that was subject to withholding under these rules, provided the required information is furnished in a timely manner to the IRS.

If an amount in respect of FATCA were to be deducted or withheld from interest, principal or other payments on the Notes, the respective Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any such withholding or deduction by the respective Issuer, a Paying Agent or any other party, where such person (other than where such person is acting as an agent of the respective Issuer) is not entitled to receive payments free of such withholding. As a result, investors may, if FATCA withholding applies, receive less interest or principal than expected. The determination of whether FATCA withholding may be imposed will depend on the status of each recipient of payments between the respective Issuer and investors.

The respective Issuer does not expect in practice that payments made either by them or by their respective Paying Agents in relation to the Notes held in clearing systems will be subject to FATCA withholding as it is expected that the respective Paying Agents and the relevant clearing systems will be exempt from FATCA withholding. However, it is possible that other parties may be required to withhold on payments on account of FATCA as set out above.

3.2.31 Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss.

The respective Issuer is subject to the SRM Regulation 806/2014, the Austrian Federal Act on the Recovery and Resolution of Banks (*Bundesgesetz über die Sanierung und Abwicklung von Banken*, Federal Law Gazette I No 98/2014 as amended - "**BaSAG**"), by which the BRRD has been implemented in Austria, and the CRR/CRD IV. The current legislative framework is subject to review and expected to be amended as proposed by the European Commission on 23 November 2016. Under the SRM Regulation, the Single Resolution Board ("**SRB**") is the resolution authority for significant institutions domiciled in the euro area as is the case for the respective Issuer. Under the BaSAG, the FMA is the Austrian national resolution authority. The SRM Regulation and the BaSAG provide the SRB and the FMA respectively as resolution authorities with a set of resolution tools which may be used under certain conditions for resolution, such as the imminent failure of a credit institution, to achieve one or more resolution objectives. These tools are the sale of the credit institution's business to the private sector, the establishment of a bridge institution and/or an asset management vehicle (bad bank) and the transfer of assets, rights and liabilities to such entity as well as the bail-in tool. In particular, pursuant to the SRM Regulation and the BaSAG, if certain conditions with respect to the credit institution are met, the FMA is entitled to write down in full or in part the principal amount of eligible liabilities in order of seniority, i.e. Common Equity Tier 1 ("**CET 1**"), then Additional Tier 1 ("**AT 1**"), then Tier 2 ("**T2**") instruments (such as the Subordinated Notes), then other subordinated debt instruments and finally even senior unsecured debt (such as the Senior Non-Preferred Notes and the Unsecured Notes (which are not Covered Bonds)) subject to exceptions in respect of certain liabilities) or convert such eligible liabilities into CET 1 instruments. Furthermore, pursuant to the SRM Regulation and the BaSAG, write-down and conversion of capital instruments may be imposed at the "point of non-viability" before and regardless of any subsequent resolution action.

Such write down and conversion has to follow a mandatory sequence which prohibits proceeding without a complete write down or conversion of the equity or debt, as applicable, of the current rank. Losses shall first be absorbed by regulatory capital instruments and be allocated to shareholders either through the cancellation or transfer of shares to creditors participating in the loss or through severe dilution. Consequently, CET 1, AT 1 and T2 instruments, in this order, absorb the first losses and each have to be written down or, in case of AT 1 or T2, be converted into CET 1 in full, before the higher seniority rank can be addressed. Where the loss participation of those instruments is not sufficient, subordinated debt is next before other debt, including senior (but not secured) debt such as the Senior Non-Preferred Notes and the Unsecured Notes (which are not Covered Bonds), can be written down or converted into equity. Covered deposits and secured liabilities, including covered bonds, are exempt from the creditor participation tool. Non-covered deposits from natural persons and micro, small and

medium-sized enterprises shall have a higher priority ranking than, and are thus only bailed in after, the claims of ordinary unsecured, non-preferred creditors.

Any write-down (or conversion), in accordance with the creditor participation tool, of all or parts of the principal amount of any Notes other than Covered Bonds, including Subordinated Notes, Senior Non-Preferred Notes and Unsubordinated Notes and including accrued but unpaid interest in respect thereof is deemed equivalent to fulfilment by law and therefore does not constitute an event of default under the terms of the relevant instruments. Consequently, any amounts so written down are irrevocably lost and the holders of such instruments cease to have any claims there under, regardless whether or not the bank's financial position can be restored. Resolution authorities shall ensure, however, that when applying the resolution tools, creditors do not incur greater losses than those they would incur if the credit institution would have been wound down in normal insolvency proceedings.

In addition to the resolution tools the resolution authority holds a number of powers to facilitate the process in case of a resolution, including the power to potentially suspend obligations of an institution such as redemption or interest payment obligations under notes it issued, to restrict the enforcement of security interests in relation to any assets of the institution and to suspend termination rights until expiration of the business day which follows the day of publication of the notice of suspension.

Since 1 January 2016 the SRB as established under the SRM Regulation is responsible for drawing up the resolution plan and any adoption of resolution decisions carried out by the FMA regarding BAWAG Group. The SRB's decision making bodies and procedures are governed by the SRM Regulation which also adapts the BRRD's/BaSAG's content including the resolution tools for application by the SRB.

Regulatory measures under the BRRD resolution framework as implemented in the BaSAG or as applicable by the SRB under the SRM Regulation since 2016, in particular the participation of holders of relevant instruments or any of the relevant tools, may severely affect the rights of the Noteholders, may result in the loss of the entire investment in the event of failure of the respective Issuer, and may have a negative impact on the market value of the Notes even prior to the determination of failure of the respective Issuer or the adoption of resolution measures. In addition, any indication or perception that the respective Issuer would become subject to the participation of holders of relevant capital instruments or to resolution could have an adverse effect on the market price of the relevant Notes.

Further, on 10 July 2013, the European Commission announced that it has adapted its temporary state aid rules for assessing public support to financial institutions during the crisis (the "**Revised State Aid Guidelines**"). The Revised State Aid Guidelines provide for strengthened burden-sharing requirements, which require banks with capital needs to obtain shareholders' and subordinated debt holders' contributions before resorting to public recapitalizations or asset protection measures. The European Commission applied the principles set out in the new rules from 1 August 2013. In these guidelines, the European Commission has made it clear that any burden sharing imposed on subordinated debt holders will be made in line with principles and rules set out in the BRRD.

3.2.32 In the case of the respective Issuer's insolvency, deposits have a higher ranking than the claims of Noteholders under the Notes.

§ 131 BaSAG implements Article 108 BRRD in Austria and stipulates the ranking in the insolvency hierarchy, whereas in insolvency proceedings opened in relation to the respective Issuer the following insolvency hierarchy for deposits applies:

- (a) The following claims have the same ranking, which is higher than the ranking of the claims of ordinary senior unsecured and non-preferred senior unsecured creditors': (i) that part of eligible deposits from natural persons and micro, small and medium-sized enterprises which exceeds the coverage level provided for in Article 6 DGSD; and (ii) deposits that would be eligible deposits from natural persons, micro, small and medium-sized enterprises if they are not made through branches (located outside the EU) of institutions established within the EU;
- (b) The following claims have the same priority ranking, which is higher than the ranking of claims provided for under point (a) above: (i) covered deposits; and (ii) deposit guarantee schemes subrogating to the rights and obligations of covered depositors in insolvency.

In addition to that, for entities listed in § 1(1) nos. 1 to 4 BaSAG (such as the Issuers) Article 108 BRRD as amended by Directive (EU) 2017/2399 introduces a (new) class of certain non-preferred debt instruments. The relevant amendments of § 131 BaSAG in Austria entered into force on 30 June 2018.

Thus, ordinary senior unsecured claims shall have a higher priority ranking in normal insolvency proceedings than that of unsecured claims resulting from debt instruments within the meaning of § 131(3) BaSAG. Such so-called “non-preferred senior debt instruments” are debt instruments that meet the following conditions: (i) the original contractual maturity of the debt instruments is of at least one year; (ii) the debt instruments contains no embedded derivatives and are not derivatives themselves; (iii) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to the lower ranking under § 131(3) BaSAG. For the purposes of item (ii), debt instruments with variable interest derived from a widely used reference rate and debt instruments not denominated in the domestic currency of the respective issuer, provided that principal repayment and interest are denominated in the same currency, shall not be considered to be debt instruments containing embedded derivatives solely because of those features. Pursuant to § 131(4) BaSAG, such non-preferred senior debt instruments in turn, shall have a higher priority ranking in normal insolvency proceedings than the priority ranking of claims resulting from instruments referred to in § 90(1) nos. 1 to 4 BaSAG (i.e. CET 1 items, AT1 instruments, Tier 2 instruments and other subordinated debt). Therefore, Noteholders should bear in mind that in case of insolvency proceedings opened in relation to the respective Issuer and in any comparable proceedings (such as resolution proceedings under the SRM), their claims will be junior to the claims listed above in points (a) and (b), and that therefore they will only receive payment of their claims if and to the extent that such claims listed above in points (a) and (b) have been discharged in full.

3.2.33 The Notes may be redeemed or repurchased prior to maturity for tax reasons.

The respective Issuer may, at its option, redeem or repurchase the Notes at any time if there is a change in the applicable tax treatment of the Notes. For Unsubordinated Notes (other than Covered Bonds), Senior Non-Preferred Notes and Subordinated Notes, such redemption or repurchase is subject to certain conditions.

3.3 Risks relating to particular issues of Notes

3.3.1 Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates.

The market value of securities issued at a substantial discount or premium from their principal amount tends to react more sensitive to interest rate changes than the market value of conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

3.3.2 An Austrian court may appoint a trustee (*Kurator*) for the Notes to exercise the rights and represent the interests of Noteholders on their behalf.

Pursuant to the Austrian Notes Trustee Act (*Kuratorenengesetz – KuratorenG*) and the Austrian Notes Trustee Supplementation Act (*Kuratorenenergänzungsgesetz*), a trustee (*Kurator*) could be appointed by an Austrian court upon the request of any interested party (e.g., a Noteholder) or upon the initiative of a competent court, for the purposes of representing the common interests of the Noteholders in matters concerning their collective rights. In particular, this may occur if insolvency proceedings are initiated against the respective Issuer, in connection with any amendments to the Terms and Conditions of the Notes or changes relating to the respective Issuer, or under other similar circumstances.

Even though the applicability of the Austrian Notes Trustee Act and the Austrian Notes Trustee Supplementation Act is excluded in the Terms and Conditions (to the extent such exclusion is permissible under Austrian law), it cannot be ruled out that an Austrian court would reject such exclusion of the applicability of the Austrian Notes Trustee Act and the Austrian Notes Trustee Supplementation Act and appoints a trustee, because the respective Issuer is an Austrian company. If a trustee is appointed, it will exercise the collective rights and represent the interests of the Noteholders and will be entitled to make statements on their behalf which shall be binding on all Noteholders. Where a trustee represents the interests of and exercises the rights of Noteholders, this may conflict with or otherwise adversely affect the interests of individual or all Noteholders. The role of an appointed trustee may also conflict with provisions of the Terms and Conditions related to majority resolutions of the Noteholders pursuant to the Terms and Conditions. On the other hand, investors should not rely on the protection afforded by the Austrian Notes Trustee Act, as its application has been excluded (to the extent such exclusion is permissible under Austrian law) in the Terms and Conditions and an Austrian court may give effect to such disapplication.

3.3.3 Noteholders of Fixed Rate Notes are exposed to the risk that the price of such Note falls as a result of changes in the market interest rate.

A Noteholder of a Fixed Rate Note is exposed to the risk that the price of such Note falls as a result of changes in the market interest rate. While the nominal interest rate of a Fixed Rate Note as specified in the applicable Final

Terms is fixed during the life of such Notes, the current interest rate on the capital market ("**Market Interest Rate**") typically changes on a continuously basis. As the Market Interest Rate changes, the price of a Fixed Rate Note also changes, but in the opposite direction. If the Market Interest Rate increases, the price of a Fixed Rate Note typically falls, until the yield of such Notes is approximately equal to the Market Interest Rate. If the Noteholder of a Fixed Rate Note holds such Notes until maturity, changes in the Market Interest Rate are without relevance to such Noteholders as the Notes will be redeemed at a specified redemption amount, usually the principal amount of such Notes.

3.3.4 Noteholders of Floating Rate Notes are exposed to the risks of financial benchmark and reference rate continuity and the discontinuity of a reference rate could result in the interest rate of Floating Rate Notes to become effectively fixed due to fallback provisions.

So-called benchmarks such as the London Interbank Offered Rate ("**LIBOR**") and the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" (each a "**Benchmark**" and together, the "**Benchmarks**"), to which the interest of Notes bearing or paying a floating or other variable rate of interest may be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause the relevant Benchmarks to perform differently than in the past, or have other consequences which cannot be predicted. Any such Consequence may have a material adverse effect on the value of and the amount payable under Notes bearing or paying a floating or other variable rate of interest linked to such Benchmark. Recent international reforms of Benchmarks include the Benchmark Regulation which is fully applicable since 1 January 2018. According to the Benchmark Regulation, a Benchmark may only be used if its administrator obtains authorisation or is registered and in case of an administrator which is based in a non-EU jurisdiction, if the administrator's legal benchmark system is considered equivalent (Article 30 of the Benchmark Regulation), the administrator is recognized (Article 32 of the Benchmark Regulation) or the benchmarks is endorsed (Article 33 of the Benchmark Regulation) (subject to applicable transitional provisions). If this is not the case, the Notes could be impacted.

The Benchmark Regulation could have a material impact on the Notes in any of the following circumstances:

- a Benchmark could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the 'equivalence' conditions, is not 'recognized' pending such a decision and is not 'endorsed' for such purpose. In such event, the Notes could be impacted. In such event, depending on the particular Benchmark and the applicable terms of the Notes, the Notes could be delisted, adjusted, redeemed prior to maturity or otherwise impacted; and
- the methodology or other terms of the Benchmark could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Notes, including independent adviser determination of the rate or level of such Benchmark.

In addition to the aforementioned reform, there are numerous other proposals, initiatives and investigations which may impact Benchmarks.

Following the implementation of any such potential reforms, the manner of administration of Benchmarks may change, with the result that they may perform differently than in the past, or Benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on 27 July 2017, the UK Financial Conduct Authority announced that after 2021 it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Any changes to a Benchmark as a result of the Benchmark Regulation or other initiatives, could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks or lead to the disappearance of certain Benchmarks. Although it is uncertain whether or to what extent any of the abovementioned changes and/or any further changes in the administration or method of determining a Benchmark could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be, and/or could have an effect on the value of any Notes whose interest or principal return is linked to the relevant Benchmark, investors should be aware that they face the risk that any changes to the relevant

Benchmark may have a material adverse effect on the value of and the amount payable under Notes whose rate of interest or principal return is linked to a Benchmark (including, but not limited to, Floating Rate Notes).

The Terms and Conditions of Notes bearing or paying a floating or other variable rate of interest include fallback provisions to determine a successor rate or an alternative rate to the reference rate relevant to calculate the rate of interest under the Notes if, subject to further requirements, the relevant Benchmark for interest rates under Notes ceases to be published or will cease to be published, or the use of such Benchmark is prohibited or has become unlawful for any party required to calculate interest rates under the Notes. In case there is no successor rate or alternative rate, the fallback provisions will ultimately lead to the floating or other variable rate of interest becoming fixed to the rate of previous rates of interests used to calculate payments under the Notes, which could have a material adverse effect on the value of and the amount payable under Notes whose rate of interest is linked to a Benchmark (including, but not limited to, Floating Rate Notes).

3.3.5 Noteholders of Floating Rate Notes are exposed to the risk of fluctuating interest rate levels and uncertain interest income.

A Noteholder of a Floating Rate Note is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of Floating Rate Notes in advance. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market value may be more volatile than those for securities that do not include these features. If the amount of interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the interest rates on interest payable will be magnified.

3.3.6 If the respective Issuer converts from a fixed rate to a floating rate under Fixed to Floating Rate Notes, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes relating to the same reference rate.

Fixed to Floating Rate Notes may bear interest at a rate that the respective Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The respective Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the respective Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the respective Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favorable than then prevailing spreads on comparable Floating Rate Notes relating to the same reference rate. In addition, the new floating rate at any time may be lower than the interest rates payable on other Notes. If the respective Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the then prevailing interest rates payable on its Notes.

3.3.7 Noteholders of Zero Coupon Notes are exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate.

Zero Coupon Notes do not pay current interest but are issued at a discount from their nominal value. Instead of periodical interest payments, the difference between the redemption price and the issue price constitutes interest income until maturity and reflects the market interest rate. A Noteholder of a Zero Coupon Note is exposed to the risk that the price of such Note falls as a result of changes in the Market Interest Rate. Prices of Zero Coupon Notes are more volatile than prices of Fixed Rate Notes and are likely to respond to a greater degree to market interest rate changes than interest bearing notes with a similar maturity.

3.3.8 The obligations of the respective Issuer under Subordinated Notes constitute unsecured and subordinated obligations. Relevant insolvency laws, the provisions of the bank resolution framework and, in particular, the relevant tools or early intervention measures, could severely affect the rights of Noteholders and may result in a total loss in the event of non-viability of the respective Issuer and/or the Group.

In the event of insolvency proceedings or liquidation, obligations under Subordinated Notes will be subordinated to the claims of all unsubordinated creditors of the respective Issuer so that in any such event no amounts or quota, will be payable under insolvency laws to meet such obligations until the claims of all unsubordinated creditors of the respective Issuer will have been satisfied in full. If this occurs, the respective Issuer may not have enough assets remaining after such payments to pay amounts due under the relevant Subordinated Notes and the holders of such Subordinated Notes could lose all or some of their investment. No Noteholder of Subordinated Notes may set off his claims arising under the Notes against any claims of the respective Issuer. No present or future security or collateral of whatever kind is provided by the respective Issuer or any other person to secure the rights of the Noteholders under such Notes. No agreement may limit the subordination or shorten the maturity of the Notes.

In case resolution tools are applied, or if early intervention measures are applied at the point of non-viability before and regardless of any subsequent resolution action pursuant to the BaSAG/SRM, subordinated creditors, such as the Noteholders, will be among the first to absorb losses and suffer from a write down or conversion of their claims against the respective Issuer. In case of resolution, Subordinated Notes can be subject to conversion into CET 1 or write down as soon as CET 1 and AT 1 have been written down or, in the case of AT 1, been converted into CET 1. However, during early intervention at the "point of non-viability", Subordinated Notes can be subject to conversion or write down.

3.3.9 The Noteholders of Subordinated Notes are exposed to the risk that the respective Issuer may issue subordinated debt instruments or incur subordinated liabilities which are senior to the Subordinated Notes.

Noteholders of Subordinated Notes are exposed to the risk of subordination not only in respect of unsubordinated obligations of the respective Issuer (including, without limitation, Senior Notes or Covered Bonds), but also in respect of subordinated debt instruments or other subordinated liabilities which the respective Issuer may (have to) issue or incur and which rank or are expressed to rank senior to Subordinated Notes. This could in particular apply in respect of contractual bail-in instruments which the respective Issuer would have to issue under the BaSAG / BRRD and the SRM for MREL purposes.

In the event of an insolvency of the respective Issuer, no amounts will be payable under Subordinated Notes until the claims of any and all such subordinated creditors of the respective Issuer ranking senior to Subordinated Notes will have been satisfied in full. Similarly, where the resolution authority applied the bail-in tool, Subordinated Notes would be subject to write down or conversion prior to such other subordinated creditors of the respective Issuer ranking senior to Subordinated Notes, in accordance with the statutory sequence of write-down and conversion.

3.3.10 The Subordinated Notes' eligibility for the respective Issuer's tier 2 capital under the CRR could be contested by the competent authority and the re-classification of their regulatory capital status may entitle the respective Issuer to Early Redemption. Market making for the Notes requires the prior approval of the competent authority and is subject to certain conditions and thresholds.

Provided they comply with strict requirements under the CRR, Subordinated Notes can be credited towards the respective Issuer's tier 2 capital. The said requirements are stipulated in Article 63 CRR and, *inter alia*, prohibit a repurchase or redemption of eligible instruments by the issuing institution before five years after the date of issuance, unless certain exemptions under Article 78 para 4 CRR apply (not reasonably foreseeable change in the regulatory classification or change in the applicable tax treatment) and the competent authority approves a repurchase/redemption. Any repurchase or redemption, including after 5 years, requires the competent authority's consent. These restrictions could impair the respective Issuer's market making capacities. However, in the case of repurchase for market making purposes, the Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing CRR provides for a permission in advance by the authority for a predetermined amount where the conditions laid down in Article 78 CRR are met and the predetermined amount does not exceed a threshold of 10% of the amount of the relevant issue or 3% of the total tier 2 capital issued, whichever is lower.

Where the competent authority's approval would not be granted or thresholds would not suffice to conduct effective market making, such restrictions may have a negative impact on the liquidity of the Notes and may lead to an inadequate or delayed market price of the Notes.

If the respective Issuer should not be entitled to count the Subordinated Notes as tier 2 capital under CRR, the respective Issuer is entitled to Early Redemption of the Notes (Regulatory Event). Furthermore, the competent authority may give its permission in advance in accordance with the criteria set out in Article 78 CRR to call, redeem, repay or repurchase tier 2 instruments for a certain predetermined amount when the amount of own funds instruments to be called, redeemed or repurchased is immaterial in relation to the outstanding amounts after such call, redemption or repurchase has taken place. Therefore Noteholders should not rely on holding the Subordinated Notes until maturity. In case of an Early Redemption the Noteholders might not be able to re-invest their funds at similar conditions (re-investment risk). On this risk, refer to the risk factor "3.2.17 The Noteholders may not be able to re-invest amounts repaid prior to the maturity date (re-investment risk).)".

3.3.11 Subordinated Notes do not give the right to accelerate future payments.

The Terms and Conditions of the Subordinated Notes do not give the Noteholder the right to accelerate the future scheduled payment of interest or principal. Claims of the respective Issuer are not permitted to be offset against

payment obligations of the respective Issuer under Subordinated Notes which are not, and may not become secured or subject to a guarantee or any other arrangement that enhances the seniority of the claim.

3.3.12 Subordinated Notes may not be early redeemed at the option of the Noteholders, and any rights of the respective Issuer to early redeem or repurchase Subordinated Notes are subject to the prior permission of the competent authority.

The Noteholders of Subordinated Notes will have no rights to call for the early redemption of their Subordinated Notes and should not invest in the Subordinated Notes in the expectation that any early redemption right will be exercised by the respective Issuer. The respective Issuer may, at its sole discretion, early redeem the Subordinated Notes at any time either for tax or regulatory reasons at the Early Redemption Amount plus interest accrued until the date fixed for redemption. In addition, if such right is foreseen in the Terms and Conditions, the respective Issuer may at its sole discretion redeem Subordinated Notes before their stated maturity, but not before five years after the date of their issuance, on a specified Call Redemption Date at the applicable Call Redemption Amount plus accrued interest.

Any early redemption and any repurchase of the Subordinated Notes is subject to the prior permission of the Competent Authority pursuant to Article 4(1)(40) CRR and/or Article 9(1) SSM Regulation, in each case, which is responsible to supervise BAWAG Regulatory Group and/or (as the case may be) the relevant Issuer and compliance with regulatory capital rules applicable from time to time to the relevant Issuer. Under the CRR, the Competent Authority may only permit institutions to early redeem or repurchase tier 2 instruments such as the Notes if certain conditions prescribed by the CRR are complied with. These conditions, as well as a number of other technical rules and standards relating to regulatory capital requirements applicable to the relevant Issuer, should be taken into account by the Competent Authority in its assessment of whether or not to permit any early redemption or repurchase. It is uncertain how the Competent Authority will apply these criteria in practice and such rules and standards may change during the maturity of the Notes. It is therefore difficult to predict whether, and if so, on what terms, the Competent Authority will grant its prior permission for any early redemption or repurchase of the Notes.

Furthermore, even if the relevant Issuer would be granted the prior permission of the Competent Authority, any decision by the relevant Issuer as to whether it will early redeem the Subordinated Notes will be made at the absolute discretion of the relevant Issuer with regard to external factors such as the economic and market impact of exercising an early redemption right, regulatory capital requirements and prevailing market conditions. The relevant Issuer disclaims, and investors should therefore not expect, that the relevant Issuer will exercise any early redemption right in relation to the Subordinated Notes.

Notwithstanding if the respective Issuer exercises an early redemption right in relation to Subordinated Notes with the prior permission of the Competent Authority, Noteholders of Subordinated Notes are exposed to the risk that due to such early redemption their investments may have a different than expected yield and maturity.

Noteholders of the Subordinated Notes should therefore be aware that they may be required to bear the financial risks of an investment in the Subordinated Notes until their final maturity.

3.3.13 The qualification of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes as eligible liabilities for purposes of MREL is subject to uncertainty.

Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes are intended to be eligible liabilities for MREL purposes under the BaSAG. However, there is uncertainty regarding the final substance of applicable regulation and on how such regulation, once enacted, is to be interpreted and applied and the respective Issuer cannot provide any assurance that Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred will be (or thereafter remain) instruments eligible for MREL purposes.

Currently, no European laws or regulations have been adopted to align MREL with the TLAC concept, but there are proposals in order to integrate the TLAC standards into the existing MREL requirements (see also "3.1.2.1.1 Past, ongoing and uncertain future reforms and initiatives in legislation or supervision, including additional and more stringent regulation and public sector influence on the financial sector, could have a material adverse effect on BAWAG Group's business, financial condition, results of operations and prospects." above). While the Terms and Conditions of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes are intended to be consistent with these proposals, these proposals have not yet been interpreted and when finally adopted, applicable regulation in this respect may be different from regulation set forth in these proposals.

Because of the uncertainty surrounding the substance of final regulation on MREL eligibility, the respective Issuer cannot provide any assurance that the Unsubordinated Notes (which are not Covered Bonds) or Senior Non-Preferred Notes will ultimately be instruments eligible for MREL purposes. If for any reasons they are not instruments eligible for MREL purposes or if they initially are instruments eligible for MREL purposes and subsequently become ineligible, then the respective Issuer may be required to issue other debt instruments to fulfil its MREL requirements (see also "3.1.2.1.4 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." above) and the Unsubordinated Notes (which are not Covered Bonds) or Senior Non-Preferred Notes may be redeemed by the respective Issuer, in accordance with the Terms and Conditions of the Unsubordinated Notes (which are not Covered Bonds) or Senior Non-Preferred Notes and applicable regulation (see also "3.1.2.1.4 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." below).

3.3.14 Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes may be redeemed prior to maturity for regulatory reasons.

The respective Issuer may, at its option, redeem Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes in whole, but not in part, at any time at their Early Redemption Amount, together with interest (if any) accrued to the date fixed for redemption, if there is a change in the regulatory classification of the Unsubordinated Notes (which are not Covered Bonds) or Senior Non-Preferred Notes that would be likely to result or has resulted in their exclusion in full or in part from liabilities eligible for MREL purposes pursuant to BaSAG and in each case if the conditions for redemption and repurchase are met.

The early redemption of Notes which qualify as eligible liabilities may be subject in the future to the prior permission of the competent authority and/or the resolution authority. The proposals for a regulation amending CRR (intended to be reflected under the Terms and Conditions of the Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes) provide that the redemption of eligible liabilities prior to the date of their contractual maturity is subject to the prior permission of the competent authority and/or the resolution authority in accordance with the relevant terms of the CRR, if and to the extent such prior permission is required at this time.

Notwithstanding the above conditions, if, at the time of any early redemption, the prevailing supervisory regulations applicable to the respective Issuer permit the early redemption only after compliance with one or more alternative or additional pre-conditions to those set out in the first paragraph above, the respective Issuer shall comply with such other and/or, as appropriate, additional pre-conditions, if any.

It is not possible to predict whether or not Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes will qualify as instruments eligible for MREL purposes (see also "3.3.13 The qualification of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes as eligible liabilities for purposes of MREL is subject to uncertainty." above) or if any further change in the laws or regulations of Austria or the European Union will occur and so lead to the circumstances in which the respective Issuer is able to elect to redeem the Unsubordinated Notes (which are not Covered Bonds) or Senior Non-Preferred Notes, and, if so, whether or not the respective Issuer will elect to exercise such option to redeem the Unsubordinated Notes (which are not Covered Bonds) or Senior Non-Preferred Notes or any prior consent of the competent authority and/or the resolution authority, if required, will be given. The respective Issuer may be expected to redeem Unsubordinated Notes (which are not Covered Bonds) or Senior Non-Preferred Notes on this basis, when its cost of borrowing is lower than the interest rate on the Unsubordinated Notes (which are not Covered Bonds) or Senior Non-Preferred Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Unsubordinated Notes (which are not Covered Bonds) or Senior Non-Preferred Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time. Early redemption features are also likely to limit the market price of the Unsubordinated Notes (which are not Covered Bonds) or Senior Non-Preferred Notes. During any period when the respective Issuer can redeem the Senior Non-Preferred Notes, the market price of the Unsubordinated Notes (which are not Covered Bonds) or Senior Non-Preferred Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period if the market believes that the Unsubordinated Notes (which are not Covered Bonds) or Senior Non-Preferred Notes may become eligible for redemption in the near term.

3.3.15 Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes do not give the right to accelerate future payments.

Noteholders have no ability to accelerate the maturity of their Unsubordinated Notes (which are not Covered Bonds) or Senior Non-Preferred Notes. The Terms and Conditions of the Senior Non-Preferred Notes do not provide for any events of default or right to demand for repayment, except that each Noteholder shall be entitled, if insolvency proceedings are commenced against assets of the respective Issuer, to terminate his (which are not Covered Bonds) or Senior Non-Preferred Notes demanding payment of all principal amounts due under the (which are not Covered Bonds) or Senior Non-Preferred Notes together with accrued interest.

3.3.16 Claims of Noteholders of Senior Non-Preferred Notes will be junior to claims of holders of certain other senior claims.

Noteholders of Senior Non-Preferred Notes should bear in mind that in case of insolvency proceeds opened in relation to the respective Issuer and in any comparable proceedings (such as resolution proceedings pursuant to the SRM) their claims will, in accordance with the terms of such Notes, be junior to the claims of holders of senior notes, ordinary senior notes and any other senior claims without non-preferred senior status (including senior claims preferred by law).

Thus, no amounts will be payable under Senior Non-Preferred Notes until the claims ranking senior to such Notes will have been satisfied in full. If this occurs, the respective Issuer may not have enough assets remaining after such payments to pay amounts due under the relevant Senior Non-Preferred Notes and the Noteholders could lose all or some of their investment.

3.3.17 Senior Non-Preferred Notes qualifying as non-preferred senior debt instruments are new types of instruments for which there is no significant trading history.

To the respective Issuers' knowledge, Austrian financial institutions have not yet made any significant public offers of non-preferred senior debt instruments. Accordingly, there is no significant trading history for securities of Austrian financial institutions with this ranking. Market participants, including credit rating agencies, are in the initial stages of evaluating the risks associated with non-preferred senior liabilities. The credit ratings assigned to non-preferred senior securities such as the Senior Non-Preferred Notes may change as the credit rating agencies refine their approaches, and the value of such securities may be particularly volatile as the market becomes more familiar with them. It is possible that, over time, the credit ratings and value of 'non-preferred' senior securities such as the Senior Non-Preferred Notes will be lower than those expected by investors at the time of issuance of the Senior Non-Preferred Notes. If so, Noteholders may incur losses in respect of their investments in Senior Non-Preferred Notes.

3.3.18 Although Austrian statutory law on Covered Bonds (*Fundierte Bankschuldverschreibungen*) provides that a cover pool shall secure at least the redemption amount and interest on the outstanding Covered Bonds, investors may receive less than their investment.

The respective Issuer may issue Covered Bonds (*Fundierte Bankschuldverschreibungen*) under the Austrian Act on Covered Bonds of Banks (*Gesetz betreffend fundierte Bankschuldverschreibungen*) secured by separate cover pool of assets meeting the requirements set forth in such Act. Statutory law provides that a cover pool shall secure at least the redemption amount and interest of the outstanding Covered Bonds, as well as the likely administration cost arising in case of an insolvency of the respective Issuer. In addition, the respective Issuer may establish separate cover pools which may only include mortgages (as provided for in the Act on Covered Bonds of Banks, see § 1 (5) item 1 and item 2) or public debt (as provided for in the Act on Covered Bonds of Banks, see § 1 (5) item 3 and item 4).

The Austrian Act on Covered Bonds of Banks provides that in case of an insolvency of the respective Issuer, the cover pool must be sold by a special administrator (*besonderer Verwalter*) (who will be appointed by the insolvency court) to a suitable credit institution, which then assumes all obligations in respect of the Covered Bonds. In the event that the special administrator is unable to sell the cover pool to a suitable credit institution, and the cover pool does not hold sufficient assets to meet payments in respect of the Covered Notes, the assets of the cover pool will have to be liquidated. To the extent there is a shortfall in meeting payments due in respect of the Covered Bonds after liquidation of the cover pool, claims of the Noteholders of Covered Bonds would share the rank with claims of other creditors of the respective Issuer for the payment of any amount outstanding. As a result, investors may receive less than their investment.

4 DOCUMENTS INCORPORATED BY REFERENCE / DOCUMENTS ON DISPLAY / ALTERNATIVE PERFORMANCE MEASURES

4.1 Documents incorporated by reference

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CSSF shall be incorporated by reference in, and form part of, this Base Prospectus to the extent set out in the paragraph entitled "4.2 Cross-reference list of documents incorporated by reference" below:

in relation to BAWAG,

- (a) the audited consolidated annual financial statements for the financial year ended 31 December 2018; and
- (b) the audited consolidated annual financial statements for the financial year ended 31 December 2017;

in relation to BAWAG P.S.K.,

- (a) the original German language version of the audited consolidated annual financial statements for the financial year ended 31 December 2018;
- (b) the original German language version of the audited consolidated annual financial statements for the financial year ended 31 December 2017; and
- (c) the Articles of Association of BAWAG P.S.K.;

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus. For the avoidance of doubt, the content of any website referred to in this Base Prospectus does not form part of this Base Prospectus.

This Base Prospectus, any Final Terms relating to Notes listed on the official list of the Luxembourg Stock Exchange and/or Vienna Stock Exchange as well as copies of the documents incorporated by reference in this Base Prospectus may be obtained from the relevant Issuer's office as set out at the end of this Base Prospectus and from the Listing Agent in Luxembourg as set out at the end of this Base Prospectus and are also available on a website of the Vienna Stock Exchange (www.wbag.at) and the website of the Luxembourg Stock Exchange (www.bourse.lu).

4.2 Cross-reference list of documents incorporated by reference

The following information is set forth in the audited consolidated annual financial statements for the financial year ended 31 December 2018 for BAWAG:

	Page(s)
Audited Consolidated Annual Financial Statements 2018	
Consolidated Profit or Loss Statement	59–60
Consolidated Statement of Comprehensive Income	61
Consolidated Statement of Financial Position	62–63
Consolidated Statement of Changes in Equity	64–65

	Page(s)
Consolidated Statement of Cash Flows	66–68
Notes to the Consolidated Financial Statements	69–237
Auditor's Opinion	238–244

The following information is set forth in the audited consolidated annual financial statements for the financial year ended 31 December 2017 for BAWAG:

	Page(s)
Audited Consolidated Annual Financial Statements 2017	
Consolidated Profit or Loss Statement	65–66
Consolidated Statement of Comprehensive Income	67
Consolidated Statement of Financial Position	68–69
Consolidated Statement of Changes in Equity	70
Consolidated Statement of Cash Flows	71–73
Notes to the Consolidated Financial Statements	74–218
Auditor's Opinion	219–225

The following information is set forth in the audited consolidated annual financial statements for the financial year ended 31 December 2018 for BAWAG P.S.K.:

	Page(s)
Audited Consolidated Annual Financial Statements 2018	
Consolidated Profit or Loss Statement (<i>Gewinn- und Verlustrechnung</i>)	36
Consolidated Statement of Comprehensive Income (<i>sonstiges Ergebnis</i>)	37
Consolidated Statement of Financial Position (<i>Bilanz</i>)	38–39
Consolidated Statement of Changes in Equity (<i>Entwicklung des Eigenkapital</i>)	40
Consolidated Statement of Cash Flows (<i>Kapitalflussrechnung</i>)	41–43
Notes to the Consolidated Financial Statements (<i>Anhang zum Jahresabschluss</i>)	44–161
Auditor's Opinion (<i>Bestätigungsvermerk</i>)	209–215

The following information is set forth in the audited consolidated financial statements for the financial year ended 31 December 2017 for BAWAG P.S.K.:

	Page(s)
Audited Consolidated Annual Financial Statements 2017	
Consolidated Profit or Loss Statement (<i>Gewinn- und Verlustrechnung</i>)	41
Consolidated Statement of Comprehensive Income (<i>sonstiges Ergebnis</i>)	42
Consolidated Statement of Financial Position (<i>Bilanz</i>)	43–44
Consolidated Statement of Changes in Equity (<i>Entwicklung des Eigenkapitals</i>)	45
Consolidated Statement of Cash Flows (<i>Kapitalflussrechnung</i>)	46–47
Notes to the Consolidated Financial Statements (<i>Anhang zum Jahresabschluss</i>)	49–150
Auditor's Opinion (<i>Bestätigungsvermerk</i>)	193–199

The audited Consolidated Annual Financial Statements for the financial year ended 31 December 2018 and for the financial year ended 31 December 2017 are available on the Issuers' respective websites: <https://www.bawaggroup.com/BAWAGGROUP/IR/EN/Financial-Results> for BAWAG and under https://www.bawagpsk.com/BAWAGPSK/Ueber_uns/Weitere%20Informationen/Finanzberichte/401438/jahresfinanzberichte.html for BAWAG P.S.K.

The information incorporated by reference that is not included in the cross-reference lists above is considered as additional information and is not required by the relevant annexes of the Commission Regulation (EC) No 809/2004, as amended, or covered elsewhere in this Base Prospectus. However, the following information set forth in the audited consolidated annual financial statements for the financial years ended 31 December 2017 and 31 December 2018, respectively, for BAWAG and BAWAG P.S.K. is explicitly excluded from the incorporation by reference as it is not relevant for investors:

	Pages
Audited Consolidated Annual Financial Statements 2017 for the financial year ended 31 December 2017 for BAWAG	5, 10, 60
Audited Consolidated Annual Financial Statements 2018 for the financial year ended 31 December 2018 for BAWAG	2, 10, 54
Audited Consolidated Annual Financial Statements 2017 for the financial year ended 31 December 2017 for BAWAG P.S.K.	36, 239
Audited Consolidated Annual Financial Statements 2018 for the financial year ended 31 December 2018 for BAWAG P.S.K.	31, 253

4.3 Alternative Performance Measures

Monitoring and management at BAWAG Group are based on a consistent and integrated key performance indicator system (KPI system), which assists executives in the management of BAWAG Group. The KPI system comprises the dimensions of profitability, growth in the segments, risk limitation, liquidity and capital. As is customary in BAWAG Group's industry, some of these figures are based on IFRS, whereas others are used in addition to the IFRS financial measures and measures under Austrian generally accepted accounting principles, in order to evaluate, monitor and manage the business ("**APM**").

Such financial information must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS included elsewhere in this Base Prospectus. Investors are cautioned not to place undue reliance on these APMs and are also advised to review them in conjunction with the financial statement and related notes included elsewhere in this Base Prospectus. The following list includes explanations of the definitions of certain APMs based on BAWAG Group's and BAWAG P.S.K. Group's financial statements, as well as information regarding such APMs relevance:

APM	Definition	Relevance of its use / reasons for changes to the definition
Return on Equity ("RoE")	Calculated by dividing net profit by the average equity attributable to the owners of the parent set forth in the financial statements (" IFRS Equity "). The average IFRS Equity is calculated by adding the end values of the current and the preceding period and dividing the sum by two.	These metrics provide a profitability measure for both management and investors by expressing the net profit as presented in the financial statements as a percentage of the respective underlying. RoE and RoTE demonstrate profitability of the bank on the equity invested by its shareholders and thus the success of their investment. RoE (@12% CET 1) and RoTE (@12% CET 1) provide a normalized profitability measure for both management and investors by expressing the net profit as presented in the financial statements as a percentage of the respective underlying at a stable Fully Loaded CET 1 ratio of 12%
RoE (@12% CET1) ("RoE (@12% CET 1)")	RoE calculated at a ratio of 12% Common Equity Tier 1 capital (" CET 1 ") as defined in the Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms (the " CRR ") on a fully loaded basis, i.e. excluding any transitional capital (fully loaded).	
Return on Tangible Equity ("RoTE")	Calculated by dividing net profit by the average IFRS Equity minus the carrying amount of intangible non-current assets set forth in the financial statements (" IFRS Tangible Equity "). The average IFRS Tangible Equity is calculated by adding the end values of the current and the preceding period and dividing the sum by two.	
RoTE (@12% CET 1) ("RoTE (@12% CET 1)")	Return on tangible equity calculated at a fully loaded CET 1 ratio of 12%.	
Net Interest Margin ("Net Interest Margin")	The line item net interest income divided by average interest-earning assets. The average balance of interest-earning assets is calculated by adding the balance at the end of each month of the financial year and	

APM	Definition	Relevance of its use / reasons for changes to the definition
	dividing the sum by 12.	interest-earning assets. It is used for external comparison with other banks as well as internal profitability measurement of products and segments
Cost-Income Ratio ("Cost-Income Ratio")	Calculated by dividing operating expenses by operating income. Numbers for operating expenses do not include certain regulatory charges that are otherwise included in the line item other operating income and expenses reported on the level of BAWAG Group or (as the case may be) BAWAG P.S.K. Group in the financial statements. Consequently, such regulatory charges are disregarded for the calculation of the cost-income-ratio.	Shows operating expenses in relation to operating income, so giving a view of operation efficiency. Management uses the Cost-Income Ratio as a measure of BAWAG Group's or (as the case may be) BAWAG P.S.K. Group's efficiency and to compare its efficiency with other financial institutions
Core Revenues ("Core Revenues")	Calculated as the sum of net interest income and net fee and commission income.	Core Revenues demonstrate the success of the bank in its core activities
Balance Sheet Leverage ("Balance Sheet Leverage")	Calculated by dividing total assets divided by IFRS Equity.	The Balance Sheet Leverage expresses the relationship between BAWAG Group's or BAWAG P.S.K. Group's IFRS Equity and its total assets not on a risk-weighted basis. The ratio provides a metric to judge how leveraged a bank is. The lower the ratio, the lower a bank is leveraged and the higher the likelihood of a bank withstanding negative shocks to its balance sheet

The table below sets out the figures for APMs that are based on BAWAG's consolidated financial statements:

	As of and for the financial years ended December 31,	
	2018	2017
	(unaudited)	
RoE.....	12.2%	13.4% ²⁾
RoE (@12% CET 1).....	14.3%	15.1% ²⁾
RoTE	14.2%	15.4% ²⁾
RoTE (@12% CET 1).....	17.1%	17.6% ²⁾
Net Interest Margin.....	2.21%	2.24% ²⁾
Cost-Income Ratio.....	44.2%	47.2% ^{1), 2)}
Core Revenues (audited, in € millions)	1,123.3	1,010.0 ²⁾
Balance Sheet Leverage	12.1x	12.8x ²⁾

1) Including parts of the long-term incentive program ("LTIP") for members of the Management Board and the senior leadership team.

2) Based on adjusted numbers originally reported by BAWAG.

The table below sets out the figures for APMs that are based on BAWAG P.S.K.'s consolidated financial statements:

	As of and for the financial years ended December 31,	
	2018	2017
	(unaudited)	
RoE.....	13.7%	15.1% ²⁾
RoE (@12% CET 1).....	14.7%	16.5% ²⁾
RoTE	14.7%	16.0% ²⁾
RoTE (@12% CET 1).....	15.8%	17.6% ²⁾
Net Interest Margin.....	2.25%	2.32% ²⁾
Cost-Income Ratio.....	42.5%	41.9% ^{1), 2)}
Core Revenues (audited, in € millions)	1,123.2	1,010.2 ²⁾
Balance Sheet Leverage	14.0x	13.6x ²⁾

1) Including parts of the long-term incentive program ("LTIP") for members of the Management Board and the senior leadership team.

2) Based on adjusted numbers originally reported by BAWAG P.S.K.

5 CONSENT TO USE THE BASE PROSPECTUS

Each Dealer and/or each further financial intermediary subsequently reselling or finally placing Notes – if and to the extent this is so expressed in the Final Terms relating to a particular issue of Notes – is entitled to use the Base Prospectus in Luxembourg, Germany and Austria whose competent authorities have been notified of the approval of this Base Prospectus, for the subsequent resale or final placement of the relevant Notes during the respective offer period (as determined in the applicable Final Terms), provided however, that the Base Prospectus is still valid in accordance with Article 11(2) Luxembourg Act dated 10 July 2005 relating to prospectuses for securities (*Loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières*), as amended, which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 as amended. The Issuers accept responsibility for the information given in the Base Prospectus also with respect to such subsequent resale or final placement of the relevant Notes.

Such consent for the subsequent resale or final placement of Notes by the financial intermediaries may be restricted to certain jurisdictions and subject to conditions as stated in the applicable Final Terms. The Base Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to the Base Prospectus is available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu).

When using the Base Prospectus, each Dealer and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

In the event of an offer being made by a Dealer and/or a further financial intermediary, the Dealer and/or the further financial intermediary shall provide information to investors on the terms and conditions of the Notes at the time of that offer.

If the Final Terms state that the consent to use the Base Prospectus is given to all financial intermediaries (general consent), any financial intermediary using the Base Prospectus has to state on its website that it uses the Base Prospectus in accordance with the consent and the conditions attached thereto.

6 GENERAL DESCRIPTION OF THE PROGRAMME

6.1 General

Under this EUR 10,000,000,000 Programme, each Issuer may from time to time issue Notes, including Covered Bonds (*Fundierte Bankschuldverschreibungen*) denominated in any Specified Currency agreed between the Issuer and the relevant Dealer(s). The Issuers may increase the amount of the Programme in accordance with the terms of the Dealer Agreement (as defined herein) from time to time. The maximum aggregate principal amount of all Notes at any time outstanding under the Programme will not exceed EUR 10,000,000,000 (or its equivalent in other currencies).

Notes may be issued on a continuing basis to one or more of the Dealers and any additional dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis. Notes may be distributed by way of offer to the public or private placements and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the relevant Final Terms. Notes may be offered to non-qualified and/or qualified investors.

Notes will be issued in Tranches, each Tranche consisting of Notes, which are identical in all respects. One or more Tranches, which are expressed to be consolidated and forming a single series and identical in all respects, but having different issue dates, interest commencement dates, issue prices and dates for first interest payments may form a series of Notes (the "**Series**"). Further Notes may be issued as part of an existing Series. The specific terms of each Tranche will be set forth in the applicable Final Terms. The redemption amount under the Notes will be at least 100% of their principal amount. Notes will be issued with a maturity of twelve months or more.

Notes will be issued in such denomination as may be agreed between the relevant Issuer and the relevant Dealer(s).

Notes may be issued under the Programme as Unsubordinated Notes, Senior Non-Preferred Notes or Subordinated Notes by both Issuers. Furthermore, Notes may be issued as Covered Bonds (*Fundierte Bankschuldverschreibungen*) by BAWAG P.S.K. (as described below under "*16 General Information*").

Notes issued pursuant to the Programme may be rated or unrated. A security rating is not a recommendation to buy, sell or hold Notes issued under the Programme and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to the Notes issued under the Programme may adversely affect the market price of the Notes issued under the Programme.

Notes may be issued at an issue price, which is at par or at a discount to, or premium over, par, as stated in the Final Terms. The issue price for Notes to be issued will be determined at the time of pricing on the basis of a yield which will be determined on the basis of the orders of the investors which are received by the Dealers during the offer period. Orders will specify a minimum yield and may only be confirmed at or above such yield. The resulting yield will be used to determine an issue price, all to correspond to the yield.

The yield for Notes with fixed interest rates or fixed resettable interest rates will be calculated by the use of the ICMA method, which determines the effective interest rate of notes taking into account accrued interest on a daily basis.

Application will be made to the Luxembourg Stock Exchange for the Programme to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Regulated Market of the Luxembourg and/or the Vienna Stock Exchange. The Notes issued under this Programme may be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's and the Vienna Stock Exchange's regulated markets. The Luxembourg Stock Exchange and the Vienna Stock Exchange do not automatically list Notes and may under certain circumstances refuse listing and admission to trading of the Notes. The Programme provides that Notes may be listed on other or further stock exchanges as may be agreed between the relevant Issuer and the relevant Dealer(s) in relation to each issue. Notes may further be issued under the Programme without being listed on any stock exchange.

Notes will be accepted for clearing through one or more clearing systems as specified in the applicable Final Terms. These systems will include those operated by Clearstream Banking AG, Frankfurt am Main, Clearstream Banking, société anonyme, Luxembourg, Euroclear Bank SA/NV, as operator of the Euroclear system and OeKB CSD GmbH, Strauchgasse 1-3, 1010 Vienna, Austria.

Citibank Europe plc will act as Fiscal Agent (except in cases where the Notes are cleared through OeKB CSD GmbH).

If "Prohibition of Sales to EEA Retail Investors" is specified as "Applicable" in the Final Terms in respect of any Notes, the Notes are not intended to be offered, sold or otherwise made available to and, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

6.2 Issue procedures

6.2.1 General

The relevant Issuer and the relevant Dealer(s) will agree on the terms and conditions applicable to each particular Tranche of Notes (the "**Conditions**"). The Conditions will be constituted by the relevant set of Terms and Conditions of the Notes set forth below (the "**Terms and Conditions**") as further specified by the provisions of the Final Terms as set out below.

6.2.2 Options for sets of Terms and Conditions

A separate set of Terms and Conditions applies to each type of Notes, as set forth below. The Final Terms provide for the relevant Issuer to choose among the following Options:

Option I – Terms and Conditions for Notes with fixed interest rates or fixed resettable interest rates;

Option II – Terms and Conditions for Notes with floating interest rates;

Option III – Terms and Conditions for Notes with fixed to floating interest rates;

Option IV – Terms and Conditions for Zero Coupon Notes.

6.2.3 Documentation of the Conditions

The relevant Issuer may document the Conditions of an individual issue of Notes in either of the following ways:

- The Final Terms shall be completed as set out therein. The Final Terms shall determine which of Option I, Option II, Option III or Option IV including certain further options contained therein, respectively, shall be applicable to the individual issue of Notes by replicating the relevant provisions and completing the relevant placeholders of the relevant set of Terms and Conditions as set out in the Base Prospectus in the Final Terms. The replicated and completed provisions of the set of Terms and Conditions shall constitute the Conditions, which will be attached to each global note representing the Notes of the relevant Tranche. This type of documentation of the Conditions will be used where the Notes are publicly offered, in whole or in part, or are to be initially distributed, in whole or in part, to non-qualified investors.
- Alternatively, the Final Terms shall determine which of Option I, Option II, Option III or Option IV and of the respective further options contained in each of Option I, Option II, Option III or Option IV are applicable to the individual issue by only referring to the specific sections of the relevant set of Terms and Conditions as set out in the Base Prospectus. The Final Terms will specify that the provisions of the Final Terms and the relevant set of Terms and Conditions as set out in the Base Prospectus, taken together, shall constitute the Conditions. Each global note representing a particular Tranche of Notes will have the Final Terms and the relevant set of Terms and Conditions as set out in the Base Prospectus attached.

6.2.4 Determination of options / completion of placeholders

The Final Terms shall determine which of Option I, Option II, Option III or Option IV shall be applicable to the individual issue of Notes. Each of the sets of Terms and Conditions Option I, Option II, Option III or Option IV contains also certain further options (characterised by indicating the optional provision through instructions and explanatory notes set out either on the left of or in the square brackets within the text of the relevant set of Terms

and Conditions as set out in the Base Prospectus) as well as placeholders (characterised by square brackets which include the relevant items) which will be determined by the Final Terms as follows:

6.2.5 Determination of Options

The relevant Issuer will determine which options will be applicable to the individual issue either by replicating the relevant provisions in the Final Terms or by reference of the Final Terms to the sections of the relevant set of Terms and Conditions as set out in the Base Prospectus. If the Final Terms do not replicate or refer to an alternative or optional provision it shall be deemed to be deleted from the Conditions.

6.2.6 Completion of Placeholders

The Final Terms will specify the information with which the placeholders in the relevant set of Terms and Conditions will be completed. In case the provisions of the Final Terms and the relevant set of Terms and Conditions, taken together, shall constitute the Conditions the relevant set of Terms and Conditions shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the placeholders of such provisions.

In that case, all instructions and explanatory notes and text set out in square brackets in the relevant set of Terms and Conditions and any footnotes and explanatory text in the Final Terms will be deemed to be deleted from the Conditions.

6.2.7 Controlling Language

As to controlling language of the respective Conditions, the following applies:

- In the case of Notes (i) publicly offered, in whole or in part, in the Republic of Austria, or (ii) initially distributed, in whole or in part, to non-qualified investors in the Republic of Austria, German will be the controlling language. If, in the event of such offer to the public or distribution to non-qualified investors, however, English is chosen as the controlling language, a German language translation of the Conditions will be available from the principal offices of the Fiscal Agent and the Issuer as specified on the back of this Base Prospectus.
- In other cases the Issuer will elect either German or English to be the controlling language.

TERMS AND CONDITIONS OF THE NOTES

English Language Version

The Terms and Conditions of the Notes (the "**Terms and Conditions**") are set forth below for four options:

Option I comprises the set of Terms and Conditions that apply to Tranches of Notes with fixed interest rates or fixed resettable interest rates.

Option II comprises the set of Terms and Conditions that apply to Tranches of Notes with floating interest rates.

Option III comprises the set of Terms and Conditions that apply to Tranches of Notes with fixed to floating interest rates.

Option IV the set of Terms and Conditions that apply to Tranches of Zero Coupon Notes.

The set of Terms and Conditions for each of these Options contains certain further options, which are characterised accordingly by indicating the respective optional provision through instructions and explanatory notes set out in square brackets within the set of Terms and Conditions.

In the Final Terms the relevant Issuer will determine, which of Option I, Option II, Option III or Option IV including certain further options contained therein, respectively, shall apply with respect to an individual issue of Notes, either by replicating the relevant provisions or by referring to the relevant options.

To the extent that upon the approval of the Base Prospectus the Issuer had no knowledge of certain items which are applicable to an individual issue of Notes, this Base Prospectus contains placeholders set out in square brackets which include the relevant items that will be completed by the Final Terms.

[In case the options applicable to an individual issue are to be determined by referring in the Final Terms to the relevant options contained in the set of Terms and Conditions for Option I, Option II, Option III or Option IV:

The provisions of these Terms and Conditions apply to the Notes as completed by the terms of the final terms which are attached hereto (the "**Final Terms**"). The blanks in the provisions of these Terms and Conditions which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions; alternative or optional provisions of these Terms and Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Terms and Conditions; and all provisions of these Terms and Conditions which are inapplicable to the Notes (including instructions, explanatory notes and text set out in square brackets) shall be deemed to be deleted from these Terms and Conditions, as required to give effect to the terms of the Final Terms. Copies of the Final Terms may be obtained free of charge at the specified office of the Fiscal Agent and at the principal office of the Issuer provided that, in the case of Notes which are not listed on any stock exchange, copies of the relevant Final Terms will only be available to Noteholders of such Notes.]

This Series of Notes is issued pursuant to **[in the case of Notes initially to be deposited (in global form) with, or with a depository or common depository of, any Clearing System other than OeKB CSD GmbH ("OeKB CSD") insert:** an Amended and Restated Fiscal Agency Agreement dated as of [•] 2019 (the "**Agency Agreement**") entered into among BAWAG Group AG, BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft ("**BAWAG P.S.K.**") **], [in the case of Notes initially to be deposited (in global form) with OeKB CSD insert:** the Austrian Fiscal Agency Agreement dated as of [•] 2019 (the "**Austrian Agency Agreement**") promulgated by [BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft in its capacity [as issuer and] as fiscal agent (the "**Fiscal Agent**", which expression shall include any successor fiscal agent thereunder)] and the other parties named therein. Copies of the [Agency Agreement] [and] [the Austrian Agency Agreement] may be inspected at the registered office of the Fiscal Agent.

7 TERMS AND CONDITIONS OF THE NOTES

OPTION I – Terms and Conditions for Notes with fixed interest rates or fixed resettable interest rates

Terms and Conditions of the Notes

§ 1

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency; Denomination.* This Series of Notes (the "**Notes**") of [in case BAWAG is the Issuer of the Notes (other than Covered Bonds) insert: BAWAG Group AG][in case BAWAG P.S.K. is the Issuer of the Notes insert: BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft] (the "**Issuer**") is being issued in [insert Specified Currency] (the "**Specified Currency**") in the aggregate principal amount of [insert aggregate principal amount] (in words: [insert aggregate principal amount in words]) in the denomination of [insert specified Denomination] (the "**specified Denomination**").]

(2) *Form.* The Notes are being issued in bearer form.

[In the case of Notes which are represented by a Permanent Global Note insert:

(3) *Permanent Global Note.* The Notes are represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Permanent Global Note shall be signed manually by two authorised signatories of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.]

[In the case of Notes which are initially represented by a Temporary Global Note insert:

(3) *Temporary Global Note – Exchange.*

(a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in the specified Denomination represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed manually by two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.

(b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not later than 180 days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1 (3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 4 (3)).]

(4) *Clearing System.* The Permanent Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means [if more than one Clearing System insert: each of] the following: [OeKB CSD GmbH ("**OeKB CSD**") [Clearstream Banking, société anonyme, Luxembourg, ("**CBL**") [Euroclear Bank SA/NV, as operator of the Euroclear System ("**Euroclear**") [.] [and] [specify other Clearing System].]

[In the case of Notes kept in custody on behalf of the ICSDs insert:

[In the case the Global Note is an NGN insert: The Notes are issued in new global note ("**NGN**") form and are kept in custody by a common safekeeper on behalf of both ICSDs.]

[In the case of Euroclear and CBL and if the Global Note is a Eurosystem Eligible NGN insert:

The Notes are issued in new global note ("**NGN**") form and are kept in custody by a common safekeeper on behalf of both ICSDs. The principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount Notes represented by the Global Note.

On any redemption in respect of, or purchase by or on behalf of the Issuer and cancellation of, any of the Notes represented by this [Temporary] [Permanent] Global Note details of such redemption or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in the records of the ICSDs. The principal amount of Notes represented by the [Temporary] [Permanent] Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount of Notes represented by the [Temporary] [Permanent] Global Note and, for these purposes, a statement issued by ICSD stating the principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time. For technical procedure of the ICSDs, in the case of the exercise of a Call Option relating to a partial redemption the outstanding redemption amount will be reflected in the records of the ICSDs as either a nominal reduction or as a pool factor, at the discretion of the ICSDs.]]

(5) *Conditions*. "**Conditions**" means these Terms and Conditions of the Notes.

(6) *Noteholder*. "**Noteholder**" means any holder of a proportionate co-ownership or other beneficial interest in the Notes.

[In the case of Unsubordinated Notes which are not Covered Bonds or Senior Non-Preferred Notes insert:

**§ 2
STATUS**

(1) The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer except for any obligations preferred by law.

(2) The Notes are intended to qualify as Eligible MREL Instruments.

"**Applicable MREL Regulation**" means the laws, regulations, requirements, guidelines and policies relating to the minimum requirements for own funds and eligible liabilities, as applicable from time to time.

"**Eligible MREL Instrument**" means any (directly issued) debt instrument of the Issuer that qualifies for the minimum requirements for own funds and eligible liabilities (MREL) pursuant to the Applicable MREL Regulation.

"**MREL**" means the minimum requirements for own funds and eligible liabilities from time to time pursuant to the Applicable MREL Regulation.

(3) No Noteholder has at any time a right to set-off his claims under the Notes against any claim the Issuer has or may have against such Noteholder. Neither the Issuer nor any third party may secure the rights under the Notes by providing any form of guarantee or security in favour of the Noteholders. No such guarantee or security may be provided at any later time. No subsequent agreement may limit the subordination pursuant to the provisions set out in this § 2 or amend the Maturity Date in respect of the Notes to any earlier date or shorten any applicable notice period (*Kündigungsfrist*).

*Note to the Noteholders of Unsubordinated Notes which are not Covered Bonds or Senior Non-Preferred Notes: In respect of the Status, reference is made to the risk for Unsubordinated Notes which are not Covered Bonds or Senior Non-Preferred Notes of a regulatory allocation of losses by the write-down or conversion of liabilities in the context of an application of the Austrian Federal Act on the Recovery and Resolution of Banks ("**BaSAG**") as more fully described in the risk factor entitled "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("**BaSAG**")", including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss." in the Base Prospectus dated 18 March 2019.]*

[In the case of Senior Non-Preferred Notes insert:

§ 2 STATUS

(1) The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer, provided that they are non-preferred senior obligations of the Issuer under debt instruments which meet the criteria pursuant to § 131 (3) nos. 1–3 BaSAG. Therefore, in the event of the insolvency or the liquidation of the Issuer, claims on the principal amount of the Notes rank: (i) junior to all other present or future unsecured and unsubordinated instruments or obligations of the Issuer which do not meet the criteria pursuant to § 131 (3) nos. 1–3 BaSAG; (ii) *pari passu*: (A) among themselves; and (B) with all other present or future non-preferred senior instruments or obligations of the Issuer which meet the criteria pursuant to § 131 (3) nos. 1–3 BaSAG (other than senior instruments or obligations of the Issuer ranking or expressed to rank senior or junior to the Notes); and (iii) senior to all present or future claims under: (A) ordinary shares and other common equity tier 1 instruments pursuant to Article 28 CRR of the Issuer; (B) additional tier 1 instruments pursuant to Article 52 CRR of the Issuer; (C) tier 2 instruments pursuant to Article 63 CRR; and (D) all other subordinated instruments or obligations of the Issuer.

"**BaSAG**" means the Austrian Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*), as amended or replaced from time to time; to the extent that any provisions of the BaSAG are amended or replaced, the reference to provisions of the BaSAG as used in these Conditions shall refer to such amended provisions or successor provisions from time to time.

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended or replaced from time to time; to the extent that any provisions of the CRR are amended or replaced, the reference to provisions of the CRR as used in these Conditions shall refer to such amended provisions or successor provisions from time to time.

(2) The Notes shall qualify as Eligible MREL Instruments.

"**Applicable MREL Regulation**" means the laws, regulations, requirements, guidelines and policies relating to the minimum requirements for own funds and eligible liabilities, as applicable from time to time.

"**Eligible MREL Instrument**" means any (directly issued) debt instrument of the Issuer that qualifies for the minimum requirements for own funds and eligible liabilities (MREL) pursuant to the Applicable MREL Regulation.

"**MREL**" means the minimum requirements for own funds and eligible liabilities from time to time pursuant to the Applicable MREL Regulation.

(3) No Noteholder has at any time a right to set-off his claims under the Notes against any claim the Issuer has or may have against such Noteholder. Neither the Issuer nor any third party may secure the rights under the Notes by providing any form of guarantee or security in favour of the Noteholders. No such guarantee or security may be provided at any later time. No subsequent agreement may limit the subordination pursuant to the provisions set out in this § 2 or amend the Maturity Date in respect of the Notes to any earlier date or shorten any applicable notice period (*Kündigungsfrist*).

Note to the Noteholders of Senior Non-Preferred Notes: In respect of the Status, reference is made to the higher risk for Senior Non-Preferred Notes of a regulatory allocation of losses by the write-down or conversion of liabilities in the context of an application of the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG") as more fully described in the risk factor entitled "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss." in the Base Prospectus dated 18 March 2019.]

[In the case of Subordinated Notes insert:

§ 2 STATUS

(1) The obligations under the Notes constitute unsecured and subordinated obligations of the Issuer ranking *pari passu* (i) among themselves; (ii) with all other present or future (x) Tier 2 Instruments (as defined below) and (y)

instruments or obligations ranking or expressed to rank *pari passu* with the Notes; and (iii) with all other obligations of the Issuer subordinated in such manner. In the event of the insolvency or the liquidation of the Issuer, the obligations under the Notes may be satisfied only after (i) the unsubordinated claims of creditors of the Issuer and (ii) all other instruments or obligations of the Issuer ranking or expressed to rank subordinated to unsubordinated obligations of the Issuer (other than instruments or obligations of the Issuer ranking or expressed to rank *pari passu* with or subordinated to the Notes) have been satisfied.

For the avoidance of doubt, Noteholders will not participate in any reserves of the Issuer or in liquidation profits (*Liquidationsgewinn*) within the meaning of § 8 (3) no. 1 of the Austrian Corporate Income Tax Act 1988 (*Körperschaftsteuergesetz 1988*) in the event of the Issuer's liquidation.

"**CRR**" means the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (*Capital Requirements Regulation*), as amended or replaced from time to time, and any references in these Terms and Conditions to relevant Articles of the CRR include references to any applicable provisions of law amending or replacing such Articles from time to time.

"**Tier 2 Instrument**" means any (directly or indirectly issued) capital instrument or subordinated loan instrument of the Issuer that qualifies as Tier 2 instrument pursuant to Article 63 CRR, including any capital instrument or subordinated loan instrument that qualifies as Tier 2 instrument pursuant to transitional provisions under the CRR.

(2) No Noteholder has at any time a right to set-off his claims under the Notes against any claim the Issuer has or may have against such Noteholder. Neither the Issuer nor any third party may secure the rights under the Notes by providing any form of guarantee or security in favour of the Noteholders. No such guarantee or security may be provided at any later time. No subsequent agreement may limit the subordination pursuant to the provisions set out in this § 2 or amend the Maturity Date in respect of the Notes to any earlier date or shorten any applicable notice period (*Kündigungsfrist*).

Note to the Noteholders of Subordinated Notes: In respect of the Status, reference is made to the higher risk for Subordinated Notes of a regulatory allocation of losses by the write-down or conversion of liabilities in the context of an application of the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG") as more fully described in the risk factor entitled "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss." in the Base Prospectus dated 18 March 2019.]

[In the case of Covered Bonds insert:

§ 2 STATUS

(1) The obligations under the Notes constitute unsubordinated obligations of the Issuer ranking *pari passu* among themselves. The Notes are secured by a cover pool pursuant to the Austrian Law on Covered Bonds of Banks dated 27 December 1905 (*Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen*, Imperial Law Gazette No. 213/1905 as amended – the "**Law on Covered Bonds of Banks**") and pursuant to number 14 of the Articles of Association of the Issuer.

[In the case of Covered Bonds covered by a mortgage-backed pool of assets insert:

(2) In accordance with the Austrian Law on Covered Bonds of Banks, the Issuer is obliged to designate assets to cover the Notes and to satisfy claims arising out of these Covered Bonds (*Fundierte Bankschuldverschreibungen*) from the designated assets (security) ahead of other claims. In accordance with section 1 para 9 of the Austrian Law on Covered Bonds of Banks, the Notes are secured by the Issuer's mortgage-backed pool of assets (*hypothekarischer Deckungsstock*), which consists primarily of assets in accordance with section 1 para 5 item 1 and 2 of the Austrian Law on Covered Bonds of Banks. The level of coverage provided by such assets shall be in accordance with the Austrian Law on Covered Bonds of Banks and the Issuer's Articles of Association. The Issuer is obliged to register the assets that are designated to secure the Notes separately in a cover register. Assets in accordance with section 1 para 5 item 2 of the Austrian Law on Covered Bonds of Banks may be included in the cover register only after their security status has been registered with the respective public records.]

[In the case of Covered Bonds covered by a public sector cover pool insert:

(2) In accordance with the Austrian Law on Covered Bonds of Banks, the Issuer is obliged to designate assets to cover the Notes and to satisfy claims arising out of these Covered Bonds (*Fundierte Bankschuldverschreibungen*) from the designated assets (security) ahead of other claims. In accordance with section 1 para 9 of the Austrian Law on Covered Bonds of Banks, the Notes are secured by the Issuer's public sector cover pool (*öffentlicher Deckungsstock*), which primarily consist of assets held against or secured by public debtors in accordance with section 1 para 5 items 3 and 4 of the Austrian Law on Covered Bonds of Banks. The level of coverage provided by such assets shall be in accordance with the Austrian Law on Covered Bonds of Banks and the Issuer's Articles of Association. The Issuer is obliged to register the assets that are designated to secure the Notes separately in a cover register.]

(3) In the event of the insolvency or the liquidation of the Issuer (or if the Issuer otherwise fails to make payments in respect of the Notes in accordance with these Conditions), the claims of the Noteholders of the Covered Bonds (*Fundierte Bankschuldverschreibungen*) may be satisfied out of the assets listed in the appropriate cover register in accordance with the Austrian Law on Covered Bonds of Banks, the Articles of Association of the Issuer and these Conditions.]

§ 3 INTEREST

(1) *Rate of Interest and Interest Payment Dates.*

[In the case of Notes with one interest rate insert: The Notes shall bear interest on their principal amount at the rate of **[insert Rate of Interest]** per cent. *per annum* from (and including) **[insert Interest Commencement Date]** to (but excluding) the Maturity Date (as defined in § 5 (1)). The payment of interest shall be made in arrear on **[insert Interest Payment Date(s)]** in each year ([each an] [the] "**Interest Payment Date[s]**"). **[In case of more than one interest payments insert:** The first payment of interest shall be made on **[insert first Interest Payment Date]** **[if Interest Payment Date(s) is (are) not anniversary of Interest Commencement Date, insert:** and will amount to **[insert amount per specified Denomination]].]**

[If the Maturity Date is not a Fixed Interest Date insert: Interest in respect of the period from (and including) **[insert Fixed Interest Date preceding the Maturity Date]** to (but excluding) the Maturity Date will amount to **[insert Final Broken Amount per specified Denomination].]**

[In the case of Notes with different interest rates: The Notes shall bear interest on their principal amount at the rate of **[insert Rate of Interest]** per cent. *per annum* (the "**Initial Interest Rate**") from (and including) **[insert Interest Commencement Date]** to (but excluding) **[insert Reset Date]** (the "**Reset Date**") and thereafter at the rate [of **[insert Reset Interest Rate]** per cent.] [equal to the Reference Rate plus a margin of **[insert margin]** per cent. (the "**Margin**")] *per annum* (the "**Reset Interest Rate**") from (and including) the Reset Date to (but excluding) the Maturity Date (as defined in § 5 (1)), all as determined by the Calculation Agent (as defined in § 6)].

The payment of interest shall be made in arrear on **[insert Interest Payment Date(s)]** in each year ([each an] [the] "**Interest Payment Date[s]**"). The first payment of interest shall be made on **[insert first Interest Payment Date]** **[if Interest Payment Date is not anniversary of Interest Commencement Date, insert:** and will amount to **[insert amount per specified Denomination].** **[If the Maturity Date or Reset Date is not a Fixed Interest Date insert:** Interest in respect of the period from (and including) **[insert Fixed Interest Date preceding the Maturity Date or Reset Date]** to (but excluding) the [Maturity Date] [Reset Date] will amount to **[insert Final Broken Amount per specified Denomination].]** **[If Actual/Actual (ICMA Rule 251) is applicable insert:** The number of Interest Payment Dates per calendar year (each a "**Determination Date**") is **[insert number of regular Interest Payment Dates per calendar year].**

[Note to Noteholders: The margin to be used for determining the Reset Interest Rate is equal to the margin derived from the Initial Interest Rate.]

"**Euro-Zone**" means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), the Treaty on the European Union (signed in Maastricht on 7 February 1992), the Amsterdam Treaty of 2 October 1997 and the Treaty of Lisbon of 13 December 2007, as further amended from time to time.

"**Reference Rate**" means, subject to § 3 (5) below, the swap rate for swap transactions in the Specified Currency with a term of **[insert relevant term]** years as displayed on the Reset Screen Page (as defined

below) on the [insert relevant number of days] Payment Business Day (as defined in § 4 (5)) as at [insert relevant time] ([insert relevant financial center] time) prior to the Reset Date (the "Reset Interest Determination Date").

In the event that the Reference Rate does not appear on the Reset Screen Page on the Reset Interest Determination Date, the Reference Rate will be the Reset Reference Bank Rate on such Reset Interest Determination Date.

"Reset Reference Bank Rate" means the percentage rate determined by the Calculation Agent on the basis of the Swap Rate Quotation provided by [relevant number] leading swap dealers in the [if the Specified Currency is not Euro, insert relevant financial center] interbank market [if the Specified Currency is Euro, insert: of the Euro-Zone or in the London interbank market], as selected by the Issuer (the "Reset Reference Banks"), to the Calculation Agent at approximately [insert relevant time] ([insert relevant financial center] time) on the Reset Interest Determination Date. If two or more quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards), eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reset Reference Bank Rate cannot be determined in accordance with the foregoing provision of this paragraph, the Reset Reference Bank Rate shall be deemed to be the rate determined by the Calculation Agent in its reasonable discretion; the Calculation Agent shall take general market practice into account when determining such rate.

"Swap Rate Quotation" means the arithmetic mean of the bid and offered rates for the fixed leg of a fixed-for-floating interest rate swap in the Specified Currency which (i) has a term of [insert number of years] years commencing on the Reset Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the [if the Specified Currency is Euro, insert: [6]-month [EURIBOR]][if the Specified Currency is not Euro, insert number, term and relevant reference interest rate] rate.

"Reset Screen Page" means [if the Specified Currency is Euro, insert: the REUTERS screen page "[ICESWAP2]" under the heading "[EURIBOR BASIS – EUR]" (as such headings may appear from time to time)][if the Specified Currency is not Euro, insert relevant Reset Screen Page] (or any successor page).

The Calculation Agent shall as soon as practicable after the Reset Interest Determination Date notify the Reset Interest Rate as established by it to the Issuer, any Paying Agent and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange and to the Noteholders in accordance with § 12.]

(2) *Accrual of Interest.* The Notes shall cease to bear interest as from the beginning of the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes from (and including) the due date to (but excluding) the date of actual redemption of the Notes at the default rate of interest established by law.⁵

(3) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).

(4) *Day Count Fraction.* "Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "Calculation Period"):

[If Actual/Actual (ICMA Rule 251) insert:

(i) if the Calculation Period (from and including the first day of such period but excluding the last) is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of days in such Calculation Period (from and including the first day of such period but excluding the last) divided by the

⁵ Under German law, the default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288 (1), 247 (1) German Civil Code (*Bürgerliches Gesetzbuch* – "BGB"). Under Austrian law, the default rate of interest is four percentage points *per annum* (§§ 1333, 1000 Austrian Civil Code – *Allgemeines Bürgerliches Gesetzbuch* – "ABGB"). Regarding monetary claims between entrepreneurs relating to entrepreneurial dealings, the default interest rate in case of a culpable default is 9.2 percentage points *per annum* above the basic rate of interest (§ 456 Austrian Commercial Code (*Unternehmensgesetzbuch* – "UGB")), otherwise also the default interest rate of four percentage points *per annum* applies.

product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year; or

- (ii) if the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of: (A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year and (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year.

"Determination Period" means the period from (and including) a Determination Date to, (but excluding) the next Determination Date.

"Determination Date" means [insert Determination Dates] in each year.]

[if Actual/Actual (ISDA) insert: (ISDA) the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).]

[if Actual/365 (Fixed) insert: the actual number of days in the Calculation Period divided by 365.]

[if Actual/360 insert: the actual number of days in the Calculation Period divided by 360.]

[if 30/360, 360/360 or Bond Basis insert: the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

[if 30E/360 or Eurobond Basis insert: the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period) unless, in the case of the final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month.)]

[In the case of Notes with different interest rates:

(5) *Benchmark Discontinuation.*

- (a) *Independent Adviser.* If a Benchmark Event occurs in relation to the Reference Rate when the Reset Interest Rate (or any component part thereof) remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with § 3 (5)(b)) and, in either case, an Adjustment Spread, if any (in accordance with § 3 (5)(c)) and any Benchmark Amendments (in accordance with § 3 (5)(d)).

In the absence of gross negligence and wilful misconduct, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Calculation Agent or the Noteholders for any determination made by it pursuant to this § 3 (5).

If (A) the Issuer is unable to appoint an Independent Adviser or (B) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this § 3 (5) prior to the Reset Interest Determination Date, the Reference Rate shall be the Initial Interest Rate minus the Margin.

- (b) *Successor Rate or Alternative Rate.* If the Independent Adviser determines in its discretion that: (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in § 3 (5)(c)) subsequently be used in place of the Reference Rate to determine the Reset Interest Rate; or (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in § 3 (5)(c)) be used in place of the Reference Rate to determine the Reset Interest Rate.

- (c) *Adjustment Spread*. If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).
- (d) *Benchmark Amendments*. If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this § 3 (5) and the Independent Adviser determines in its discretion (A) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (B) the terms of the Benchmark Amendments, then, subject to the Issuer giving notice thereof in accordance with § 3 (5)(e), such Benchmark Amendments shall apply to the Notes with effect from the date specified in such notice.
- (e) *Notices, etc.* The Issuer will notify without undue delay any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this § 3 (5) to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with § 12, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

Together with such notice, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorized signatories of the Issuer: (A) (x) confirming that a Benchmark Event has occurred, (y) specifying the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) specifying any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this § 3 (5); and (B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.

The Successor Rate or Alternative Rate, the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate, such Adjustment Spread (if any) and such Benchmark Amendments (if any) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

- (f) *Survival of Reference Rate*. Without prejudice to the obligations of the Issuer under § 3 (5)(a), (b), (c) and (d), the Reference Rate and the fallback provisions provided for in the definition of the term "Reset Reference Bank Rate" in § 3 (1) will continue to apply unless and until a Benchmark Event has occurred.
- (g) *Definitions*. As used in this § 3 (5):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which: (1) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or (2) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is recognized or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (3) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with § 3 (5)(b) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

"**Benchmark Amendments**" has the meaning given to it in § 3 (5)(d).

"**Benchmark Event**" means: (1) the Reference Rate ceasing to be published for a period of at least five (5) Business Days or ceasing to exist; or (2) a public statement by the administrator of the Reference Rate that it will cease publishing the Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue the publication of the Reference Rate); or (3) a public

statement by the supervisor of the administrator of the Reference Rate, that the Reference Rate has been or will permanently or indefinitely discontinued; or (4) a public statement by the supervisor of the administrator of the Reference Rate as a consequence of which the Reference Rate will be prohibited from being used either generally, or in respect of the relevant Notes; or (5) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate the Reset Rate of Interest using the Reference Rate.

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer under § 3 (5)(a).

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable): (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or (2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"Successor Rate" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

[In the case of Senior Non-Preferred Notes and Subordinated Notes insert:

(h) No adjustment to the Reference Rate will be made in accordance with this § 3 (5) in case of a Benchmark Event if and to the extent that as a result of such adjustment the Issuer would be entitled to redeem the Notes for regulatory reasons in accordance with § 5 (3).]

[In the case of Unsubordinated Notes (which are not Covered Bonds or Senior Non-Preferred Notes) insert:

(h) No adjustment to the Reference Rate will be made in accordance with this § 3 (5) in case of a Benchmark Event if and to the extent that as a result of such adjustment an MREL Disqualification Event would occur.

"MREL Disqualification Event" means the determination by the Issuer, at any time, that the Notes, in full or in part, (i) do not constitute Eligible MREL Instruments, or (ii) there is a change in the regulatory classification of the Notes that would likely result or has resulted in the exclusion of the Notes from the Eligible MREL Instruments, provided that in each case an MREL Disqualification Event shall not occur on the basis (i) that the remaining maturity of the Notes is less than any period prescribed by any Applicable MREL Regulation, and/or (ii) of any applicable limits on the amount of Eligible MREL Instruments permitted or allowed to meet MREL under the Applicable MREL Regulation.]

§ 4 PAYMENTS

(1) (a) *Payment of Principal.* Payment of principal in respect of Notes shall be made, subject to § 4 (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the Global Note representing the Notes at the time of payment at the specified office of the Fiscal Agent outside the United States.

(b) *Payment of Interest.* Payment of interest on Notes shall be made, subject to § 4 (2) below, to the Clearing System or to its order for credit to the relevant account holders of the Clearing System.

[In the case of interest payable on a Temporary Global Note insert: Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to § 4 (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 1 (3)(b).]

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency.

(3) *United States*. For purposes of **[in the case of D Rules Notes insert: § 1 (3) and] § 4 (1)**, "United States" means the United States of America (including the States thereof and the Districts of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

(4) *Discharge*. The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(5) *Payment Business Day*. If the date for payment of any amount in respect of any Notes is not a Payment Business Day, then the Noteholders shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

"**Payment Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System as well as **[if the Specified Currency is EUR, insert: TARGET2 (Trans-European Automated Realtime Gross Settlement Express Transfer System) is open for the settlement of payments in Euro.] [if the Specified Currency is not EUR insert: commercial banks and foreign exchange markets settle payments in [insert all relevant financial centres].]**

(6) *References to Principal and Interest*. Reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes; the Early Redemption Amount of the Notes; **[if Notes are subject to Early Redemption at the Option of the Issuer and Call Redemption Amount(s) are specified insert: the Call Redemption Amount of the Notes;] [if redeemable at the option of the Noteholder insert: the Put Redemption Amount of the Notes;]** and any premium and any other amounts which may be payable under or in respect of the Notes. Reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

(7) *Deposit of Principal and Interest*. The Issuer may deposit with the Amtsgericht in Frankfurt am Main principal or interest not claimed by Noteholders within twelve months after the Maturity Date, even though such Noteholders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Noteholders against the Issuer shall cease.

§ 5 REDEMPTION

(1) *Redemption at Maturity*. Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[in the case of a specified Maturity Date insert such Maturity Date]** (the "**Maturity Date**"). The "**Final Redemption Amount**" in respect of each Note shall be **[its] [●] per cent. of the]** principal amount.

(2) *Early Redemption for Reasons of Taxation*. If as a result of any change in, or amendment to, the laws or regulations of the Republic of Austria or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last Tranche of this series of Notes was issued, the Issuer is required to pay Additional Amounts (as defined in § 7 herein) on the next succeeding Interest Payment Date (as defined in § 3 (1)), and this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Notes may **[in the case of Subordinated Notes, insert: , upon fulfilment of the Redemption Conditions pursuant to § 5 [(5)|(6)].] [in the case of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes, insert: , in accordance with the Applicable MREL Regulation (as defined in § 2 (2)),]** be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 12 to the Noteholders, at their Early Redemption Amount (as defined below), together with interest (if any) accrued to the date fixed for redemption.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts or make such deduction or withholding does not remain in effect.

Any such notice shall be given in accordance with § 12. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.]

[In the case of Subordinated Notes insert:

(3) *Early Redemption for Regulatory Reasons.* If a Regulatory Event occurs and the Redemption Conditions are met, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 12 to the Noteholders, at their Early Redemption Amount (as defined below), together with interest (if any) accrued to the date fixed for redemption. Such notice may not be given, however, later than 90 days following such Regulatory Event. Any such notice shall be irrevocable, shall be given in accordance with § 12 and, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

A "**Regulatory Event**" will occur if there is a change in the regulatory classification of the Notes under the Relevant Regulations that would be likely to result or has resulted in their exclusion in full or in part from own funds or reclassification as a lower quality form of own funds [on a consolidated basis of the BAWAG Regulatory Group] [and/or] [on an individual basis of the Issuer].

"**BAWAG Regulatory Group**" means, from time to time, any banking group: (i) to which the Issuer belongs; and (ii) to which the own funds requirements pursuant to Parts Two and Three of the CRR apply on a consolidated basis due to prudential consolidation in accordance with Part One, Title Two, Chapter Two of the CRR.

"**BWG**" means the Austrian Banking Act (*Bankwesengesetz – BWG*), as amended or replaced from time to time; to the extent that any provisions of the BWG are amended or replaced, the reference to provisions of the BWG as used in these Conditions shall refer to such amended provisions or successor provisions from time to time.

"**Competent Authority**" means the competent authority pursuant to Article 4(1)(40) CRR and/or Article 9(1) SSM Regulation, in each case, which is responsible to supervise BAWAG Regulatory Group and/or (as the case may be) the Issuer.

"**CDR**" means the Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for Own Funds requirements for institutions (*Capital Delegated Regulation*), as amended or replaced from time to time, and any references in these Terms and Conditions to relevant Articles of the CDR include references to any applicable provisions of law amending or replacing such Articles from time to time.

"**CRD IV**" means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (*Capital Requirements Directive IV*), as implemented in the Republic of Austria and as amended or replaced from time to time.

"**Relevant Regulations**" means, at any time, any requirements of Austrian law or contained in the regulations, requirements, guidelines or policies of the Competent Authority, the European Parliament and/or the European Council, then in effect in the Republic of Austria and applicable to the BAWAG Regulatory Group and/or (as the case may be) the Issuer, including but not limited to the provisions of the BWG, the CRD IV, the CRR, the CDR and the SSM Regulation, in each case as amended from time to time, or such other law, regulation or directive as may come into effect in place thereof.

"**SSM Regulation**" means the Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (Single Supervisory Mechanism Regulation), as amended or replaced from time to time, and any references in these Terms and Conditions to relevant Articles of the SSM Regulation include references to any applicable provisions of law amending or replacing such Articles from time to time.]

[In the case of Senior Non-Preferred Notes insert:

(3) *Early Redemption due to a MREL Disqualification Event.*

If an MREL Disqualification Event has occurred and is continuing, then the Issuer may, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 12 to the Noteholders, redeem the Notes, in whole but not in part, at their Early Redemption Amount (as defined below), together with interest (if any) accrued to the date fixed for redemption. Such notice may not be given, however, later than 90 days following such MREL Disqualification Event. Any such notice shall

be irrevocable and must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

Any such redemption of the Notes is subject to such redemption being permitted by Applicable MREL Regulations and subject to the Issuer obtaining permission from the Competent Authority and/or (as the case may be) the relevant supervisory authority pursuant to the Applicable MREL Regulation, if required.

"MREL Disqualification Event" means the determination by the Issuer, at any time, that the Notes, in full or in part, (i) do not constitute Eligible MREL Instruments, or (ii) there is a change in the regulatory classification of the Notes that would likely result or has resulted in the exclusion of the Notes from the Eligible MREL Instruments, provided that in each case an MREL Disqualification Event shall not occur on the basis (i) that the remaining maturity of the Notes is less than any period prescribed by any Applicable MREL Regulation, and/or (ii) of any applicable limits on the amount of Eligible MREL Instruments permitted or allowed to meet MREL under the Applicable MREL Regulation.]

[If Notes are subject to Early Redemption at the Option of the Issuer insert:

[(3)|(4)] *Early Redemption at the Option of the Issuer.*

(a) The Issuer may, upon notice given in accordance with clause [(b)|(c)], redeem the Notes [in whole or in part][in whole, but not in part,] on the Call Redemption Date(s) at the [Call Redemption Amount(s) set forth below][Early Redemption Amount (as defined below)] together with accrued interest, if any, to (but excluding) the Call Redemption Date.

[If Minimum Redemption Amount or Higher Redemption Amount applies insert: Any such redemption must be of a principal amount equal to [at least [insert Minimum Redemption Amount]] [insert Higher Redemption Amount].]

Any notice of redemption in accordance with this § 5 [(3)|(4)] shall be given by the Issuer to the Noteholders in accordance with § 12 observing a notice period of not less than 30 calendar days nor more than 60 calendar days. Any such notice shall be irrevocable.

"Call Redemption Date(s)" means [each] [such Call Redemption Date set forth below][or, alternatively, in case of Subordinated Notes: such Interest Payment Date falling on [or after] the [insert fifth or later] anniversary of the issuance of the Notes].

[Call Redemption Date(s)]
[insert Call Redemption Date(s)]
[_____
_____]

[Call Redemption(s) Amount(s)]
[insert Call Redemption Amount(s)]
[_____
_____]

[In the case of Subordinated Notes insert:

(b) The Issuer may call the Notes for redemption only subject to the Redemption Conditions (as defined in § 5 [(5)|(6)] being fulfilled.)

[In the case of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes insert:

(b) The Issuer may call the Notes for redemption only subject to the Applicable MREL Regulations (as defined in § 2 (2).]

[If Covered Bonds are subject to Early Redemption at the Option of the Noteholder insert: The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under subparagraph (4) of this § 5.]

[(b)|(c)] Notice of redemption shall be given by the Issuer to the Noteholders of the Notes in accordance with § 12. Such notice shall specify:

(i) the Series of Notes subject to redemption;

- (ii) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
- (iii) the Call Redemption Date; and
- (iv) the Call Redemption Amount at which such Notes are to be redeemed.

[[c)] In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System. **[In the case of Notes in NGN form insert:** Such partial redemption shall be reflected in the records of CBL and Euroclear as either a pool factor or a reduction in principal amount, at the discretion of CBL and Euroclear.]]

[If Covered Bonds are subject to Early Redemption at the Option of a Noteholder insert:

[(3)](4) *Early Redemption at the Option of a Noteholder.*

(a) The Issuer shall, at the option of the Noteholder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

Put Redemption Date(s) [insert Put Redemption Date(s)] [] []	Put Redemption(s) Amount(s) [insert Put Redemption Amount(s)] [] []
--	---

The Noteholder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of its option to redeem such Note under this § 5.

(b) In order to exercise such option, the Noteholder must, not less than **[insert Minimum Notice to Issuer]** nor more than **[insert Maximum Notice to Issuer]** days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), submit during normal business hours at the specified office of the Fiscal Agent a duly completed early redemption notice ("**Put Notice**") in the form available from the specified office of the Fiscal Agent. No option so exercised may be revoked or withdrawn.]

[(3)](4)](5) *Early Redemption Amount.* The "**Early Redemption Amount**" of a Note shall be its Final Redemption Amount.

[In the case of Subordinated Notes insert:

[(5)](6) Validity of any redemption of the Notes and any notice given pursuant to § 12 in regard of such redemption and any repurchase pursuant to § 11 (2) shall be subject to the following conditions ("**Redemption Conditions**"):

- (a) the Issuer having obtained the prior permission of the Competent Authority for the redemption pursuant to this § 5 or any repurchase pursuant to § 11 (2) in accordance with Article 78 CRR, if applicable to the Issuer at that point in time; such permission may, *inter alia*, require that:
 - (i) the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
 - (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds of **[BAWAG Regulatory Group]** **[and/or (as the case may be)]** **[the Issuer]** would, following such redemption or repurchase, exceed the minimum capital requirements (including any capital buffer requirements) by a margin that the Competent Authority considers necessary at such time; and
- (b) in addition, in the case of any redemption pursuant to this § 5 prior to the fifth anniversary of the date of issuance of the Notes:

- (i) in case of an early redemption for reasons of taxation in accordance with § 5 (2), the Issuer has demonstrated to the satisfaction of the Competent Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the date of issuance of the Notes; or
- (ii) in case of an early redemption for regulatory reasons in accordance with § 5 (3), the Competent Authority considers such change in the regulatory classification of the Notes under the Relevant Regulations to be sufficiently certain and the Issuer has demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Notes was not reasonably foreseeable as at the date of issuance of the Notes.

Notwithstanding the above conditions, if, at the time of any redemption or purchase, the prevailing Relevant Regulations permit the redemption or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above in this § 5 [(5)](6)], the Issuer shall comply with such other and/or, as appropriate, additional pre-conditions.

In addition, even if a notice of redemption is given pursuant to § 5 (2), § 5 (3) or § 5 (4), the Issuer will only redeem the Notes on the date of redemption specified in the notice if the then applicable conditions to redemption laid down in this § 5 [(5)](6)] are fulfilled on the date of redemption specified in such notice.

For the avoidance of doubt, any refusal of the Competent Authority to grant permission in accordance with the Relevant Regulations shall not constitute a default for any purpose.]

§ 6 FISCAL AGENT [,] [AND] [PAYING AGENTS] [AND CALCULATION AGENT]

(1) *Appointment; Specified Offices.* The initial Fiscal Agent [,] [and] Paying Agent[s] [and the Calculation Agent] and [its] [their] [respective] initial specified office[s] [is] [are]:

[If any global Note initially representing the Notes is to be deposited with, or with a depositary or common depositary of, any Clearing System other than OeKB CSD insert:

Fiscal Agent: Citibank Europe plc
1 N Wall Quay, North Dock
Dublin, 1
Ireland]

[If any global Note initially representing the Notes is to be deposited with OeKB CSD insert:

Fiscal Agent: BAWAG P.S.K.
Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft
Wiedner Gürtel 11
A-1100 Vienna
Republic of Austria]

Paying Agent[s]: **[insert Paying Agents and specified offices]**

[If the Fiscal Agent is to be appointed as Calculation Agent insert: The Fiscal Agent shall also act as Calculation Agent.]

[If a Calculation Agent other than the Fiscal Agent is to be appointed insert: The Calculation Agent and its initial specified office shall be:

Calculation Agent: **[insert name and specified office]]**

The Fiscal Agent [,] [and] the Paying Agent[s] [and the Calculation Agent] reserve the right at any time to change [its] [their] respective specified offices to some other specified office[s] in Germany.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent [or any Paying Agent] [or the Calculation Agent] and to appoint another Fiscal Agent [or additional or other Paying Agents] [or another Calculation Agent]. The Issuer shall at all times maintain (i) a Fiscal Agent **[in the case of Notes listed on a stock exchange insert: [,] [and]** (ii) so long as the Notes are listed on the **[insert name of Stock Exchange]**, a Paying Agent (which may be the Fiscal Agent) which shall be a

bank domiciled in the European Economic Area ("EEA") with a specified office in **[insert location of Stock Exchange]** and/or in such other place as may be required by the rules of such stock exchange] **[in the case of payments in U.S. dollars insert: [,] [and] [(iii)]** if payments at or through the offices of all Paying Agents outside the United States (as defined in § 4 hereof) become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollars, a Paying Agent with a specified office in New York City] **[if any Calculation Agent is to be appointed insert: [,] [and] [(iv)]** a Calculation Agent **[if Calculation Agent is required to maintain a Specified Office in a Required Location insert: with a specified office located in [insert Required Location]]**. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with § 12.

(3) *Agents of the Issuer.* The Fiscal Agent[,] [and] the Paying Agent[s] [and the Calculation Agent] act[s] solely as agent[s] of the Issuer and do[es] not have any obligations towards or relationship of agency or trust to any Noteholder.

§ 7 TAXATION

(1) All payments of principal and interest in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of deduction or withholding on behalf of the Republic of Austria or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction **[in the case of Senior Non-Preferred Notes and Subordinated Notes insert: and provided that Additional Amounts shall only encompass amounts in relation to interest, but not in relation to principal]**; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of principal or interest made by it, or
- (b) are payable by reason of the Noteholder having, or having had, some personal or business connection with the Republic of Austria and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Republic of Austria, or
- (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Republic of Austria or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or
- (d) are withheld or deducted by a paying office from a payment if the payment could have been made by another paying office without such withholding or deduction, or
- (e) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 12, whichever occurs later.

(2) Notwithstanding any other provision in these Terms and Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the IRS ("**FATCA Withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA Withholding deducted or withheld by the Issuer, any paying agent or any other party as a result of any person other than Issuer or an agent of the Issuer not being entitled to receive payments free of FATCA Withholding.

**[§ 8
PRESENTATION PERIOD**

The presentation period provided in section 801 subparagraph 1, sentence 1 BGB (German Civil Code) is reduced to ten years for the Notes.]

[In the case of Notes subject to Austrian law and appointment of an Austrian Fiscal Agent § 8 PRESENTATION PERIOD to be replaced in its entirety by the following:

**§ 8
PRESCRIPTION**

The obligations of the Issuer to pay principal and interest in respect of this Note shall prescribe (i) in respect of principal upon the expiry of 10 years following the respective due date for the payment of principal and (ii) in respect of interest upon the expiry of 3 years following the respective due date for the relevant payment of interest.]

**§ 9
EVENTS OF DEFAULT**

[In the case of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes insert:

(1) *Events of Default.* Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in § 5), together with accrued interest (if any) to the date of repayment, in the event that insolvency or liquidation proceedings are instituted against the Issuer which shall not have been dismissed or stayed within 60 days after institution, or if the Issuer applies for institution of such proceedings.

(2) *Notice.* Any notice, including any notice declaring Notes due, in accordance with subparagraph (1) shall be made by means of a written declaration in the German or English language delivered by hand or registered mail to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a Noteholder of the relevant Notes by means of a certificate of his Custodian (as defined in § 13 (4)) or in other appropriate manner.]

[In the case of Subordinated Notes insert:

The Noteholders do not have a right to demand the early redemption of the Notes.]

[In the case of Covered Bonds insert:

(1) *Events of Default.* Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in § 5), together with accrued interest (if any) to the date of repayment in the event that the Issuer fails to pay principal or interest within 30 days from the relevant due date.

(2) *Notice.* Any notice, including any notice declaring Notes due in accordance with subparagraph (1) shall be made by means of a written declaration in the German or English language delivered by hand or registered mail to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes by means of a certificate of his Custodian (as defined in § 13 (4)) or in another appropriate manner.]

[In the case of Subordinated Notes insert:

**§ 10
SUBSTITUTION**

[This paragraph is intentionally left blank.]

[In the case of Unsubordinated Notes (other than Covered Bonds) and Senior Non-Preferred Notes insert:

§ 10 SUBSTITUTION

(1) *Substitution.* The Issuer shall be entitled at any time, without the consent of the Noteholders, if no payment of principal of or interest on any of the Notes is in default, to substitute for the Issuer any Affiliate (as defined below) as principal debtor in respect to all obligations arising from or in connection with the Notes (the "**Substitute Debtor**"), provided that:

(a) the Substitute Debtor is in a position to fulfil all payment obligations arising from or in connection with the Notes without the necessity of any taxes or duties being withheld at source and to transfer all amounts which are required therefore to the Fiscal Agent without any restrictions;

(b) the Substitute Debtor assumes all obligations of the Issuer arising from or in connection with the Notes;

(c) the Substitute Debtor undertakes to reimburse any Noteholder for such taxes, fees or duties which may be imposed upon it as a consequence of assumption of the obligations of the Issuer by the Substitute Debtor;

[(d) the Issuer irrevocably and unconditionally guarantees in favour of each Noteholder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of the form of the senior guarantee of the Issuer in respect of Unsubordinated Notes set out in the Agency Agreement;]

[(d) the obligations assumed by the Substitute Debtor in respect of the Notes are subordinated on terms identical to the terms of the Notes and (i) the Substitute Debtor is a subsidiary (*Tochterunternehmen*) of the Issuer, (ii) the Substitute Debtor deposits an amount which is equal to the aggregate principal amount of the Notes with the Issuer on terms equivalent, including in respect of subordination, to the terms and conditions of the Notes, and (iii) the Issuer irrevocably and unconditionally guarantees in favour of each Noteholder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of the form of the subordinated guarantee of the Issuer;]

(e) there shall have been delivered to the Fiscal Agent one opinion for each jurisdiction affected of lawyers of recognized standing to the effect that subparagraphs (a), (b), (c), and (d) above have been satisfied.

For the purposes of this § 10, "**Affiliate**" shall mean any affiliated company (*Konzernunternehmen*) within the meaning of section 15 Austrian Stock Corporation Act (*Aktiengesetz*).

(2) *Notice.* Notice of any such substitution shall be published in accordance with § 12.

(3) *Change of References.* In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. Furthermore, in the event of such substitution the following shall apply:

[(a) in § 7 and § 5 (2) an alternative reference to the Federal Republic of Germany shall be deemed to have been included (in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor);

[(b) in § 10 (1)(c) to (e) an alternative reference to the Issuer in its capacity as guarantor shall be deemed to have been included in addition to the reference to the Substitute Debtor.]

In the event of any such substitution, the Substitute Debtor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes with the same effect as if the Substitute Debtor had been named as the Issuer herein, and the Issuer (or any corporation which shall have previously assumed the obligations of the Issuer) shall be released from its liability as obligor under the Notes.

[In the case of Covered Bonds insert:

§ 10 SUBSTITUTION

(1) *Substitution.* The Issuer may, without the consent of the Noteholders, if no payment of principal or interest on any of the Notes is in default, at any time substitute for the Issuer any wholly owned subsidiary of it as principal debtor in respect of all obligations arising from or in connection with the Notes (the "**Substitute Debtor**") provided that:

- (a) the Substitute Debtor is entitled to issue Covered Bonds (*Fundierte Bankschuldverschreibungen*) pursuant to the Austrian Law on Covered Bonds of Banks and its Articles of Association;
- (b) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes, including all obligations in relation to the cover pool of assets which cover the Notes pursuant to the Austrian Law on Covered Bonds of Banks and agrees not to alter the Conditions applicable to any outstanding Covered Bonds (*Fundierte Bankschuldverschreibungen*);
- (c) the Issuer and the Substitute Debtor have obtained all necessary authorisations and may transfer to the Fiscal Agent in the Specified Currency and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;
- (d) the Substitute Debtor has agreed to indemnify and hold harmless each Noteholder against any tax, duty or governmental charge imposed on such Noteholder in respect of such substitution; and
- (e) there shall have been delivered to the Fiscal Agent an opinion or opinions of lawyers of recognized standing to the effect that subparagraphs (a), (b), (c) and (d) above hold true or have been satisfied.

(2) *Notice.* Notice of any such substitution shall be published in accordance with § 12.

(3) *Change of References.* In the event of any such substitution, any reference in these Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor.]

§ 11 FURTHER ISSUES, REPURCHASES AND CANCELLATION

(1) *Further Issues.* The Issuer may from time to time, without the consent of the Noteholders, **[in the case of Covered Bonds insert: subject to availability of the statutory cover (security)]** issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.

(2) *Repurchases.* The Issuer may at any time **[In the case of Subordinated Notes insert:, in accordance with the provisions of the Relevant Regulations (as defined in § 5 (3)) and subject to the conditions in § 5 [(5))(6)], in particular in relation to any prior approval requirement of the Competent Authority,]** **[in the case of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes, insert:, in accordance with and subject to the Applicable MREL Regulation (as defined in § 2 (2)), in particular in relation to any prior approval requirement of the Competent Authority and/or (as the case may be) the competent supervisory authority under the Applicable MREL Regulation,]** (i) purchase Notes in the open market or otherwise and at any price and (ii) hold, resell or surrender such purchased Notes to the Fiscal Agent for cancellation. If purchases are made by tender, tenders for such Notes must be made available to all Noteholders of such Notes alike.

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 12 NOTICES

(1) *Publication.* All notices concerning the Notes shall be published **[on the website of the Issuer under the link: [•]]** **[and]** **[on the website of the Luxembourg Stock Exchange, www.bourse.lu]** **[in a leading daily newspaper having general circulation in Luxembourg. This newspaper is expected to be [the Tageblatt (Luxembourg)]** **[insert other applicable newspaper having general circulation]** **].** If publication **[on this website]** **[in this newspaper]** is not possible, the notices shall be published in **[another]** **[a]** newspaper having general circulation in Luxembourg.

[In the case of Notes listed on the Vienna Stock Exchange insert: All notices concerning the Notes shall also be published [in a leading daily newspaper having general circulation in Austria. This newspaper is expected to be *[Amtsblatt zur Wiener Zeitung]* [insert other applicable newspaper having general circulation] If publication in this newspaper is not possible, the notices shall be published in another newspaper having general circulation in Austria.]

The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange on which the Notes are listed. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of the first such publication). **[In the case applicable rules require additional publication of notices, insert applicable provisions regarding additional publication of notices.]**

[In the case of Notes which are listed on the Official List of the Luxembourg Stock Exchange or the Vienna Stock Exchange the following applies:

[(2)] Notification to Clearing System.

The Issuer may, in lieu of the publication set forth in subparagraph (1) above, deliver the relevant notice to the Clearing System, for communication by the Clearing System to the Noteholders **[in the case of Notes listed on a Stock Exchange insert:** , provided that the rules of the stock exchange on which the Notes are listed permit such form of notice]. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to the Clearing System.

§ 13

APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Exclusion of the Applicability of the Austrian Notes Trustee Act.* To the extent legally permissible, the applicability of the provisions of the Austrian Notes Trustee Act (*Kuratorenengesetz*) and the Austrian Notes Trustee Supplementation Act (*Kuratorenenergänzungsgesetz*) is explicitly excluded in relation to the Notes.

(2) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, **[in the case of Unsubordinated Notes other than Covered Bonds or Senior Non-Preferred Notes insert:** shall be governed by [German] [Austrian] law **[in the case of Senior Non-Preferred Notes insert:** shall be governed by [German][Austrian] law **[In case of German law insert:** except for conditions relating to the subordination which will be governed by Austrian law]]**[in the case of Covered Bonds insert:** shall be governed by [German] [Austrian] law and comply with Austrian Law on Covered Bonds of Banks dated 27 December 1905 (*Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen*, Imperial Law Gazette No. 213/1905 as amended – the "**Law on Covered Bonds of Banks**").] **[in the case of Subordinated Notes insert:** shall be governed by [German] [Austrian] law [except for conditions relating to the subordination which will be governed by Austrian law]].

(3) *Submission to Jurisdiction.* The district court (*Landgericht*) in Frankfurt am Main shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.

[In the case of Covered Bonds, Subordinated Notes and Notes subject to Austrian law and for which an Austrian Fiscal Agent has been appointed replace by: (3a) *Submission to Jurisdiction.* The competent court in Vienna shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.

[In the case of Notes offered in Austria: (3b) Any claims raised by or against Austrian consumers shall be subject to the statutory jurisdiction set forth by the Austrian Consumer Protection Act and the Jurisdiction Act (*Jurisdiktionsnorm*).]

(4) *Enforcement.* Any Noteholder of Notes may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Noteholder maintains a securities account in respect of the Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual

records or the global note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognized standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System. Each Noteholder may, without prejudice to the foregoing, protect and enforce his rights under the Notes also in any other way which is admitted in Proceedings in the country in which the Proceedings take place.

§ 14 LANGUAGE

[If the Conditions are to be in the German language with an English language translation insert:

These Terms and Conditions are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is provided for convenience only.]

[If the Conditions are to be in the English language with a German language translation insert:

These Terms and Conditions are written in the English language and provided with a German language translation. The English text shall be controlling and binding. The German language translation is provided for convenience only.]

[If the Conditions are to be in the English language only insert:

These Terms and Conditions are written in the English language only.]

[In the case of Notes which are to be publicly offered, in whole or in part, in Germany or distributed, in whole or in part, to non-professional investors in Germany with English language Conditions insert:

Eine deutsche Übersetzung der Emissionsbedingungen wird bei der [BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft, Wiedner Gürtel 11, A-1100 Wien, Republik Österreich] [BAWAG Group AG, Wiedner Gürtel 11, A-1100 Wien Wien, Republik Österreich] und bei der [●] zur kostenlosen Ausgabe bereitgehalten.]

* * *

OPTION II – Terms and Conditions for Notes with floating interest rates

Terms and Conditions of the Notes

§ 1

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency; Denomination.* This Series of Notes (the "Notes") of [in case BAWAG is the Issuer of the Notes (other than Covered Bonds) insert: BAWAG Group AG][in case BAWAG P.S.K. is the Issuer of the Notes insert: BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft] (the "Issuer") is being issued in [insert Specified Currency] (the "Specified Currency") in the aggregate principal amount of [insert aggregate principal amount] (in words: [insert aggregate principal amount in words]) in the denomination of [insert specified Denomination] (the "specified Denomination").]

(2) *Form.* The Notes are being issued in bearer form.

[In the case of Notes which are represented by a Permanent Global Note insert:

(3) *Permanent Global Note.* The Notes are represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Permanent Global Note shall be signed manually by two authorised signatories of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.]

[In the case of Notes which are initially represented by a Temporary Global Note insert:

(3) *Temporary Global Note – Exchange.*

(a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in the specified Denomination represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed manually by two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.

(b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not later than 180 days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1 (3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 4 (3)).]

(4) *Clearing System.* The Permanent Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means [if more than one Clearing System insert: each of] the following: [OeKB CSD GmbH ("**OeKB CSD**")] [Clearstream Banking, société anonyme, Luxembourg, ("**CBL**")] [Euroclear Bank SA/NV, as operator of the Euroclear System ("**Euroclear**")], [and] [specify other Clearing System].

[In the case of Notes kept in custody on behalf of the ICSDs insert:

[In the case the Global Note is an NGN insert: The Notes are issued in new global note ("**NGN**") form and are kept in custody by a common safekeeper on behalf of both ICSDs.]

[In the case of Euroclear and CBL and if the Global Note is a Eurosystem Eligible NGN insert:

The Notes are issued in new global note ("**NGN**") form and are kept in custody by a common safekeeper on behalf of both ICSDs. The principal amount of Notes represented by the Global Note shall be the aggregate amount from

time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount Notes represented by the Global Note.

On any redemption in respect of, or purchase by or on behalf of the Issuer and cancellation of, any of the Notes represented by this [Temporary] [Permanent] Global Note details of such redemption or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in the records of the ICSDs. The principal amount of Notes represented by the [Temporary] [Permanent] Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount of Notes represented by the [Temporary] [Permanent] Global Note and, for these purposes, a statement issued by ICSD stating the principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time. For technical procedure of the ICSDs, in the case of the exercise of a Call Option relating to a partial redemption the outstanding redemption amount will be reflected in the records of the ICSDs as either a nominal reduction or as a pool factor, at the discretion of the ICSDs.]

(5) *Conditions*. "**Conditions**" means these Terms and Conditions of the Notes.

(6) *Noteholder*. "**Noteholder**" means any holder of a proportionate co-ownership or other beneficial interest in the Notes.

[In the case of Unsubordinated Notes which are not Covered Bonds or Senior Non-Preferred Notes insert:

§ 2 STATUS

(1) The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer except for any obligations preferred by law.

(2) The Notes are intended to qualify as Eligible MREL Instruments.

"**Applicable MREL Regulation**" means the laws, regulations, requirements, guidelines and policies relating to the minimum requirements for own funds and eligible liabilities, as applicable from time to time.

"**Eligible MREL Instrument**" means any (directly issued) debt instrument of the Issuer that qualifies for the minimum requirements for own funds and eligible liabilities (MREL) pursuant to the Applicable MREL Regulation.

"**MREL**" means the minimum requirements for own funds and eligible liabilities from time to time pursuant to the Applicable MREL Regulation.

(3) No Noteholder has at any time a right to set-off his claims under the Notes against any claim the Issuer has or may have against such Noteholder. Neither the Issuer nor any third party may secure the rights under the Notes by providing any form of guarantee or security in favour of the Noteholders. No such guarantee or security may be provided at any later time. No subsequent agreement may limit the subordination pursuant to the provisions set out in this § 2 or amend the Maturity Date in respect of the Notes to any earlier date or shorten any applicable notice period (*Kündigungsfrist*).

*Note to the Noteholders of Unsubordinated Notes which are not Covered Bonds or Senior Non-Preferred Notes: In respect of the Status, reference is made to the risk for Unsubordinated Notes which are not Covered Bonds or Senior Non-Preferred Notes of a regulatory allocation of losses by the write-down or conversion of liabilities in the context of an application of the Austrian Federal Act on the Recovery and Resolution of Banks ("**BaSAG**") as more fully described in the risk factor entitled "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("**BaSAG**") , including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss." in the Base Prospectus dated 18 March 2019.]*

[In the case of Senior Non-Preferred Notes insert:

§ 2 STATUS

(1) The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer, provided that they are non-preferred senior obligations of the Issuer under debt instruments which meet the criteria pursuant to § 131 (3) nos. 1–3 BaSAG. Therefore, in the event of the insolvency or the liquidation of the Issuer, claims on the principal amount of the Notes rank: (i) junior to all other present or future unsecured and unsubordinated instruments or obligations of the Issuer which do not meet the criteria pursuant to § 131 (3) nos. 1–3 BaSAG; (ii) *pari passu*: (A) among themselves; and (B) with all other present or future non-preferred senior instruments or obligations of the Issuer which meet the criteria pursuant to § 131 (3) nos. 1–3 BaSAG (other than senior instruments or obligations of the Issuer ranking or expressed to rank senior or junior to the Notes); and (iii) senior to all present or future claims under: (A) ordinary shares and other common equity tier 1 instruments pursuant to Article 28 CRR of the Issuer; (B) additional tier 1 instruments pursuant to Article 52 CRR of the Issuer; (C) tier 2 instruments pursuant to Article 63 CRR; and (D) all other subordinated instruments or obligations of the Issuer.

"**BaSAG**" means the Austrian Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*), as amended or replaced from time to time; to the extent that any provisions of the BaSAG are amended or replaced, the reference to provisions of the BaSAG as used in these Conditions shall refer to such amended provisions or successor provisions from time to time.

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended or replaced from time to time; to the extent that any provisions of the CRR are amended or replaced, the reference to provisions of the CRR as used in these Conditions shall refer to such amended provisions or successor provisions from time to time.

(2) The Notes shall qualify as Eligible MREL Instruments.

"**Applicable MREL Regulation**" means the laws, regulations, requirements, guidelines and policies relating to the minimum requirements for own funds and eligible liabilities, as applicable from time to time.

"**Eligible MREL Instrument**" means any (directly issued) debt instrument of the Issuer that qualifies for the minimum requirements for own funds and eligible liabilities (MREL) pursuant to the Applicable MREL Regulation.

"**MREL**" means the minimum requirements for own funds and eligible liabilities from time to time pursuant to the Applicable MREL Regulation.

(3) No Noteholder has at any time a right to set-off his claims under the Notes against any claim the Issuer has or may have against such Noteholder. Neither the Issuer nor any third party may secure the rights under the Notes by providing any form of guarantee or security in favour of the Noteholders. No such guarantee or security may be provided at any later time. No subsequent agreement may limit the subordination pursuant to the provisions set out in this § 2 or amend the Maturity Date in respect of the Notes to any earlier date or shorten any applicable notice period (*Kündigungsfrist*).

Note to the Noteholders of Senior Non-Preferred Notes: In respect of the Status, reference is made to the higher risk for Senior Non-Preferred Notes of a regulatory allocation of losses by the write-down or conversion of liabilities in the context of an application of the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG") as more fully described in the risk factor entitled "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss." in the Base Prospectus dated 18 March 2019.]

[In the case of Subordinated Notes insert:

§ 2 STATUS

(1) The obligations under the Notes constitute unsecured and subordinated obligations of the Issuer ranking *pari passu* (i) among themselves; (ii) with all other present or future (x) Tier 2 Instruments (as defined below) and (y) instruments or obligations ranking or expressed to rank *pari passu* with the Notes; and (iii) with all other obligations of the Issuer subordinated in such manner. In the event of the insolvency or the liquidation of the

Issuer, the obligations under the Notes may be satisfied only after (i) the unsubordinated claims of creditors of the Issuer and (ii) all other instruments or obligations of the Issuer ranking or expressed to rank subordinated to unsubordinated obligations of the Issuer (other than instruments or obligations of the Issuer ranking or expressed to rank *pari passu* with or subordinated to the Notes) have been satisfied.

For the avoidance of doubt, Noteholders will not participate in any reserves of the Issuer or in liquidation profits (*Liquidationsgewinn*) within the meaning of § 8 (3) no. 1 of the Austrian Corporate Income Tax Act 1988 (*Körperschaftsteuergesetz 1988*) in the event of the Issuer's liquidation.

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended or replaced from time to time; to the extent that any provisions of the CRR are amended or replaced, the reference to provisions of the CRR as used in these Conditions shall refer to such amended provisions or successor provisions from time to time.

"**Tier 2 Instrument**" means any (directly or indirectly issued) capital instrument or subordinated loan instrument of the Issuer that qualifies as Tier 2 instrument pursuant to Article 63 CRR, including any capital instrument or subordinated loan instrument that qualifies as Tier 2 instrument pursuant to transitional provisions under the CRR.

(2) No Noteholder has at any time a right to set-off his claims under the Notes against any claim the Issuer has or may have against such Noteholder. Neither the Issuer nor any third party may secure the rights under the Notes by providing any form of guarantee or security in favour of the Noteholders. No such guarantee or security may be provided at any later time. No subsequent agreement may limit the subordination pursuant to the provisions set out in this § 2 or amend the Maturity Date in respect of the Notes to any earlier date or shorten any applicable notice period (*Kündigungsfrist*).

Note to the Noteholders of Subordinated Notes: In respect of the Status, reference is made to the higher risk for Subordinated Notes of a regulatory allocation of losses by the write-down or conversion of liabilities in the context of an application of the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG") as more fully described in the risk factor entitled "Resolution tools and powers of the FMA as resolution authority under the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders of Notes other than Covered Bonds and may result in a total loss." in the Base Prospectus dated 18 March 2019

[In the case of Covered Bonds insert:

§ 2 STATUS

(1) The obligations under the Notes constitute unsubordinated obligations of the Issuer ranking *pari passu* among themselves. The Notes are secured by a cover pool pursuant to the Austrian Law on Covered Bonds of Banks dated 27 December 1905 (*Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen*, Imperial Law Gazette No. 213/1905 as amended – the "**Law on Covered Bonds of Banks**") and pursuant to number 14 of the Articles of Association of the Issuer.

[In the case of Covered Bonds covered by a mortgage-backed pool of assets insert:

(2) In accordance with the Austrian Law on Covered Bonds of Banks, the Issuer is obliged to designate assets to cover the Notes and to satisfy claims arising out of these Covered Bonds (*Fundierte Bankschuldverschreibungen*) from the designated assets (security) ahead of other claims. In accordance with section 1 para 9 of the Austrian Law on Covered Bonds of Banks, the Notes are secured by the Issuer's mortgage-backed pool of assets (hypothekarischer Deckungsstock), which consists primarily of assets in accordance with section 1 para 5 item 1 and 2 of the Austrian Law on Covered Bonds of Banks. The level of coverage provided by such assets shall be in accordance with the Austrian Law on Covered Bonds of Banks and the Issuer's Articles of Association. The Issuer is obliged to register the assets that are designated to secure the Notes separately in a cover register. Assets in accordance with section 1 para 5 item 2 of the Austrian Law on Covered Bonds of Banks may be included in the cover register only after their security status has been registered with the respective public records.]

[In the case of Covered Bonds covered by a public sector cover pool insert:

(2) In accordance with the Austrian Law on Covered Bonds of Banks, the Issuer is obliged to designate assets to cover the Notes and to satisfy claims arising out of these Covered Bonds (*Fundierte Bankschuldverschreibungen*)

from the designated assets (security) ahead of other claims. In accordance with section 1 para 9 of the Austrian Law on Covered Bonds of Banks, the Notes are secured by the Issuer's **public sector cover pool** (öffentlicher Deckungsstock), which primarily consist of assets held against or secured by public debtors in accordance with section 1 para 5 items 3 and 4 of the Austrian Law on Covered Bonds of Banks. The level of coverage provided by such assets shall be in accordance with the Austrian Law on Covered Bonds of Banks and the Issuer's Articles of Association. The Issuer is obliged to register the assets that are designated to secure the Notes separately in a cover register.]

(3) In the event of the insolvency or the liquidation of the Issuer (or if the Issuer otherwise fails to make payments in respect of the Notes in accordance with these Conditions), the claims of the Noteholders of the Covered Bonds (*Fundierte Bankschuldverschreibungen*) may be satisfied out of the assets listed in the appropriate cover register in accordance with the Austrian Law on Covered Bonds of Banks, the Articles of Association of the Issuer and these Conditions.]

§ 3 INTEREST

(1) *Interest Payment Dates.*

(a) The Notes shall bear interest on their principal amount from (and including) **[insert Interest Commencement Date]** (the "**Interest Commencement Date**") to (but excluding) the first Interest Payment Date and thereafter from (and including) each Interest Payment Date to (but excluding) the next following Interest Payment Date. Interest on the Notes shall be payable on each Interest Payment Date.

(b) "**Interest Payment Date**" means

[(i) in the case of Specified Interest Payment Dates insert: each [insert Specified Interest Payment Dates].]

[(ii) in the case of Specified Interest Periods insert: each date which (except as otherwise provided in these Conditions) falls [insert number] [weeks] [months] [insert other specified periods] after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.]

(c) If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be:

[(i) if Modified Following Business Day Convention insert: postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the payment date shall be the immediately preceding Business Day.]

[(ii) if FRN Convention insert: postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the payment date shall be the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls [[insert number] months] [insert other specified periods] after the preceding applicable payment date.]

[(iii) if Following Business Day Convention insert: postponed to the next day which is a Business Day.]

[(iv) if Preceding Business Day Convention insert: the immediately preceding Business Day.]

The Calculation Period will be [adjusted][unadjusted].

[In case the offered quotation for deposits in the specified currency is EURIBOR, the following applies:

(2) *Rate of Interest.* The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined below) will, except as provided below and subject to § 3 (3), be the offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for that Interest Period which appears on the Screen Page as of **[insert time] [insert relevant time zone]** on the Interest Determination Date (as defined below) (the "**Reference Rate**") [multiplied by a factor][and] **[if Margin insert: [plus] [minus] [in case of a Maximum Rate of Interest insert: with a maximum Rate of Interest of [Maximum Rate of Interest]] [in case of a Minimum Rate of Interest insert: with a minimum Rate of Interest of [Minimum Rate of Interest] the Margin (as defined below)],** all as determined by the Calculation Agent (as defined below).

"**Interest Period**" means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date.

"**Interest Determination Date**" means the [insert other applicable number of days] [TARGET][insert relevant location] Business Day prior to the [commencement][end] of the relevant Interest Period. ["**TARGET Business Day**" means a day (other than a Saturday or a Sunday) on which TARGET2 (Trans-European Automated Realtime Gross Settlement Express Transfer System) is open for the settlement of payments in Euro.][insert relevant location] **Business Day**" means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [insert relevant location].

"**Euro-Zone**" means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), the Treaty on the European Union (signed in Maastricht on 7 February 1992), the Amsterdam Treaty of 2 October 1997 and the Treaty of Lisbon of 13 December 2007, as further amended from time to time.

["**Margin**" means [insert margin] per cent. *per annum*.]

"**Reference Banks**" means [insert relevant number] major banks in the interbank market of the Euro-Zone or in the London interbank market.

"**Screen Page**" means REUTERS screen page "[EURIBOR01]" or any successor page.

If the Screen Page is not available or if no such quotation appears, in each case as at such time, the Issuer shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the interbank market in the Euro-Zone at approximately [insert time] ([insert relevant time zone] time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated (at the request of the Issuer) to the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, as at [insert time] ([insert relevant time zone] time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the interbank market in the Euro-Zone or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Rate of Interest for such Interest Period shall be the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the interbank market in the Euro-Zone (or, as the case may be, the quotations of such bank or banks to the Calculation Agent) (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).]

[In case the offered quotation for deposits in the specified currency is LIBOR, the following applies:

(2) *Rate of Interest.* The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined below) will, except as provided below and subject to § 3 (3), be the offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for that Interest Period which appears on the Screen Page as of [insert time]([insert relevant time zone] time) on the Interest Determination Date (as defined below) (the "**Reference Rate**") [multiplied by a factor][and] [if Margin insert: [plus] [minus] [in case of a Maximum Rate of Interest insert: with a maximum Rate of Interest of [Maximum Rate of Interest]] [in case of a Minimum Rate of Interest insert: with a minimum Rate of Interest of [Minimum Rate of Interest] the Margin (as defined below)], all as determined by the Calculation Agent (as defined below).

"Interest Period" means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date.

"Interest Determination Date" means the [number] [insert relevant location] Business Day prior to the [commencement][end] of the relevant Interest Period. ["TARGET Business Day" means a day (other than a Saturday or a Sunday) on which TARGET2 (Trans-European Automated Realtime Gross Settlement Express Transfer System) is open for the settlement of payments in Euro.]["insert relevant location] Business Day" means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [insert relevant location].]

["Margin" means [insert margin] per cent. *per annum*.]

"Reference Banks" means [insert relevant number] major banks in the [insert relevant financial centre] interbank market.

"Screen Page" means REUTERS screen page "[LIBOR01][LIBOR02]" or any successor page.

If the Screen Page is not available or if no such quotation appears, in each case as at such time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the London interbank market at approximately [insert time] ([insert relevant time zone] time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards) of the rates, as communicated (at the request of the Issuer) to the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, as at [insert time] ([insert relevant time zone] time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the London interbank market or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Rate of Interest for such Interest Period shall be the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the London interbank market (or, as the case may be, the quotations of such bank or banks to the Calculation Agent). If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such quotations were offered (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).]

[In case the offered quotation is determined on the basis of the [insert relevant currency] CMS, the following applies:

(2) *Rate of Interest.* The rate of interest (the "Rate of Interest") for each Interest Period (as defined below) is determined by the Calculation Agent (as defined in § 6) in accordance with the following formula:

[Min][Max]([Max][Min]((([●]-years [insert relevant currency] CMS * [insert factor]) [-] [+] [[●]-years [insert relevant currency] CMS * [insert factor]]) [+] [-] [insert Margin]; ([[●]-years [insert relevant currency] CMS * [insert factor]) [-] [+] [[●]-years [insert relevant currency] CMS * [insert factor]]) [+] [-] [insert Margin]); ([[●]-years [insert relevant currency] CMS * [insert factor]) [-] [+] [[●]-years [insert relevant currency] CMS * [insert factor]]) [-] [+] [[●]-years [insert relevant currency] CMS * [insert factor]]) [+] [-][insert Margin])

"[insert relevant currency] CMS" is, subject to § 3 (3), the annual swap rate expressed as a percentage for [insert relevant currency] swap transactions with a maturity in years as specified in the above formula, which

appears on the Screen Page (as defined below) on the Interest Determination Date (as defined below) under the heading "[insert relevant heading]" and above the caption "[insert time and relevant time zone]" as of [insert time] ([insert relevant time zone]) (each such [•]-years [insert relevant currency] CMS a "Reference Rate"), all as determined by the Calculation Agent.

"Interest Period" means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date. As long as the Interest Payment Date is not a Business Day, the Interest Period will be [adjusted pursuant to § 3 (1)(c)] [unadjusted].

"Interest Determination Date" means the [number] [TARGET][insert relevant location] Business Day prior to the [commencement][end] of the relevant Interest Period.

"Margin" means [insert margin] per cent. *per annum*.

["TARGET Business Day" means a day (other than a Saturday or a Sunday) on which TARGET2 (Trans-European Automated Real-time Gross Settlement Express Transfer System) settles payments.]

["[insert relevant location] Business Day" means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [insert relevant location].]

"Screen Page" means [reference Screen Page] or any successor page.

If the Screen Page permanently ceases to quote the relevant [insert relevant currency] CMS but such quotation is available from another page selected by the Calculation Agent in equitable discretion (the "Replacement Screen Page"), the Replacement Screen Page shall be used for the purpose of the calculation of the Rate of Interest.

If the Screen Page is not available or if no such [insert relevant currency] CMS appears (in each case as at such time), and if there is following the verification of the Calculation Agent no Replacement Screen Page available, the Issuer shall request each of the Reference Banks to provide to the Calculation Agent the arithmetic mean of the bid and offered rates for an annual fixed leg of a [insert relevant currency] interest rate swap transaction in an amount that is representative for a single swap transaction in the market for swaps (expressed as a percentage rate *per annum*) with an acknowledged dealer of good credit in the swap market at approximately [insert time] ([insert relevant time zone] time) on the Interest Determination Date.

If three or more of the Reference Banks provide the Calculation Agent with such quotations, the [insert relevant currency] CMS for such Interest Period shall be the arithmetic mean (rounded up- or downwards if necessary) of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in case of equality, one of the lowest), all as determined by the Calculation Agent.

If only two or less of the Reference Banks provides the Calculation Agent with such quotations, the [insert relevant currency] CMS for the relevant Interest Period shall be the rate as displayed on the Screen Page on the last day preceding the Interest Determination Date on which such rate was displayed.

"Reference Banks" means [insert relevant number] leading swap dealers in the [insert relevant financial centre] interbank market.]

(3) *Benchmark Discontinuation.*

(a) *Independent Adviser.* If a Benchmark Event occurs in relation to a Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with § 3 (3)(b)) and, in either case, an Adjustment Spread, if any (in accordance with § 3 (3)(c)) and any Benchmark Amendments (in accordance with § 3 (3)(d)).

In the absence of gross negligence and wilful misconduct, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Calculation Agent or the Noteholders for any determination made by it pursuant to this § 3 (3).

If (A) the Issuer is unable to appoint an Independent Adviser or (B) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this § 3 (3) prior to the relevant Interest Determination Date, the Reference Rate applicable to the immediate following Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this § 3 (3) shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this § 3 (3).

- (b) *Successor Rate or Alternative Rate.* If the Independent Adviser determines in its discretion that: (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in § 3 (3)(c) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this § 3 (3); or (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in § 3 (3)(c)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this § 3 (3).
- (c) *Adjustment Spread.* If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).
- (d) *Benchmark Amendments.* If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this § 3 (3) and the Independent Adviser determines in its discretion (A) that amendments to these Terms and Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (B) the terms of the Benchmark Amendments, then, subject to the Issuer giving notice thereof in accordance with § 3 (3)(e), such Benchmark Amendments shall apply to the Notes with effect from the date specified in such notice.
- (e) *Notices, etc.* The Issuer will notify without undue delay any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this § 3 (3) to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with § 12, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

Together with such notice, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorized signatories of the Issuer: (A) (x) confirming that a Benchmark Event has occurred, (y) specifying the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) specifying any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this § 3 (3); and (B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.

The Successor Rate or Alternative Rate, the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate, such Adjustment Spread (if any) and such Benchmark Amendments (if any) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

- (f) *Survival of Reference Rate.* Without prejudice to the obligations of the Issuer under § 3 (3)(a), (b), (c) and (d), the Reference Rate and the fallback provisions provided for in the definition of the term "Screen Page" in § 3 (2) will continue to apply unless and until a Benchmark Event has occurred.
- (g) *Definitions.* As used in this § 3 (3):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which: (1) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the

Successor Rate by any Relevant Nominating Body; or (2) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is recognized or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (3) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) (3) the Independent Adviser determines to be appropriate.

"Alternative Rate" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with § 3 (3)(b) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

"Benchmark Amendments" has the meaning given to it in § 3 (3)(d).

"Benchmark Event" means: (1) the Reference Rate ceasing to be published for a period of at least five (5) Business Days or ceasing to exist; or (2) a public statement by the administrator of the Reference Rate that it will cease publishing the Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue the publication of the Reference Rate); or (3) a public statement by the supervisor of the administrator of the Reference Rate, that the Reference Rate has been or will permanently or indefinitely discontinued; or (4) a public statement by the supervisor of the administrator of the Reference Rate as a consequence of which the Reference Rate will be prohibited from being used either generally, or in respect of the relevant Notes; or (5) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any Rate of Interest using the Reference Rate.

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer under § 3 (3)(a).

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable): (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or (2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"Successor Rate" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

[In the case of Senior Non-Preferred Notes and Subordinated Notes insert:

(h) No adjustment to the Reference Rate will be made in accordance with this § 3 (3) in case of a Benchmark Event if and to the extent that as a result of such adjustment the Issuer would be entitled to redeem the Notes for regulatory reasons in accordance with § 5 (3).]

[In the case of Unsubordinated Notes (which are not Covered Bonds or Senior Non-Preferred Notes) insert:

(h) No adjustment to the Reference Rate will be made in accordance with this § 3 (3) in case of a Benchmark Event if and to the extent that as a result of such adjustment an MREL Disqualification Event would occur.

"MREL Disqualification Event" means the determination by the Issuer, at any time, that the Notes, in full or in part, (i) do not constitute Eligible MREL Instruments, or (ii) there is a change in the regulatory classification of the Notes that would likely result or has resulted in the exclusion of the Notes from the Eligible MREL Instruments, provided that in each case an MREL Disqualification Event shall not occur on the basis (i) that the remaining maturity of the Notes is less than any period prescribed by any Applicable MREL Regulation, and/or (ii) of any applicable limits on the amount of Eligible MREL Instruments permitted or allowed to meet MREL under the Applicable MREL Regulation.]

[If Minimum and/or Maximum Rate of Interest applies insert:

[(3)|(4)] [Minimum] [and] [Maximum] *Rate of Interest*.

[If Minimum Rate of Interest applies insert: If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is less than **[insert Minimum Rate of Interest]**, the Rate of Interest for such Interest Period shall be **[insert Minimum Rate of Interest]**.]

[If Maximum Rate of Interest applies insert: If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is greater than **[insert Maximum Rate of Interest]**, the Rate of Interest for such Interest Period shall be **[insert Maximum Rate of Interest]**.)]

[(4)|(5)] *Interest Amount*. The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable on the Notes in respect of the Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to each Specified Denomination and rounding the resultant figure to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

[(5)|(6)] *Notification of Rate of Interest and Interest Amount*. The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and to the Noteholders in accordance with § 12 as soon as possible after their determination, but in no event later than the fourth [London] [TARGET2] **[insert other relevant location]** Business Day (as defined in § 3 (2)) thereafter and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange, as soon as possible after their determination, but in no event later than the first day of the relevant Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are then listed and to the Noteholders in accordance with § 12.

[(6)|(7)] *Determinations Binding*. All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent [, the Paying Agents] and the Noteholders.

[(7)|(8)] *Accrual of Interest*. The Notes shall cease to bear interest from the beginning of the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes from (and including) the due date to (but excluding) the date of actual redemption of the Notes at the default rate of interest established by law⁶.

[(8)|(9)] *Day Count Fraction*. "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

[If Actual/Actual (ICMA Rule 251) insert:

- (i) if the Calculation Period (from and including the first day of such period but excluding the last) is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of days in such Calculation Period (from and including the first day of such period but excluding the last) divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year; or
- (ii) if the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of: (A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year and (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the

⁶ Under German law, the default rate of interest established by law is five percentage points above the basic rate of interest published by *Deutsche Bundesbank* from time to time, §§ 288 (1), 247 (1) German Civil Code (*Bürgerliches Gesetzbuch* – "**BGB**"). Under Austrian law, the default rate of interest is four percentage points *per annum* (§§ 1333, 1000 Austrian Civil Code – *Allgemeines Bürgerliches Gesetzbuch* – "**ABGB**"). Regarding monetary claims between entrepreneurs relating to entrepreneurial dealings, the default interest rate in case of a culpable default is 9.2 percentage points *per annum* above the basic rate of interest (§ 456 Austrian Commercial Code (*Unternehmensgesetzbuch* – "**UGB**"), otherwise also the default interest rate of four percentage points *per annum* applies.

number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year.

"Determination Period" means the period from (and including) a Determination Date to, (but excluding) the next Determination Date.

"Determination Date" means [relevant Determination Dates] in each year.]

[if Actual/Actual (ISDA) insert: (ISDA) the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).]

[if Actual/365 (Fixed) insert: the actual number of days in the Calculation Period divided by 365.]

[if Actual/360 insert: the actual number of days in the Calculation Period divided by 360.]

[if 30/360, 360/360 or Bond Basis insert: the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

[if 30E/360 or Eurobond Basis: the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period) unless, in the case of the final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month.)]

§ 4 PAYMENTS

(1) (a) *Payment of Principal.* Payment of principal in respect of Notes shall be made, subject to § 4 (2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the Global Note representing the Notes at the time of payment at the specified office of the Fiscal Agent outside the United States.

(b) *Payment of Interest.* Payment of interest on Notes shall be made, subject to § 4 (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System.

[In the case of interest payable on a Temporary Global Note insert: Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to § 4 (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 1 (3)(b).]

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency.

(3) *United States.* For purposes of [in the case of D Rules Notes insert: § 1 (3) and] § 4 (1), "United States" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

(4) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(5) *Payment Business Day.* If the date for payment of any amount in respect of any Notes is not a Payment Business Day, then the Noteholders shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

"**Payment Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System as well as **[if the Specified Currency is EUR insert: TARGET2 (Trans-European Automated Realtime Gross Settlement Express Transfer System) is open for the settlement of payments in Euro.] [if the Specified Currency is not EUR insert: commercial banks and foreign exchange markets settle payments in [insert all relevant financial centres].]**

(6) *References to Principal and Interest.* Reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes; the Early Redemption Amount of the Notes; **[if Notes are subject to Early Redemption at the Option of the Issuer and Call Redemption Amount(s) are specified insert: the Call Redemption Amount of the Notes;] [if redeemable at the option of the Noteholder insert: the Put Redemption Amount of the Notes;]** and any premium and any other amounts which may be payable under or in respect of the Notes. Reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

(7) *Deposit of Principal and Interest.* The Issuer may deposit with the Amtsgericht in Frankfurt am Main principal or interest not claimed by Noteholders within twelve months after the Maturity Date, even though such Noteholders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Noteholders against the Issuer shall cease.

§ 5 REDEMPTION

(1) *Redemption at Maturity.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[in the case of a specified Maturity Date insert such Maturity Date] [in the case of a Redemption Month insert: the Interest Payment Date falling in [insert Redemption Month]]** (the "**Maturity Date**"). The "**Final Redemption Amount**" in respect of each Note shall be **[its] [[•] per cent. of the]** principal amount.

(2) *Early Redemption for Reasons of Taxation.* If as a result of any change in, or amendment to, the laws or regulations of the Republic of Austria or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last Tranche of this series of Notes was issued, the Issuer is required to pay Additional Amounts (as defined in § 7) herein on the next succeeding Interest Payment Date (as defined in § 3 (1)), and this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Notes may **[in the case of Subordinated Notes, insert: upon fulfilment of the Redemption Conditions pursuant to § 5 [(5)][(6)].][in the case of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes, insert:;** in accordance with and subject to the Applicable MREL Regulation (as defined in § 2 (2)), be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days nor less than 30 days prior notice of redemption given to the Fiscal Agent and, in accordance with § 12 to the Noteholders, at their Early Redemption Amount (as defined below), together with interest (if any) accrued to the date fixed for redemption. However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts or make such deduction or withholding does not remain in effect.

Any such notice shall be given in accordance with § 12. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

[In the case of Subordinated Notes insert:

(3) *Early Redemption for Regulatory Reasons.* If a Regulatory Event occurs and the Redemption Conditions are met, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days nor less than 30 days prior notice of redemption given to the Fiscal Agent and, in accordance with § 12 to the Noteholders, at their Early Redemption Amount (as defined below), together with interest (if any) accrued to the date fixed for redemption. Such notice may not be given, however, later than 90 days following such Regulatory Event. Any such notice shall be irrevocable, shall be given in accordance with § 12 and, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

A "**Regulatory Event**" will occur if there is a change in the regulatory classification of the Notes under the Relevant Regulations that would be likely to result or has resulted in their exclusion in full or in part from own funds or reclassification as a lower quality form of own funds [on a consolidated basis of the BAWAG Regulatory Group] [and/or] [on an individual basis of the Issuer].

"**Competent Authority**" means the competent authority pursuant to Article 4(1)(40) CRR and/or Article 9(1) SSM Regulation, in each case, which is responsible to supervise BAWAG Regulatory Group and/or (as the case may be) the Issuer.

"**BAWAG Regulatory Group**" means, from time to time, any banking group: (i) to which the Issuer belongs; and (ii) to which the own funds requirements pursuant to Parts Two and Three of the CRR on a consolidated basis due to prudential consolidation in accordance with Part One, Title Two, Chapter Two of the CRR apply.

"**BWG**" means the Austrian Banking Act (*Bankwesengesetz – BWG*), as amended or replaced from time to time; to the extent that any provisions of the BWG are amended or replaced, the reference to provisions of the BWG as used in these Conditions shall refer to such amended provisions or successor provisions from time to time.

"**CDR**" means the Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for Own Funds requirements for institutions (*Capital Delegated Regulation*), as amended or replaced from time to time, and any references in these Terms and Conditions to relevant Articles of the CDR include references to any applicable provisions of law amending or replacing such Articles from time to time.

"**CRD IV**" means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (*Capital Requirements Directive IV*), as implemented in the Republic of Austria and as amended or replaced from time to time.

"**Relevant Regulations**" means, at any time, any requirements of Austrian law or contained in the regulations, requirements, guidelines or policies of the Competent Authority, the European Parliament and/or the European Council, then in effect in the Republic of Austria and applicable to the BAWAG Regulatory Group and/or (as the case may be) the Issuer, including but not limited to the provisions of the BWG, the CRD IV, the CRR, the CDR and the SSM Regulation, in each case as amended from time to time, or such other law, regulation or directive as may come into effect in place thereof.

"**SSM Regulation**" means the Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (Single Supervisory Mechanism Regulation), as amended or replaced from time to time, and any references in these Terms and Conditions to relevant Articles of the SSM Regulation include references to any applicable provisions of law amending or replacing such Articles from time to time.]

[In the case of Senior Non-Preferred Notes insert:

(3) Early Redemption due to a MREL Disqualification Event.

If an MREL Disqualification Event has occurred and is continuing, then the Issuer may, at his the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 12 to the Noteholders, redeem the Notes, in whole but not in part, at their Early Redemption Amount (as defined below), together with interest (if any) accrued to the date fixed for redemption. Such notice may not be given, however, later than 90 days following such MREL Disqualification Event. Any such notice shall be irrevocable and must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

Any redemption of the Notes is subject to such redemption being permitted by Applicable MREL Regulations and subject to the Issuer obtaining permission from the Competent Authority and/or (as the case may be) the relevant supervisory authority pursuant to the Applicable MREL Regulation, if required.

"**MREL Disqualification Event**" means the determination by the Issuer, at any time, that the Notes, in full or in part, (i) do not constitute Eligible MREL Instruments, or (ii) there is a change in the regulatory classification of the Notes that would likely result or has resulted in the exclusion of the Notes from the Eligible MREL Instruments, provided that in each case an MREL Disqualification Event shall not occur on the basis (i) that the remaining maturity of the Notes is less than any period prescribed by any Applicable MREL Regulation, and/or (ii) of any

applicable limits on the amount of Eligible MREL Instruments permitted or allowed to meet MREL under the Applicable MREL Regulation.】

【If Notes are subject to Early Redemption at the Option of the Issuer insert:

【(3)】(4) *Early Redemption at the Option of the Issuer.*

(a) The Issuer may, upon notice given in accordance with clause 【(b)】(c), redeem the Notes 【in whole or in part】(in whole, but not in part,) on the Call Redemption Date(s) at the **【"Call Redemption Amount(s)"** set forth below【Early Redemption Amount (as defined below)】 together with accrued interest, if any, to (but excluding) the Call Redemption Date.

【If Minimum Redemption Amount or Higher Redemption Amount applies insert: Any such redemption must be of a principal amount equal to [at least **【insert Minimum Redemption Amount】** **【insert Higher Redemption Amount】**.】

Any notice of redemption in accordance with this § 5 【(3)】(4) shall be given by the Issuer to the Noteholders in accordance with § 12 observing a notice period of not less than 30 calendar days nor more than 60 calendar days. Any such notice shall be irrevocable.

【"Call Redemption Date(s)" means [each] 【such Call Redemption Date set forth below】(or, alternatively, in case of Subordinated Notes: such Interest Payment Date falling on [or after] the **【insert fifth or later】** anniversary of the issuance of the Notes】

【Call Redemption Date(s)】
【insert Call Redemption Date(s)】

【Call Redemption(s) Amount(s)】
【insert Call Redemption Amount(s)】

【In the case of Subordinated Notes, insert:

(b) The Issuer may call the Notes for redemption only subject to the Redemption Conditions (as defined in § 5 【(5)】(6) being fulfilled.】

【In the case of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes insert:

(b) The Issuer may call the Notes for redemption only subject to the Applicable MREL Regulation (as defined in § 2 (2).】

【If Covered Bonds are subject to Early Redemption at the Option of the Noteholder insert:

(b) The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under subparagraph (4) of this § 5.】

【(b)】(c) Notice of redemption shall be given by the Issuer to the Noteholders of the Notes in accordance with § 12. Such notice shall specify:

- (i) the Series of Notes subject to redemption;
- (ii) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
- (iii) the Call Redemption Date; and
- (iv) the Call Redemption Amount at which such Notes are to be redeemed.

【(c)】 In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System. **【In the case of Notes in NGN form insert:** Such partial redemption shall be reflected in the records of CBL and Euroclear as either a pool factor or a reduction in principal amount, at the discretion of CBL and Euroclear.】

[If Covered Bonds are subject to Early Redemption at the Option of a Noteholder insert:

[(3)|(4)] *Early Redemption at the Option of a Noteholder.*

- (a) The Issuer shall, at the option of the Noteholder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

Put Redemption Date(s)	Put Redemption(s) Amount(s)
[insert Put Redemption Date(s)]	[insert Put Redemption Amount(s)]
[_____]	[_____]
[_____]	[_____]

The Noteholder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of its option to redeem such Note under this § 5.

- (b) In order to exercise such option, the Noteholder must, not less than **[insert Minimum Notice to Issuer]** nor more than **[insert Maximum Notice to Issuer]** days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), submit during normal business hours at the specified office of the Fiscal Agent a duly completed early redemption notice ("**Put Notice**") in the form available from the specified office of the Fiscal Agent. No option so exercised may be revoked or withdrawn.]

[(3)|(4)|(5)] *Early Redemption Amount.* The "**Early Redemption Amount**" of a Note shall be its Final Redemption Amount.

[In the case of Subordinated Notes insert:

[(5)|(6)] Validity of any redemption of the Notes and any notice given pursuant to § 12 in regard of such redemption and any repurchase pursuant to § 11 (2) shall be subject to the following conditions ("**Redemption Conditions**"):

- (a) the Issuer having obtained the prior permission of the Competent Authority for the redemption pursuant to this § 5 or any repurchase pursuant to § 11 (2) in accordance with Article 78 CRR, if applicable to the Issuer at that point in time; such permission may, *inter alia*, require that:

- (i) the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
- (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds of **[BAWAG Regulatory Group]** and/or (as the case may be) **[the Issuer]** would, following such redemption or repurchase, exceed the minimum capital requirements (including any capital buffer requirements) by a margin that the Competent Authority considers necessary at such time; and

- (b) in addition, in the case of any redemption pursuant to this § 5 prior to the fifth anniversary of the date of issuance of the Notes:

- (i) in case of an early redemption for reasons of taxation in accordance with § 5 (2), the Issuer has demonstrated to the satisfaction of the Competent Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the date of issuance of the Notes; or
- (ii) in case of an early redemption for regulatory reasons in accordance with § 5 (3), the Competent Authority considers such change in the regulatory classification of the Notes under the Relevant Regulations to be sufficiently certain and the Issuer has demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Notes was not reasonably foreseeable as at the date of issuance of the Notes.

Notwithstanding the above conditions, if, at the time of any redemption or purchase, the prevailing Relevant Regulations permit the redemption or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above in this § 5 **[(5)|(6)]**, the Issuer shall comply with such other and/or, as appropriate, additional pre-conditions.

In addition, even if a notice of redemption is given pursuant to § 5 (2), § 5 (3) or § 5 (4), the Issuer will only redeem the Notes on the date of redemption specified in the notice if the then applicable conditions to redemption laid down in this § 5 [(5)](6) are fulfilled on the date of redemption specified in such notice.

For the avoidance of doubt, any refusal of the Competent Authority to grant permission in accordance with the Relevant Regulations shall not constitute a default for any purpose.]

§ 6 FISCAL AGENT [,] [AND] [PAYING AGENTS] [AND CALCULATION AGENT]

(1) *Appointment; Specified Offices.* The initial Fiscal Agent [,] [and] Paying Agent[s] [and the Calculation Agent] and [its] [their] [respective] initial specified office[s] [is] [are]:

[If any global Note initially representing the Notes is to be deposited with, or with a depositary or common depositary of, any Clearing System other than OeKB CSD insert:

Fiscal Agent: Citibank Europe plc
1 N Wall Quay, North Dock
Dublin, 1
Ireland]

[If any global Note initially representing the Notes is to be deposited with OeKB CSD insert:

Fiscal Agent: BAWAG P.S.K.
Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft
Wiedner Gürtel 11
A-1100 Wien
Republic of Austria]

Paying Agent[s]: **[insert Paying Agents and specified offices]**

[If the Fiscal Agent is to be appointed as Calculation Agent insert: The Fiscal Agent shall also act as Calculation Agent.]

[If a Calculation Agent other than the Fiscal Agent is to be appointed insert: The Calculation Agent and its initial specified office shall be:

Calculation Agent: **[insert name and specified office]]**

The Fiscal Agent [,] [and] the Paying Agent[s] [and the Calculation Agent] reserve the right at any time to change [its] [their] respective specified offices to some other specified office[s] in Germany.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent [or any Paying Agent] [or the Calculation Agent] and to appoint another Fiscal Agent [or additional or other Paying Agents] [or another Calculation Agent]. The Issuer shall at all times maintain (i) a Fiscal Agent **[in the case of Notes listed on a stock exchange insert: [,] [and]** (ii) so long as the Notes are listed on the **[insert name of Stock Exchange]**, a Paying Agent (which may be the Fiscal Agent) which shall be a bank domiciled in the European Economic Area ("EEA") with a specified office in **[insert location of Stock Exchange]** and/or in such other place as may be required by the rules of such stock exchange] **[in the case of payments in U.S. dollars insert: [,] [and]** [(iii)] if payments at or through the offices of all Paying Agents outside the United States (as defined in § 4 hereof) become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollars, a Paying Agent with a specified office in New York City] **[if any Calculation Agent is to be appointed insert: [,] [and]** [(iv)] a Calculation Agent **[if Calculation Agent is required to maintain a Specified Office in a Required Location insert:** with a specified office located in **[insert Required Location]]**. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with § 12.

(3) *Agents of the Issuer.* The Fiscal Agent[,] [and] the Paying Agent[s] [and the Calculation Agent] act[s] solely as agent[s] of the Issuer and do[es] not have any obligations towards or relationship of agency or trust to any Noteholder.

§ 7 TAXATION

(1) All payments of principal and interest in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of deduction or withholding on behalf of the Republic of Austria or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction[**in case of Senior Non-Preferred Notes and Subordinated Notes insert:** and provided that Additional Amounts shall only encompass amounts in relation to interest, but not in relation to principal]; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of principal or interest made by it, or
- (b) are payable by reason of the Noteholder having, or having had, some personal or business connection with the Republic of Austria and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Republic of Austria, or
- (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Republic of Austria or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or
- (d) are withheld or deducted by a paying office from a payment if the payment could have been made by another paying office without such withholding or deduction, or
- (e) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 12, whichever occurs later.

(2) Notwithstanding any other provision in these Terms and Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the IRS ("**FATCA Withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA Withholding deducted or withheld by the Issuer, any paying agent or any other party as a result of any person other than Issuer or an agent of the Issuer not being entitled to receive payments free of FATCA Withholding.

[§ 8 PRESENTATION PERIOD

The presentation period provided in section 801 subparagraph 1, sentence 1 BGB (German Civil Code) is reduced to ten years for the Notes.]

[In case of Notes subject to Austrian law and appointment of an Austrian Fiscal Agent § 8 PRESENTATION PERIOD to be replaced in its entirety by the following:

§ 8 PRESCRIPTION

The obligations of the Issuer to pay principal and interest in respect of this Note shall prescribe (i) in respect of principal upon the expiry of 10 years following the respective due date for the payment of principal and (ii) in respect of interest upon the expiry of 3 years following the respective due date for the relevant payment of interest.]

§ 9
EVENTS OF DEFAULT

[In the case of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes insert:

(1) *Events of Default.* Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in § 5), together with accrued interest (if any) to the date of repayment, in the event that insolvency or liquidation proceedings are instituted against the Issuer which shall not have been dismissed or stayed within 60 days after institution, or if the Issuer applies for institution of such proceedings.

(2) *Notice.* Any notice, including any notice declaring Notes due, in accordance with subparagraph (1) shall be made by means of a written declaration in the German or English language delivered by hand or registered mail to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a Noteholder of the relevant Notes by means of a certificate of his Custodian (as defined in § 13 (4)) or in other appropriate manner.]

[In the case of Subordinated Notes insert:

The Noteholders do not have a right to demand the early redemption of the Notes.]

[In the case of Covered Bonds insert:

(1) *Events of Default.* Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in § 5), together with accrued interest (if any) to the date of repayment in the event that the Issuer fails to pay principal or interest within 30 days from the relevant due date.

(2) *Notice.* Any notice, including any notice declaring Notes due in accordance with subparagraph (1) shall be made by means of a written declaration in the German or English language delivered by hand or registered mail to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes by means of a certificate of his Custodian (as defined in § 13 (4)) or in another appropriate manner.]

[In the case of Subordinated Notes insert:

§ 10
SUBSTITUTION

[This paragraph is intentionally left blank.]

[In the case of Unsubordinated Notes (other than Covered Bonds) and Senior Non-Preferred Notes insert:

§ 10
SUBSTITUTION

(1) *Substitution.* The Issuer shall be entitled at any time, without the consent of the Noteholders, if no payment of principal or interest on any of the Notes is in default, to substitute for the Issuer any Affiliate (as defined below) as principal debtor in respect to all obligations arising from or in connection with the Notes (the "**Substitute Debtor**"), provided that:

- (a) the Substitute Debtor is in a position to fulfil all payment obligations arising from or in connection with the Notes without the necessity of any taxes or duties being withheld at source and to transfer all amounts which are required therefore to the Fiscal Agent without any restrictions;
- (b) the Substitute Debtor assumes all obligations of the Issuer arising from or in connection with the Notes;
- (c) the Substitute Debtor undertakes to reimburse any Noteholder for such taxes, fees or duties which may be imposed upon it as a consequence of assumption of the obligations of the Issuer by the Substitute Debtor;

[(d) the Issuer irrevocably and unconditionally guarantees in favour of each Noteholder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of the form of the senior guarantee of the Issuer in respect of Unsubordinated Notes set out in the Agency Agreement;]

[(d) the obligations assumed by the Substitute Debtor in respect of the Notes are subordinated on terms identical to the terms of the Notes and (i) the Substitute Debtor is a subsidiary (*Tochterunternehmen*) of the Issuer, (ii) the Substitute Debtor deposits an amount which is equal to the aggregate principal amount of the Notes with the Issuer on terms equivalent, including in respect of subordination, to the terms and conditions of the Notes, and (iii) the Issuer irrevocably and unconditionally guarantees in favour of each Noteholder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of the form of the subordinated guarantee of the Issuer;]

(e) there shall have been delivered to the Fiscal Agent one opinion for each jurisdiction affected of lawyers of recognized standing to the effect that subparagraphs (a), (b), (c), and (d) above have been satisfied.

For the purposes of this § 10, "**Affiliate**" shall mean any affiliated company (*Konzernunternehmen*) within the meaning of section 15 Austrian Stock Corporation Act (*Aktiengesetz*).

(2) *Notice*. Notice of any such substitution shall be published in accordance with § 12.

(3) *Change of References*. In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. Furthermore, in the event of such substitution the following shall apply:

[(a)] in § 7 and § 5(2) an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor;

[(b)] in § 10 (1)(c) to (e) an alternative reference to the Issuer in its capacity as guarantor shall be deemed to have been included in addition to the reference to the Substitute Debtor.]

In the event of any such substitution, the Substitute Debtor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes with the same effect as if the Substitute Debtor had been named as the Issuer herein, and the Issuer (or any corporation which shall have previously assumed the obligations of the Issuer) shall be released from its liability as obligor under the Notes.

[In the case of Covered Bonds insert:

§ 10 SUBSTITUTION

(1) *Substitution*. The Issuer may, without the consent of the Noteholders, if no payment of principal or interest on any of the Notes is in default, at any time substitute for the Issuer any wholly owned subsidiary of it as principal debtor in respect of all obligations arising from or in connection with the Notes (the "**Substitute Debtor**") provided that:

(a) the Substitute Debtor is entitled to issue Covered Bonds (*Fundierte Bankschuldverschreibungen*) pursuant to the Austrian Law on Covered Bonds of Banks and its Articles of Association;

(b) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes, including all obligations in relation to the cover pool of assets which cover the Notes pursuant to the Austrian Law on Covered Bonds of Banks and agrees not to alter the Conditions applicable to any outstanding Covered Bonds (*Fundierte Bankschuldverschreibungen*);

(c) the Issuer and the Substitute Debtor have obtained all necessary authorisations and may transfer to the Fiscal Agent in the Specified Currency and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;

- (d) the Substitute Debtor has agreed to indemnify and hold harmless each Noteholder against any tax, duty or governmental charge imposed on such Noteholder in respect of such substitution; and
- (e) there shall have been delivered to the Fiscal Agent an opinion or opinions of lawyers of recognized standing to the effect that subparagraphs (a), (b), (c) and (d) above hold true or have been satisfied.

(2) *Notice.* Notice of any such substitution shall be published in accordance with § 12.

(3) *Change of References.* In the event of any such substitution, any reference in these Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor.]

§ 11

FURTHER ISSUES, REPURCHASES AND CANCELLATION

(1) *Further Issues.* The Issuer may from time to time, without the consent of the Noteholders, **[in the case of Covered Bonds insert: subject to availability of the statutory cover (security)]** issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.

(2) *Repurchases.* The Issuer may at any time **[in the case of Subordinated Notes insert: in accordance with the provisions of the Relevant Regulations (as defined in § 5 (3)) and subject to the conditions in § 5 [(5)|(6)], in particular in relation to any prior approval requirement of the Competent Authority,] [in case of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes, insert: in accordance with and subject to the Applicable MREL Regulation (as defined in § 2 (2)), in particular in relation to any prior approval requirement of the Competent Authority and/or (as the case may be) the competent supervisory authority under the Applicable MREL Regulation.]** (i) purchase Notes in the open market or otherwise and at any price and (ii) hold, resell or surrender such purchased Notes to the Fiscal Agent for cancellation. If purchases are made by tender, tenders for such Notes must be made available to all Noteholders of such Notes alike.

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 12

NOTICES

(1) *Publication.* All notices concerning the Notes shall be published [on the website of the Issuer under the link: **[•]** [and] [on the website of the Luxembourg Stock Exchange, www.bourse.lu] [in a leading daily newspaper having general circulation in Luxembourg. This newspaper is expected to be [the Tageblatt (Luxembourg)] [insert other applicable newspaper having general circulation]]. If publication [on this website] [in this newspaper] is not possible, the notices shall be published in [another] [a] newspaper having general circulation in Luxembourg.

[In the case of Notes listed on the Vienna Stock Exchange insert: All notices concerning the Notes shall also be published [in a leading daily newspaper having general circulation in Austria. This newspaper is expected to be [Amtsblatt zur Wiener Zeitung] [insert other applicable newspaper having general circulation] If publication in this newspaper is not possible, the notices shall be published in another newspaper having general circulation in Austria.]

The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange on which the Notes are listed. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of the first such publication). **[In the case applicable rules require additional publication of notices, insert applicable provisions regarding additional publication of notices.]**

[In the case of Notes which are listed on the Official List of the Luxembourg Stock Exchange or the Vienna Stock Exchange the following applies:

[(2)] Notification to Clearing System.

The Issuer may, in lieu of the publication set forth in subparagraph (1) above, deliver the relevant notice to the Clearing System, for communication by the Clearing System to the Noteholders **[in the case of Notes listed on a Stock Exchange insert: , provided that the rules of the stock exchange on which the Notes are listed permit such**

form of notice]. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to the Clearing System.

§ 13

APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Exclusion of the Applicability of the Austrian Notes Trustee Act.* To the extent legally permissible, the applicability of the provisions of the Austrian Notes Trustee Act (*Kuratorenengesetz*) and the Austrian Notes Trustee Supplementation Act (*Kuratorenenergänzungsgesetz*) is explicitly excluded in relation to the Notes.

(2) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, **[in the case of Unsubordinated Notes other than Covered Bonds or Senior Non-Preferred Notes insert: shall be governed by [German] [Austrian] law [in the case of Senior Non-Preferred Notes insert: shall be governed by [German][Austrian] law [In case of German law insert: except for conditions relating to the subordination which will be governed by Austrian law]]**[In case of Covered Bonds insert: shall be governed by [German] [Austrian] law and comply with Austrian Law on Covered Bonds of Banks dated 27 December 1905 (*Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen*, Imperial Law Gazette No. 213/1905 as amended – the "**Law on Covered Bonds of Banks**").] **[In the case of Subordinated Notes insert: shall be governed by [German] [Austrian] law [except for conditions relating to the subordination which will be governed by Austrian law]].**

(3) *Submission to Jurisdiction.* The district court (*Landgericht*) in Frankfurt am Main shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.

[In the case of Covered Bonds, Subordinated Notes and Notes subject to Austrian law and for which an Austrian Fiscal Agent has been appointed replace by: (3a) Submission to Jurisdiction. The competent court in Vienna shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.]

[In case of Notes offered in Austria: (3b) Any claims raised by or against Austrian consumers shall be subject to the statutory jurisdiction set forth by the Austrian Consumer Protection Act and the Jurisdiction Act (*Jurisdiktionsnorm*).]

(4) *Enforcement.* Any Noteholder of Notes may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Noteholder maintains a securities account in respect of the Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognized standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System. Each Noteholder may, without prejudice to the foregoing, protect and enforce his rights under the Notes also in any other way which is admitted in Proceedings in the country in which the Proceedings take place.

§ 14

LANGUAGE

[If the Conditions are to be in the German language with an English language translation insert:

These Terms and Conditions are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is provided for convenience only.]

[If the Conditions are to be in the English language with a German language translation insert:

These Terms and Conditions are written in the English language and provided with a German language translation. The English text shall be controlling and binding. The German language translation is provided for convenience only.]

[If the Conditions are to be in the English language only insert:

These Terms and Conditions are written in the English language only.]

[In the case of Notes which are to be publicly offered, in whole or in part, in Germany or distributed, in whole or in part, to non-professional investors in Germany with English language Conditions insert:

Eine deutsche Übersetzung der Emissionsbedingungen wird bei der [BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft, Wiedner Gürtel 11, A-1100 Wien, Republik Österreich][BAWAG Group AG, Wiedner Gürtel 11, A-1100 Wien, Republik Österreich] und bei der [●] zur kostenlosen Ausgabe bereitgehalten.]

* * *

OPTION III – Terms and Conditions for Notes with fixed to floating interest rates

Terms and Conditions of the Notes

§ 1

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency; Denomination.* This Series of Notes (the "Notes") of [in case BAWAG is the Issuer of the Notes (other than Covered Bonds) insert: BAWAG Group AG][in case BAWAG P.S.K. is the Issuer of the Notes insert: BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft] (the "Issuer") is being issued in [insert Specified Currency] (the "Specified Currency") in the aggregate principal amount of [insert aggregate principal amount] (in words: [insert aggregate principal amount in words]) in the denomination of [insert specified Denomination] (the "specified Denomination").]

(2) *Form.* The Notes are being issued in bearer form.

[In the case of Notes which are represented by a Permanent Global Note insert:

(3) *Permanent Global Note.* The Notes are represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Permanent Global Note shall be signed manually by two authorised signatories of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.]

[In the case of Notes which are initially represented by a Temporary Global Note insert:

(3) *Temporary Global Note – Exchange.*

(a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in the specified Denomination represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed manually by two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.

(b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not later than 180 days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1 (3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 4 (3)).]

(4) *Clearing System.* The Permanent Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means [if more than one Clearing System insert: each of] the following: [OeKB CSD GmbH ("**OeKB CSD**")] [Clearstream Banking, société anonyme, Luxembourg, ("**CBL**")] [Euroclear Bank SA/NV, as operator of the Euroclear System ("**Euroclear**")], [and] [specify other Clearing System].

[In the case of Notes kept in custody on behalf of the ICSDs insert:

[In the case the Global Note is an NGN insert: The Notes are issued in new global note ("**NGN**") form and are kept in custody by a common safekeeper on behalf of both ICSDs.]

[In the case of Euroclear and CBL and if the Global Note is a Eurosystem Eligible NGN insert:

The Notes are issued in new global note ("**NGN**") form and are kept in custody by a common safekeeper on behalf of both ICSDs. The principal amount of Notes represented by the Global Note shall be the aggregate amount from

time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount Notes represented by the Global Note.

On any redemption in respect of, or purchase by or on behalf of the Issuer and cancellation of, any of the Notes represented by this [Temporary] [Permanent] Global Note details of such redemption or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in the records of the ICSDs. The principal amount of Notes represented by the [Temporary] [Permanent] Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount of Notes represented by the [Temporary] [Permanent] Global Note and, for these purposes, a statement issued by ICSD stating the principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time. For technical procedure of the ICSDs, in the case of the exercise of a Call Option relating to a partial redemption the outstanding redemption amount will be reflected in the records of the ICSDs as either a nominal reduction or as a pool factor, at the discretion of the ICSDs.]]

(5) *Conditions*. "**Conditions**" means these Terms and Conditions of the Notes.

(6) *Noteholder*. "**Noteholder**" means any holder of a proportionate co-ownership or other beneficial interest in the Notes.

[In the case of Unsubordinated Notes which are not Covered Bonds or Senior Non-Preferred Notes insert:

§ 2 STATUS

(1) The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer except for any obligations preferred by law.

(2) The Notes are intended to qualify as Eligible MREL Instruments.

"**Applicable MREL Regulation**" means the laws, regulations, requirements, guidelines and policies relating to the minimum requirements for own funds and eligible liabilities, as applicable from time to time.

"**Eligible MREL Instrument**" means any (directly issued) debt instrument of the Issuer that qualifies for the minimum requirements for own funds and eligible liabilities (MREL) pursuant to the Applicable MREL Regulation.

"**MREL**" means the minimum requirements for own funds and eligible liabilities from time to time pursuant to the Applicable MREL Regulation.

(3) No Noteholder has at any time a right to set-off his claims under the Notes against any claim the Issuer has or may have against such Noteholder. Neither the Issuer nor any third party may secure the rights under the Notes by providing any form of guarantee or security in favour of the Noteholders. No such guarantee or security may be provided at any later time. No subsequent agreement may limit the subordination pursuant to the provisions set out in this § 2 or amend the Maturity Date in respect of the Notes to any earlier date or shorten any applicable notice period (*Kündigungsfrist*).

*Note to the Noteholders of Unsubordinated Notes which are not Covered Bonds or Senior Non-Preferred Notes: In respect of the Status, reference is made to the risk for Unsubordinated Notes which are not Covered Bonds or Senior Non-Preferred Notes of a regulatory allocation of losses by the write-down or conversion of liabilities in the context of an application of the Austrian Federal Act on the Recovery and Resolution of Banks ("**BaSAG**") as more fully described in the risk factor entitled "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("**BaSAG**") , including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss." in the Base Prospectus dated 18 March 2019.]*

[In the case of Senior Non-Preferred Notes insert:

§ 2 STATUS

(1) The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer, provided that they are non-preferred senior obligations of the Issuer under debt instruments which meet the criteria pursuant to § 131 (3) nos. 1–3 BaSAG. Therefore, in the event of the insolvency or the liquidation of the Issuer, claims on the principal amount of the Notes rank: (i) junior to all other present or future unsecured and unsubordinated instruments or obligations of the Issuer which do not meet the criteria pursuant to § 131 (3) nos. 1–3 BaSAG; (ii) *pari passu*: (A) among themselves; and (B) with all other present or future non-preferred senior instruments or obligations of the Issuer which meet the criteria pursuant to § 131 (3) nos. 1–3 BaSAG (other than senior instruments or obligations of the Issuer ranking or expressed to rank senior or junior to the Notes); and (iii) senior to all present or future claims under: (A) ordinary shares and other common equity tier 1 instruments pursuant to Article 28 CRR of the Issuer; (B) additional tier 1 instruments pursuant to Article 52 CRR of the Issuer; (C) tier 2 instruments pursuant to Article 63 CRR; and (D) all other subordinated instruments or obligations of the Issuer.

"**BaSAG**" means the Austrian Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*), as amended or replaced from time to time; to the extent that any provisions of the BaSAG are amended or replaced, the reference to provisions of the BaSAG as used in these Conditions shall refer to such amended provisions or successor provisions from time to time.

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended or replaced from time to time; to the extent that any provisions of the CRR are amended or replaced, the reference to provisions of the CRR as used in these Conditions shall refer to such amended provisions or successor provisions from time to time.

(2) The Notes shall qualify as Eligible MREL Instruments.

"**Applicable MREL Regulation**" means the laws, regulations, requirements, guidelines and policies relating to the minimum requirements for own funds and eligible liabilities, as applicable from time to time.

"**Eligible MREL Instrument**" means any (directly issued) debt instrument of the Issuer that qualifies for the minimum requirements for own funds and eligible liabilities (MREL) pursuant to the Applicable MREL Regulation.

"**MREL**" means the minimum requirements for own funds and eligible liabilities from time to time pursuant to the Applicable MREL Regulation.

(3) No Noteholder has at any time a right to set-off his claims under the Notes against any claim the Issuer has or may have against such Noteholder. Neither the Issuer nor any third party may secure the rights under the Notes by providing any form of guarantee or security in favour of the Noteholders. No such guarantee or security may be provided at any later time. No subsequent agreement may limit the subordination pursuant to the provisions set out in this § 2 or amend the Maturity Date in respect of the Notes to any earlier date or shorten any applicable notice period (*Kündigungsfrist*).

Note to the Noteholders of Senior Non-Preferred Notes: In respect of the Status, reference is made to the higher risk for Senior Non-Preferred Notes of a regulatory allocation of losses by the write-down or conversion of liabilities in the context of an application of the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG") as more fully described in the risk factor entitled "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss." in the Base Prospectus dated 18 March 2019.]

[In the case of Subordinated Notes insert:

§ 2 STATUS

(1) The obligations under the Notes constitute unsecured and subordinated obligations of the Issuer ranking *pari passu* (i) among themselves; (ii) with all other present or future (x) Tier 2 Instruments (as defined below) and (y) instruments or obligations ranking or expressed to rank *pari passu* with the Notes; and (iii) with all other obligations of the Issuer subordinated in such manner. In the event of the insolvency or the liquidation of the

Issuer, the obligations under the Notes may be satisfied only after (i) the unsubordinated claims of creditors of the Issuer and (ii) all other instruments or obligations of the Issuer ranking or expressed to rank subordinated to unsubordinated obligations of the Issuer (other than instruments or obligations of the Issuer ranking or expressed to rank *pari passu* with or subordinated to the Notes) have been satisfied.

For the avoidance of doubt, Noteholders will not participate in any reserves of the Issuer or in liquidation profits (*Liquidationsgewinn*) within the meaning of § 8 (3) no. 1 of the Austrian Corporate Income Tax Act 1988 (*Körperschaftsteuergesetz 1988*) in the event of the Issuer's liquidation.

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended or replaced from time to time; to the extent that any provisions of the CRR are amended or replaced, the reference to provisions of the CRR as used in these Conditions shall refer to such amended provisions or successor provisions from time to time.

"**Tier 2 Instrument**" means any (directly or indirectly issued) capital instrument or subordinated loan instrument of the Issuer that qualifies as Tier 2 instrument pursuant to Article 63 CRR, including any capital instrument or subordinated loan instrument that qualifies as Tier 2 instrument pursuant to transitional provisions under the CRR.

(2) No Noteholder has at any time a right to set-off his claims under the Notes against any claim the Issuer has or may have against such Noteholder. Neither the Issuer nor any third party may secure the rights under the Notes by providing any form of guarantee or security in favour of the Noteholders. No such guarantee or security may be provided at any later time. No subsequent agreement may limit the subordination pursuant to the provisions set out in this § 2 or amend the Maturity Date in respect of the Notes to any earlier date or shorten any applicable notice period (*Kündigungsfrist*).

*Note to the Noteholders of Subordinated Notes: In respect of the Status, reference is made to the higher risk for Subordinated Notes of a regulatory allocation of losses by the write-down or conversion of liabilities in the context of an application of the Austrian Federal Act on the Recovery and Resolution of Banks ("**BaSAG**") as more fully described in the risk factor entitled "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("**BaSAG**")", including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss." in the Base Prospectus dated 18 March 2019.]*

[In the case of Covered Bonds insert:

§ 2 STATUS

(1) The obligations under the Notes constitute unsubordinated obligations of the Issuer ranking *pari passu* among themselves. The Notes are secured by a cover pool pursuant to the Austrian Law on Covered Bonds of Banks dated 27 December 1905 (*Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen*, Imperial Law Gazette No. 213/1905 as amended – the "**Law on Covered Bonds of Banks**") and pursuant to number 14 of the Articles of Association of the Issuer.

[In the case of Covered Bonds covered by a mortgage-backed pool of assets insert:

(2) In accordance with the Austrian Law on Covered Bonds of Banks, the Issuer is obliged to designate assets to cover the Notes and to satisfy claims arising out of these Covered Bonds (*Fundierte Bankschuldverschreibungen*) from the designated assets (security) ahead of other claims. In accordance with section 1 para 9 of the Austrian Law on Covered Bonds of Banks, the Notes are secured by the Issuer's mortgage-backed pool of assets (hypothekarischer Deckungsstock), which consists primarily of assets in accordance with section 1 para 5 item 1 and 2 of the Austrian Law on Covered Bonds of Banks. The level of coverage provided by such assets shall be in accordance with the Austrian Law on Covered Bonds of Banks and the Issuer's Articles of Association. The Issuer is obliged to register the assets that are designated to secure the Notes separately in a cover register. Assets in accordance with section 1 para 5 item 2 of the Austrian Law on Covered Bonds of Banks may be included in the cover register only after their security status has been registered with the respective public records.]

[In the case of Covered Bonds covered by a public sector cover pool insert:

(2) In accordance with the Austrian Law on Covered Bonds of Banks, the Issuer is obliged to designate assets to cover the Notes and to satisfy claims arising out of these Covered Bonds (*Fundierte Bankschuldverschreibungen*)

from the designated assets (security) ahead of other claims. In accordance with section 1 para 9 of the Austrian Law on Covered Bonds of Banks, the Notes are secured by the Issuer's **public sector cover pool** (öffentlicher Deckungsstock), which primarily consist of assets held against or secured by public debtors in accordance with section 1 para 5 items 3 and 4 of the Austrian Law on Covered Bonds of Banks. The level of coverage provided by such assets shall be in accordance with the Austrian Law on Covered Bonds of Banks and the Issuer's Articles of Association. The Issuer is obliged to register the assets that are designated to secure the Notes separately in a cover register.]

(3) In the event of the insolvency or the liquidation of the Issuer (or if the Issuer otherwise fails to make payments in respect of the Notes in accordance with these Conditions), the claims of the Noteholders of the Covered Bonds (*Fundierte Bankschuldverschreibungen*) may be satisfied out of the assets listed in the appropriate cover register in accordance with the Austrian Law on Covered Bonds of Banks, the Articles of Association of the Issuer and these Conditions.]

§ 3 INTEREST

(1) (a) *Fixed Interest*. The Notes shall bear interest on their principal amount at the rate of **[Rate of Interest]** per cent. *per annum* from (and including) **[Interest Commencement Date]** to (but excluding) **[relevant last fixed Interest Payment Date]**.

Interest shall be payable in arrear on **[Fixed Interest Date or Dates]** [annually] [semi-annually] [quarterly] [monthly] (each such date, a "**Fixed Interest Payment Date**"). The first payment of interest shall be made on **[First Interest Payment Date]** [in the case of a first long or short coupon the following applies: and will amount to **[Initial Broken Amount(s)]**].

(b) *Day Count Fraction for the period of fixed interest*. "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

[In the case of Actual/Actual (ICMA Rule 251) with annual interest payments (excluding the case of short or long coupons) the following applies:

the actual number of days in the Calculation Period divided by the actual number of days in the respective interest period.]

[In the case of Actual/Actual (ICMA Rule 251) with annual interest payments (including the case of short coupons) the following applies:

the actual number of days in the Calculation Period divided by the actual number of days in the Reference Period in which the Calculation Period falls.]

[In the case of Actual/Actual (ICMA Rule 251) with two or more constant interest periods (including the case of short coupons) within an interest year the following applies:

the number of days in the Calculation Period divided by the product of (1) the number of days in the Reference Period in which the Calculation Period falls and (2) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year.]

[In the case Actual/Actual (ICMA Rule 251) is applicable and the Calculation Period is longer than one Reference Period (long coupon) the following applies:

the sum of:

(i) the number of days in such Calculation Period falling in the Reference Period in which the Calculation Period begins divided by **[In the case of Reference Periods of less than one year the following applies:** the product of (x)] the number of days in such Reference Period **[In the case of Reference Periods of less than one year the following applies:** and (y) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year]; and

(ii) the number of days in such Calculation Period falling in the next Reference Period divided by **[In the case of Reference Periods of less than one year the following applies:** the product of (x)] the number of days in such Reference Period **[In the case of Reference Periods of less than one year the following applies:** and

(y) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year.].]

[The following applies for all options of Actual/ Actual (ICMA Rule 251) except for option Actual/Actual (ICMA Rule 251) with annual interest payments (excluding the case of first or last short or long coupons):

"Reference Period" means the period from (and including) the Interest Commencement Date to, but excluding, the first Interest Payment Date or from (and including) each Interest Payment Date to, but excluding the next Interest Payment Date. **[In the case of a short first or last Calculation Period the following applies:** For the purposes of determining the relevant Reference Period only, **[deemed Interest Payment Date]** shall be deemed to be an Interest Payment Date.] **[In the case of a long first or last Calculation Period the following applies:** For the purposes of determining the relevant Reference Period only, **[deemed Interest Payment Dates]** shall each be deemed to be an Interest Payment Date.]

Actual/Actual (ISDA) insert: (ISDA) the actual number of days in the Calculation Period divided by 365 (or, if any **portion** of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).]

[In the case of Actual/365 (Fixed) the following applies:

the actual number of days in the Calculation Period divided by 365.]

[In the case of Actual/360 the following applies:

the actual number of days in the Calculation Period divided by 360.]

[In the case of 30/360, 360/360 or Bond Basis the following applies:

the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the Final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

[if 30E/360 or Eurobond Basis insert: the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period) unless, in the case of the final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month.])

(2) *Variable Interest.*

(a) The **Notes** shall bear interest on their principal amount from (and including) **[relevant last fixed Interest Payment Date]** to (but excluding) the next following Variable Interest Payment Date. Interest on the Notes shall be payable on each Variable Interest Payment Date.

(b) **"Variable Interest Payment Date"** means

[In the case of Specified Interest Payment Dates the following applies:

each **[insert Specified Variable Interest Payment Dates].]**

[In the case of Specified Interest Periods the following applies:

each date which (except as otherwise provided in these Terms and Conditions) falls **[number] [weeks] [months] [other specified periods]** after the preceding Variable Interest Payment Date.]

(c) If any Variable Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be:

[If Modified Following Business Day Convention the following applies:

postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the payment date shall be the immediately preceding Business Day.]

[If FRN Convention the following applies:

postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the payment date shall be the immediately preceding Business Day and (ii) each subsequent Variable Interest Payment Date shall be the last Business Day in the month which falls **[[number] months] [other specified periods]** after the preceding applicable payment date.]

[If Following Business Day Convention insert:

postponed to the next day which is a Business Day. The holder shall not be entitled to demand further interests or other payments due to this adjustment.]

[If Preceding Business Day Convention insert:

the immediately preceding Business Day.]

(d) In this § 3 "**Business Day**" means

[In the case the Specified Currency is not EUR the following applies:

a day which is day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in **[relevant financial centre(s)]** **[.][and]**

[In the case the Clearing System and TARGET shall be open the following applies:

a day (other than a Saturday or a Sunday) on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET**") are open to effect payments.]

[In the case the offered quotation for deposits in the Specified Currency is EURIBOR the following applies:

(3) *Rate of Interest.* The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined below) will, except as provided below and subject to § 3 (4), be the offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for that Interest Period which appears on the Screen Page as of **[insert time] ([insert relevant time zone])** on the Interest Determination Date (as defined below) (the "**Reference Rate**") **[multiplied by a factor][and] [if Margin insert: [plus] [minus] [in case of a Maximum Rate of Interest insert: with a maximum Rate of Interest of [Maximum Rate of Interest]] [in case of a Minimum Rate of Interest insert: with a minimum Rate of Interest of [Minimum Rate of Interest]] the Margin (as defined below)]**, all as determined by the Calculation Agent.

"**Euro-Zone**" means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992), the Amsterdam Treaty of 2 October 1997 and the Treaty of Lisbon of 13 December 2007, as further amended from time to time.

"**Interest Period**" means each period from (and including) each Variable Interest Payment Date to (but excluding) the following Variable Interest Payment Date.

"**Interest Determination Date**" means the **[number] [TARGET][insert relevant location]** Business Day prior to the **[commencement][end]** of the relevant Interest Period. "**TARGET Business Day**" means a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET**") are open to effect payments.]

["**[insert relevant location] Business Day**" means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in **[insert relevant location].]**

["**Margin**" means **[insert margin]** per cent. *per annum.*]

"**Reference Banks**" means **[insert relevant number]** major banks in the interbank market of the Euro-Zone or in the London interbank market.

"**Screen Page**" means Reuters screen page "[EURIBOR01]" or any successor page.

If the Screen Page is not available or if no such quotation appears as at such time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the interbank market of the Euro-Zone at approximately **[insert time] ([insert relevant time zone])** on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such rates were offered, as at **[insert time] ([insert relevant time zone])** on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the interbank market of the Euro-Zone or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the interbank market of the Euro-Zone (or, as the case may be, the quotations of such bank or banks to the Calculation Agent). If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such quotations were offered (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).]

[In the case the offered quotation for deposits in the Specified Currency is LIBOR the following applies:

(3) Rate of Interest. The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined below) will, except as provided below and subject to § 3(4), be the offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for that Interest Period which appears on the Screen Page as of **[insert time]([insert relevant time zone] time)** on the Interest Determination Date (as defined below)(the "**Reference Rate**") **[multiplied by a factor][and] [if Margin insert: [plus] [minus] [in case of a Maximum Rate of Interest insert: with a maximum Rate of Interest of [Maximum Rate of Interest]] [in case of a Minimum Rate of Interest insert: with a minimum Rate of Interest of [Minimum Rate of Interest]] the Margin (as defined below)],** all as determined by the Calculation Agent.

"**Interest Period**" means each period from (and including) each Variable Interest Payment Date to (but excluding) the following Variable Interest Payment Date.

"**Interest Determination Date**" means the **[number] [TARGET][insert relevant location] Business Day** prior to the **[commencement][end]** of the relevant Interest Period.

["**TARGET Business Day**" means a day (other than a Saturday or a Sunday) on which TARGET2 (Trans-European Automated Real-time Gross Settlement Express Transfer System) settles payments.]

"**[insert relevant location] Business Day**" means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in **[insert relevant location]**.

"**Margin**" means **[insert margin]** per cent. *per annum*.

"**Reference Banks**" means **[insert relevant number]** major banks in the **[insert relevant financial centre]** interbank market.

"**Screen Page**" means Reuters screen page "[LIBOR01][LIBOR02]" or any successor page.

If the Screen Page is not available or if no such quotation appears as at such time, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the London interbank market at approximately **[insert time]** (**[insert relevant time zone]**) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such rates were offered, as at **[insert time]** (**[insert relevant time zone]**) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the London interbank market or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the London interbank market (or, as the case may be, the quotations of such bank or banks to the Calculation Agent). If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such quotations were offered (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In case the offered quotation is determined on the basis of the CMS, the following applies:

(3) *Rate of Interest.* The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined below) is determined by the Calculation Agent (as defined in § 6) in accordance with the following formula:

$$\frac{[\text{Min}][\text{Max}](\frac{[\text{Max}][\text{Min}](\frac{([\bullet]\text{-years } [\text{insert relevant currency}] \text{ CMS} * [\text{insert factor}] [-] [+]}{([\bullet]\text{-years } [\text{insert relevant currency}] \text{ CMS} * [\text{insert factor}] [+]} - [\text{insert Margin}])}{([\bullet]\text{-years } [\text{insert relevant currency}] \text{ CMS} * [\text{insert factor}] [+]} - [\text{insert Margin}])}; \frac{([\bullet]\text{-years } [\text{insert relevant currency}] \text{ CMS} * [\text{insert factor}] [-] [+]}{([\bullet]\text{-years } [\text{insert relevant currency}] \text{ CMS} * [\text{insert factor}] [+]} - [\text{insert Margin}])}{([\bullet]\text{-years } [\text{insert relevant currency}] \text{ CMS} * [\text{insert factor}] [-] [+]} + \frac{([\bullet]\text{-years } [\text{insert relevant currency}] \text{ CMS} * [\text{insert factor}] [+]}{([\bullet]\text{-years } [\text{insert relevant currency}] \text{ CMS} * [\text{insert factor}] [+]} - [\text{insert Margin}])})}{([\bullet]\text{-years } [\text{insert relevant currency}] \text{ CMS} * [\text{insert factor}] [-] [+]} + \frac{([\bullet]\text{-years } [\text{insert relevant currency}] \text{ CMS} * [\text{insert factor}] [+]}{([\bullet]\text{-years } [\text{insert relevant currency}] \text{ CMS} * [\text{insert factor}] [+]} - [\text{insert Margin}])})$$

"**[insert relevant currency] CMS**" is, subject to § 3 (4), the annual swap rate expressed as a percentage for **[insert relevant currency]** swap transactions with a maturity in years as specified in the above formula, which appears on the Screen Page (as defined below) on the Interest Determination Date (as defined below) under the heading "**[insert relevant heading]**" and above the caption "**[insert time and relevant time zone]**" as of **[insert time]** (**[insert relevant time zone]**)(each such **[bullet]**-years **[insert relevant currency]** CMS a "**Reference Rate**"), all as determined by the Calculation Agent.

"**Interest Period**" means each period from (and including) each Variable Interest Payment Date to (but excluding) the following Variable Interest Payment Date. As long as the Interest Payment Date is not a Business Day, the Interest Period will be **[adjusted pursuant to § 3 (1)(c)]** **[unadjusted]**.

"Interest Determination Date" means the [number] [TARGET][insert relevant location] Business Day prior to the [commencement][end] of the relevant Interest Period.

["Margin" means [insert margin] per cent. *per annum*.]

"Reference Banks" means [insert relevant number] leading swap dealers in the [insert relevant financial centre] interbank market.]

"Screen Page" means [Screen Page] or any successor page.

If the Screen Page permanently ceases to quote the relevant [insert relevant currency] CMS but such quotation is available from another page selected by the Calculation Agent in equitable discretion (the "Replacement Screen Page"), the Replacement Screen Page shall be used for the purpose of the calculation of the Rate of Interest.

If the Screen Page is not available or if no such [insert relevant currency] CMS appears (in each case as at such time), and if there is following the verification of the Calculation Agent no Replacement Screen Page available, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the arithmetic mean of the bid and offered rates for an annual fixed leg of a euro interest rate swap transaction in an amount that is representative for a single swap transaction in the market for swaps (expressed as a percentage rate *per annum*) with an acknowledged dealer of good credit in the swap market at approximately [insert time] ([insert relevant time zone]) on the Interest Determination Date.

If three or more of the Reference Banks provide the Calculation Agent with such quotations, the [insert relevant currency] CMS for such Interest Period shall be the arithmetic mean (rounded up- or downwards if necessary) of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in case of equality, one of the lowest), all as determined by the Calculation Agent.

If only two or less of the Reference Banks provides the Calculation Agent with such quotations, the [insert relevant currency] CMS for the relevant Interest Period shall be the rate as displayed on the Screen Page on the last day preceding the Interest Determination Date on which such rate was displayed.

["TARGET Business Day" means a day (other than a Saturday or a Sunday) on which TARGET2 (Trans-European Automated Real-time Gross Settlement Express Transfer System) settles payments.]

["[insert relevant location] Business Day" means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [insert relevant location].]

(4) *Benchmark Discontinuation.*

(a) *Independent Adviser.* If a Benchmark Event occurs in relation to a Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with § 3 (4)(b)) and, in either case, an Adjustment Spread, if any (in accordance with § 3 (4)(c)) and any Benchmark Amendments (in accordance with § 3 (4)(d)).

In the absence of gross negligence and wilful misconduct, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Calculation Agent or the Noteholders for any determination made by it pursuant to this § 3 (4).

If (A) the Issuer is unable to appoint an Independent Adviser or (B) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this § 3 (4) prior to the relevant Interest Determination Date, the Reference Rate applicable to the immediate following Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this § 3 (4) shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this § 3 (4).

- (b) *Successor Rate or Alternative Rate.* If the Independent Adviser determines in its discretion that: (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in § 3 (4)(c)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this § 3 (4); or (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in § 3 (4)(c)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this § 3 (4).
- (c) *Adjustment Spread.* If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).
- (d) *Benchmark Amendments.* If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this § 3 (4) and the Independent Adviser determines in its discretion (A) that amendments to these Terms and Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (B) the terms of the Benchmark Amendments, then, subject to the Issuer giving notice thereof in accordance with § 3 (4)(e), such Benchmark Amendments shall apply to the Notes with effect from the date specified in such notice.
- (e) *Notices, etc.* The Issuer will notify without undue delay any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this § 3 (4) to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with § 12, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

Together with such notice, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorized signatories of the Issuer: (A) (x) confirming that a Benchmark Event has occurred, (y) specifying the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) specifying any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this § 3 (4); and (B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.

The Successor Rate or Alternative Rate, the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate, such Adjustment Spread (if any) and such Benchmark Amendments (if any) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

- (f) *Survival of Reference Rate.* Without prejudice to the obligations of the Issuer under § 3 (4)(a), (b), (c) and (d), the Reference Rate and the fallback provisions provided for in the definition of the term "Screen Page" in § 3 (3) will continue to apply unless and until a Benchmark Event has occurred.
- (g) *Definitions.* As used in this § 3 (4):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which: (1) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; (2) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is recognized or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (3) (if the Independent Adviser determines that no such industry standard is recognized or acknowledged) the Independent Adviser determines to be appropriate.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with § 3 (4)(b) is customary in market usage in the international debt capital markets for the

purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

"Benchmark Amendments" has the meaning given to it in § 3 (4)(d).

"Benchmark Event" means: (1) the Reference Rate ceasing to be published for a period of at least five (5) Business Days or ceasing to exist; or (2) a public statement by the administrator of the Reference Rate that it will cease publishing the Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue the publication of the Reference Rate); or (3) a public statement by the supervisor of the administrator of the Reference Rate, that the Reference Rate has been or will permanently or indefinitely discontinued; or (4) a public statement by the supervisor of the administrator of the Reference Rate as a consequence of which the Reference Rate will be prohibited from being used either generally, or in respect of the relevant Notes; or (5) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any Rate of Interest using the Reference Rate.

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer under § 3 (4)(a).

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable): (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or (2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"Successor Rate" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

[In the case of Senior Non-Preferred Notes and Subordinated Notes insert:

(h) No adjustment to the Reference Rate will be made in accordance with this § 3 (4) in case of a Benchmark Event if and to the extent that as a result of such adjustment the Issuer would be entitled to redeem the Notes for regulatory reasons in accordance with § 5 (3).]

[In the case of Unsubordinated Notes (which are not Covered Bonds or Senior Non-Preferred Notes) insert:

(h) No adjustment to the Reference Rate will be made in accordance with this § 3 (4) in case of a Benchmark Event if and to the extent that as a result of such adjustment an MREL Disqualification Event would occur.

"MREL Disqualification Event" means the determination by the Issuer, at any time, that the Notes, in full or in part, (i) do not constitute Eligible MREL Instruments, or (ii) there is a change in the regulatory classification of the Notes that would likely result or has resulted in the exclusion of the Notes from the Eligible MREL Instruments, provided that in each case an MREL Disqualification Event shall not occur on the basis (i) that the remaining maturity of the Notes is less than any period prescribed by any Applicable MREL Regulation, and/or (ii) of any applicable limits on the amount of Eligible MREL Instruments permitted or allowed to meet MREL under the Applicable MREL Regulation.]

[If Minimum and / or Maximum Rate of Interest applies insert:

[(4)|(5)] [Minimum] [and] [Maximum] *Rate of Interest.*

[If Minimum Rate of Interest applies insert: If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is less than **[Minimum Rate of Interest]**, the Rate of Interest for such Interest Period shall be **[Minimum Rate of Interest].**]

[If Maximum Rate of Interest applies insert: If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is greater than **[Maximum Rate of Interest]**, the Rate of Interest for such Interest Period shall be **[Maximum Rate of Interest].**]

[(5)|(6)] *Interest Amount.* The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable on the Notes in respect of the Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to the Specified Denomination and rounding the resultant figure, with 0.5 of such unit being rounded upwards.

[(6)|(7)] *Notification of Rate of Interest and Interest Amount.* The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Variable Interest Payment Date to be notified to the Issuer and to the Noteholders in accordance with § 12 as soon as possible after their determination, but in no event later than the fourth [London] [TARGET2] [insert relevant location] Business Day (as defined in § 3 (2) thereafter and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange, as soon as possible after their determination, but in no event later than the first day of the relevant Interest Period. Each Interest Amount and Variable Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are then listed and to the Noteholders in accordance with § 12.

[(7)|(8)] *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent [, the Paying Agent] and the Noteholders.

[(8)|(9)] *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the expiry of the day preceding the day of the actual redemption of the Notes. The applicable Rate of Interest will be the default rate of interest established by law.⁷

[(9)|(10)] Day Count Fraction for the period of variable interest. "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

[In the case of Actual/Actual (ICMA Rule 251) with annual interest payments (excluding the case of short or long coupons) the following applies:

the actual number of days in the Calculation Period divided by the actual number of days in the respective interest period.]

[In the case of Actual/Actual (ICMA Rule 251) with annual interest payments (including the case of short coupons) the following applies:

the actual number of days in the Calculation Period divided by the actual number of days in the Reference Period in which the Calculation Period falls.]

[In the case of Actual/Actual (ICMA Rule 251) with two or more constant interest periods (including the case of short coupons) within an interest year the following applies:

the number of days in the Calculation Period divided by the product of (1) the number of days in the Reference Period in which the Calculation Period falls and (2) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year.]

[In the case Actual/Actual (ICMA Rule 251) is applicable and the Calculation Period is longer than one Reference Period (long coupon) the following applies:

⁷ Under German law, the default rate of interest established by law is five percentage points above the basic rate of interest published by *Deutsche Bundesbank* from time to time, §§ 288 (1), 247 (1) German Civil Code (*Bürgerliches Gesetzbuch* – "**BGB**"). Under Austrian law, the default rate of interest is four percentage points *per annum* (§§ 1333, 1000 Austrian Civil Code – *Allgemeines Bürgerliches Gesetzbuch* – "**ABGB**"). Regarding monetary claims between entrepreneurs relating to entrepreneurial dealings, the default interest rate in case of a culpable default is 9.2 percentage points *per annum* above the basic rate of interest (§ 456 Austrian Commercial Code (*Unternehmensgesetzbuch* – "**UGB**")), otherwise also the default interest rate of four percentage points *per annum* applies.

the sum of:

- (i) the number of days in such Calculation Period falling in the Reference Period in which the Calculation Period begins divided by **[In the case of Reference Periods of less than one year the following applies:** the product of (x)] the number of days in such Reference Period **[In the case of Reference Periods of less than one year the following applies:** and (y) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year]; and
- (ii) the number of days in such Calculation Period falling in the next Reference Period divided by **[In the case of Reference Periods of less than one year the following applies:** the product of (x)] the number of days in such Reference Period **[In the case of Reference Periods of less than one year the following applies:** and (y) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year.].]

[The following applies for all options of Actual/ Actual (ICMA Rule 251) except for option Actual/Actual (ICMA Rule 251) with annual interest payments (excluding the case of first or last short or long coupons):

"Reference Period" means the period from (and including) each Variable Interest Payment Date to (but excluding) the following Variable Interest Payment Date.**[In the case of a short first or last Calculation Period the following applies: For the purposes of determining the relevant Reference Period only, [deemed Interest Payment Date] shall be deemed to be an floating Interest Payment Date.] [In the case of a long first or last Calculation Period the following applies: For the purposes of determining the relevant Reference Period only, [deemed Interest Payment Dates] shall each be deemed to be an floating Interest Payment Date.]**

[if Actual/Actual (ISDA) insert: (ISDA) the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).]

[In the case of Actual/365 (Fixed) the following applies: the actual number of days in the Calculation Period divided by 365.]

[In the case of Actual/360 the following applies: the actual number of days in the Calculation Period divided by 360.]

[In the case of 30/360, 360/360 or Bond Basis the following applies: the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

[In the case of 30E/360 or Eurobond Basis the following applies: [the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the Final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

§ 4 PAYMENTS

- (1) (a) *Payment of Principal.* Payment of principal in respect of Notes shall be made, subject to § 4 (2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the Global Note representing the Notes at the time of payment at the specified office of the Fiscal Agent outside the United States.
- (b) *Payment of Interest.* Payment of interest on Notes shall be made, subject to § 4 (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System.

[In the case of interest payable on a Temporary Global Note insert: Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to § 4 (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 1 (3)(b).]

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency.

(3) *United States.* For purposes of **[in the case of D Rules Notes insert: § 1 (3) and]** § 4 (1), "United States" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

(4) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(5) *Payment Business Day.* If the date for payment of any amount in respect of any Notes is not a Payment Business Day, then the Noteholders shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

"Payment Business Day" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System as well as **[if the Specified Currency is EUR insert: TARGET2 (Trans-European Automated Realtime Gross Settlement Express Transfer System) is open for the settlement of payments in Euro.] [if the Specified Currency is not EUR insert: commercial banks and foreign exchange markets settle payments in [insert all relevant financial centres].]**

(6) *References to Principal and Interest.* Reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes; the Early Redemption Amount of the Notes; **[if Notes are subject to Early Redemption at the Option of the Issuer and Call Redemption Amount(s) are specified insert: the Call Redemption Amount of the Notes;]** **[if redeemable at the option of the Noteholder insert: the Put Redemption Amount of the Notes;]** and any premium and any other amounts which may be payable under or in respect of the Notes. Reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

(7) *Deposit of Principal and Interest.* The Issuer may deposit with the *Amtsgericht* in Frankfurt am Main principal or interest not claimed by Noteholders within twelve months after the Maturity Date, even though such Noteholders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Noteholders against the Issuer shall cease.

§ 5 REDEMPTION

(1) *Redemption at Maturity.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[in the case of a specified Maturity Date insert such Maturity Date] [in the case of a Redemption Month insert: the Interest Payment Date falling in [insert Redemption Month]]** (the "Maturity Date"). The "Final Redemption Amount" in respect of each Note shall be **[its] [[•] per cent. of the] principal amount.**

(2) *Early Redemption for Reasons of Taxation.* If as a result of any change in, or amendment to, the laws or regulations of the Republic of Austria or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last Tranche of this series of Notes was issued, the Issuer is required to pay Additional Amounts (as defined in § 7 herein) on the next succeeding Interest Payment Date (as defined in § 3 (1)), and this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Notes may **[in the case of Subordinated Notes, insert: upon fulfilment of the Redemption Conditions pursuant to § 5 [(5)|(6)].]** **[in case of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes, insert: in accordance with and subject to the Applicable MREL Regulation (as defined in § 2 (2)),]** be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days nor less than 30 days prior notice of redemption given to the Fiscal Agent and, in accordance with § 12 to the Noteholders, at their Early Redemption Amount (as defined below), together with interest (if any) accrued to the date fixed for redemption. However, no

such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts or make such deduction or withholding does not remain in effect. **[In the case of floating rate notes insert:** The scheduled redemption date shall be an Interest Payment Date.]

Any such notice shall be given in accordance with § 12. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

[In the case of Subordinated Notes insert:

(3) *Early Redemption for Regulatory Reasons.* If a Regulatory Event occurs and the Redemption Conditions are met, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days nor less than 30 days prior notice of redemption given to the Fiscal Agent and, in accordance with § 12 to the Noteholders, at their Early Redemption Amount (as defined below), together with interest (if any) accrued to the date fixed for redemption. Such notice may not be given, however, later than 90 days following such Regulatory Event. Any such notice shall be irrevocable, shall be given in accordance with § 12 and, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

A "**Regulatory Event**" will occur if there is a change in the regulatory classification of the Notes under the Relevant Regulations that would be likely to result or has resulted in their exclusion in full or in part from own funds or reclassification as a lower quality form of own funds [on a consolidated basis of the BAWAG Regulatory Group] [and/or] [on an individual basis of the Issuer].

"**Competent Authority**" means the competent authority pursuant to Article 4(1)(40) CRR and/or Article 9(1) SSM Regulation, in each case, which is responsible to supervise BAWAG Regulatory Group and/or (as the case may be) the Issuer.

"**BAWAG Regulatory Group**" means, from time to time, any banking group: (i) to which the Issuer belongs; and (ii) to which the own funds requirements pursuant to Parts Two and Three of the CRR on a consolidated basis due to prudential consolidation in accordance with Part One, Title Two, Chapter Two of the CRR apply.

"**BWG**" means the Austrian Banking Act (*Bankwesengesetz – BWG*), as amended or replaced from time to time; to the extent that any provisions of the BWG are amended or replaced, the reference to provisions of the BWG as used in these Conditions shall refer to such amended provisions or successor provisions from time to time.

"**CDR**" means the Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for Own Funds requirements for institutions (*Capital Delegated Regulation*), as amended or replaced from time to time, and any references in these Terms and Conditions to relevant Articles of the CDR include references to any applicable provisions of law amending or replacing such Articles from time to time.

"**CRD IV**" means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (*Capital Requirements Directive IV*), as implemented in the Republic of Austria and as amended or replaced from time to time.

"**Relevant Regulations**" means, at any time, any requirements of Austrian law or contained in the regulations, requirements, guidelines or policies of the Competent Authority, the European Parliament and/or the European Council, then in effect in the Republic of Austria and applicable to the BAWAG Regulatory Group and/or (as the case may be) the Issuer, including but not limited to the provisions of the BWG, the CRD IV, the CRR, the CDR and the SSM Regulation, in each case as amended from time to time, or such other law, regulation or directive as may come into effect in place thereof.

"**SSM Regulation**" means the Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (Single Supervisory Mechanism Regulation), as amended or replaced from time to time, and any references in these Terms and Conditions to relevant Articles of the SSM Regulation include references to any applicable provisions of law amending or replacing such Articles from time to time.]

[In the case of Senior Non-Preferred Notes insert:

(3) *Early Redemption due to a MREL Disqualification Event.*

If an MREL Disqualification Event has occurred and is continuing, then the Issuer may, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 12 to the Noteholders, redeem the Notes, in whole but not in part, at their Early Redemption Amount (as defined below), together with interest (if any) accrued to the date fixed for redemption. Such notice may not be given, however, later than 90 days following such MREL Disqualification Event. Any such notice shall be irrevocable and must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

Any redemption of the Notes is subject to such redemption being permitted by Applicable MREL Regulations and subject to the Issuer obtaining permission from the Competent Authority and/or (as the case may be) the relevant supervisory authority pursuant to the Applicable MREL Regulation, if required.

"MREL Disqualification Event" means the determination by the Issuer, at any time, that the Notes, in full or in part, (i) do not constitute Eligible MREL Instruments, or (ii) there is a change in the regulatory classification of the Notes that would likely result or has resulted in the exclusion of the Notes from the Eligible MREL Instruments, provided that in each case an MREL Disqualification Event shall not occur on the basis (i) that the remaining maturity of the Notes is less than any period prescribed by any Applicable MREL Regulation, and/or (ii) of any applicable limits on the amount of Eligible MREL Instruments permitted or allowed to meet MREL under the Applicable MREL Regulation.]

[If Notes are subject to Early Redemption at the Option of the Issuer insert:

[(3)|(4)] *Early Redemption at the Option of the Issuer.*

(a) The Issuer may, upon notice given in accordance with clause [(b)|(c)], redeem the Notes [in whole or in part][in whole, but not in part] on the Call Redemption Date(s) at the ["**Call Redemption Amount(s)**"] set forth below][Early Redemption Amount (as defined below)] together with accrued interest, if any, to (but excluding) the Call Redemption Date.

[If Minimum Redemption Amount or Higher Redemption Amount applies insert: Any such redemption must be of a principal amount equal to [at least [insert **Minimum Redemption Amount**]] [insert **Higher Redemption Amount**].]

Any notice of redemption in accordance with this § 5 [(3)|(4)] shall be given by the Issuer to the Noteholders in accordance with § 12 observing a notice period of not less than 30 calendar days nor more than 60 calendar days. Any such notice shall be irrevocable.

"Call Redemption Date(s)" means [each] [such Call Redemption Date set forth below][**or, alternatively, in case of Subordinated Notes:** Fixed Interest Payment Date or Variable Interest Payment Date (as the case may be) falling on [or after] the [insert **fifth or later**] anniversary of the issuance of the Notes].

[Call Redemption Date(s)] [insert Call Redemption Date(s)] [_____ _____]	[Call Redemption(s) Amount(s)] [insert Call Redemption Amount(s)] [_____ _____]
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[In the case of Subordinated Notes insert:

(b) The Issuer may call the Notes for redemption only subject to the Redemption Conditions (as defined in § 5 [(5)|(6)] being fulfilled.]

[In the case of Unsubordinated Notes (other than Covered Bonds) and Senior Non-Preferred Notes insert:

(b) The Issuer may call the Notes for redemption only subject to the Applicable MREL Regulation (as defined in § 2 (2).)]

[If Covered Bonds are subject to Early Redemption at the Option of the Noteholder insert: The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under subparagraph (4) of this § 5.]

[(b)|(c)] Notice of redemption shall be given by the Issuer to the Noteholders of the Notes in accordance with § 12. Such notice shall specify:

- (i) the Series of Notes subject to redemption;
- (ii) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
- (iii) the Call Redemption Date;
- (iv) the Call Redemption Amount at which such Notes are to be redeemed.

[(c)] In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System. **[In the case of Notes in NGN form insert:** Such partial redemption shall be reflected in the records of CBL and Euroclear as either a pool factor or a reduction in principal amount, at the discretion of CBL and Euroclear.]

[If Covered Bonds are subject to Early Redemption at the Option of a Noteholder insert:

[(3)|(4)] *Early Redemption at the Option of a Noteholder.*

(a) The Issuer shall, at the option of the Noteholder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

Put Redemption Date(s) [insert Put Redemption Date(s)]	Put Redemption(s) Amount(s) [insert Put Redemption Amount(s)]
[_____]	[_____]
[_____]	[_____]

The Noteholder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of its option to redeem such Note under this § 5.

(b) In order to exercise such option, the Noteholder must, not less than **[insert Minimum Notice to Issuer]** nor more than **[insert Maximum Notice to Issuer]** days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), submit during normal business hours at the specified office of the Fiscal Agent a duly completed early redemption notice ("**Put Notice**") in the form available from the specified office of the Fiscal Agent. No option so exercised may be revoked or withdrawn.]

[(3)|(4)|(5)] *Early Redemption Amount.* The "**Early Redemption Amount**" of a Note shall be its Final Redemption Amount.

[In the case of Subordinated Notes insert:

[(5)|(6)] Validity of any redemption of the Notes and any notice given pursuant to § 12 in regard of such redemption and any repurchase pursuant to § 11 (2) shall be subject to the following conditions ("**Redemption Conditions**"):

(a) the Issuer having obtained the prior permission of the Competent Authority for the redemption pursuant to this § 5 or any repurchase pursuant to § 11 (2) in accordance with Article 78 CRR, if applicable to the Issuer at that point in time; such permission may, *inter alia*, require that:

- (i) the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

- (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds of [BAWAG Regulatory Group] and/or (as the case may be) [the Issuer] would, following such redemption or repurchase, exceed the minimum capital requirements (including any capital buffer requirements) by a margin that the Competent Authority considers necessary at such time; and
- (b) in addition, in the case of any redemption pursuant to this § 5 prior to the fifth anniversary of the date of issuance of the Notes:
- (i) in case of an early redemption for reasons of taxation in accordance with § 5 (2), the Issuer has demonstrated to the satisfaction of the Competent Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the date of issuance of the Notes; or
- (ii) in case of an early redemption for regulatory reasons in accordance with § 5 (3), the Competent Authority considers such change in the regulatory classification of the Notes under the Relevant Regulations to be sufficiently certain and the Issuer has demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Notes was not reasonably foreseeable as at the date of issuance of the Notes.

Notwithstanding the above conditions, if, at the time of any redemption or purchase, the prevailing Relevant Regulations permit the redemption or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above in this § 5 [(5)](6), the Issuer shall comply with such other and/or, as appropriate, additional pre-conditions.

In addition, even if a notice of redemption is given pursuant to § 5 (2), § 5 (3) or § 5 (4), the Issuer will only redeem the Notes on the date of redemption specified in the notice if the then applicable conditions to redemption laid down in this § 5 [(5)](6) are fulfilled on the date of redemption specified in such notice.

For the avoidance of doubt, any refusal of the Competent Authority to grant permission in accordance with the Relevant Regulations shall not constitute a default for any purpose.]

§ 6

FISCAL AGENT [,] [AND] [PAYING AGENTS] [AND CALCULATION AGENT]

(1) *Appointment; Specified Offices.* The initial Fiscal Agent [,] [and] Paying Agent[s] [and the Calculation Agent] and [its] [their] [respective] initial specified office[s] [is] [are]:

[If any global Note initially representing the Notes is to be deposited with, or with a depositary or common depositary of, any Clearing System other than OeKB CSD insert:

Fiscal Agent: Citibank Europe plc
1 N Wall Quay, North Dock
Dublin, 1
Ireland]

[If any global Note initially representing the Notes is to be deposited with OeKB CSD insert:

Fiscal Agent: BAWAG P.S.K.
Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft
Wiedner Gürtel 11
A-1100 Vienna
Republic of Austria]

Paying Agent[s]: **[insert Paying Agents and specified offices]**

[If the Fiscal Agent is to be appointed as Calculation Agent insert: The Fiscal Agent shall also act as Calculation Agent.]

[If a Calculation Agent other than the Fiscal Agent is to be appointed insert: The Calculation Agent and its initial specified office shall be:

Calculation Agent: **[insert name and specified office]**

The Fiscal Agent [,] [and] the Paying Agent[s] [and the Calculation Agent] reserve the right at any time to change [its] [their] respective specified offices to some other specified office[s] in Germany.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent [or any Paying Agent] [or the Calculation Agent] and to appoint another Fiscal Agent [or additional or other Paying Agents] [or another Calculation Agent]. The Issuer shall at all times maintain (i) a Fiscal Agent [in the case of Notes listed on a stock exchange insert: [,] [and] (ii) so long as the Notes are listed on the [insert name of Stock Exchange], a Paying Agent (which may be the Fiscal Agent) which shall be a bank domiciled in the European Economic Area ("EEA") with a specified office in [insert location of Stock Exchange] and/or in such other place as may be required by the rules of such stock exchange] [in the case of payments in U.S. dollars insert: [,] [and] [(iii) if payments at or through the offices of all Paying Agents outside the United States (as defined in § 4 hereof) become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollars, a Paying Agent with a specified office in New York City] [if any Calculation Agent is to be appointed insert: [,] [and] [(iv) a Calculation Agent [if Calculation Agent is required to maintain a Specified Office in a Required Location insert: with a specified office located in [insert Required Location]]. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with § 12.

(3) *Agents of the Issuer.* The Fiscal Agent[,] [and] the Paying Agent[s] [and the Calculation Agent] act[s] solely as agent[s] of the Issuer and do[es] not have any obligations towards or relationship of agency or trust to any Noteholder.

§ 7 TAXATION

(1) All payments of principal and interest in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of deduction or withholding on behalf of the Republic of Austria or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction[in the case of Senior Non-Preferred Notes and Subordinated Notes insert: and provided that Additional Amounts shall only encompass amounts in relation to interest, but not in relation to principal]; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of principal or interest made by it, or
- (b) are payable by reason of the Noteholder having, or having had, some personal or business connection with the Republic of Austria and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Republic of Austria, or
- (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Republic of Austria or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or
- (d) are withheld or deducted by a paying office from a payment if the payment could have been made by another paying office without such withholding or deduction; or
- (e) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 12, whichever occurs later.

(2) Notwithstanding any other provision in these Terms and Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the IRS

("FATCA Withholding"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA Withholding deducted or withheld by the Issuer, any paying agent or any other party as a result of any person other than Issuer or an agent of the Issuer not being entitled to receive payments free of FATCA Withholding.

[§ 8 PRESENTATION PERIOD

The presentation period provided in section 801 subparagraph 1, sentence 1 BGB (German Civil Code) is reduced to ten years for the Notes.]

[In case of Notes subject to Austrian law and appointment of an Austrian Fiscal Agent § 8 PRESENTATION PERIOD to be replaced in its entirety by the following:

§ 8 PRESCRIPTION

The obligations of the Issuer to pay principal and interest in respect of this Note shall prescribe (i) in respect of principal upon the expiry of 10 years following the respective due date for the payment of principal and (ii) in respect of interest upon the expiry of 3 years following the respective due date for the relevant payment of interest.]

§ 9 EVENTS OF DEFAULT

[In the case of Subordinated Notes insert:

The Noteholders do not have a right to demand the early redemption of the Notes.]

[In the case of Covered Bonds insert:

(1) *Events of Default.* Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in § 5), together with accrued interest (if any) to the date of repayment in the event that the Issuer fails to pay principal or interest within 30 days from the relevant due date.

(2) *Notice.* Any notice, including any notice declaring Notes due in accordance with subparagraph (1) shall be made by means of a written declaration in the German or English language delivered by hand or registered mail to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes by means of a certificate of his Custodian (as defined in § 13 (4)) or in another appropriate manner.]

[In the case of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes insert:

(1) *Events of Default.* Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in § 5), together with accrued interest (if any) to the date of repayment, in the event that insolvency or liquidation proceedings are instituted against the Issuer which shall not have been dismissed or stayed within 60 days after institution, or if the Issuer applies for institution of such proceedings.

(3) *Notice.* Any notice, including any notice declaring Notes due, in accordance with subparagraph (1) shall be made by means of a written declaration in the German or English language delivered by hand or registered mail to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a Noteholder of the relevant Notes by means of a certificate of his Custodian (as defined in § 13 (4)) or in other appropriate manner.]

[In the case of Subordinated Notes insert:

§ 10 SUBSTITUTION

[This paragraph is intentionally left blank.]

[In the case of Unsubordinated Notes (other than Covered Bonds) and Senior Non-Preferred Notes insert:

§ 10 SUBSTITUTION

(1) *Substitution.* The Issuer shall be entitled at any time, without the consent of the Noteholders, if no payment of principal of or interest on any of the Notes is in default, to substitute for the Issuer any Affiliate (as defined below) as principal debtor in respect to all obligations arising from or in connection with the Notes (the "**Substitute Debtor**"), provided that:

(a) the Substitute Debtor is in a position to fulfil all payment obligations arising from or in connection with the Notes without the necessity of any taxes or duties being withheld at source and to transfer all amounts which are required therefore to the Fiscal Agent without any restrictions;

(b) the Substitute Debtor assumes all obligations of the Issuer arising from or in connection with the Notes;

(c) the Substitute Debtor undertakes to reimburse any Noteholder for such taxes, fees or duties which may be imposed upon it as a consequence of assumption of the obligations of the Issuer by the Substitute Debtor;

[(d) the Issuer irrevocably and unconditionally guarantees in favour of each Noteholder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of the form of the senior guarantee of the Issuer in respect of Unsubordinated Notes set out in the Agency Agreement;]

[(d) the obligations assumed by the Substitute Debtor in respect of the Notes are subordinated on terms identical to the terms of the Notes and (i) the Substitute Debtor is a subsidiary (*Tochterunternehmen*) of the Issuer, (ii) the Substitute Debtor deposits an amount which is equal to the aggregate principal amount of the Notes with the Issuer on terms equivalent, including in respect of subordination, to the terms and conditions of the Notes, and (iii) the Issuer irrevocably and unconditionally guarantees in favour of each Noteholder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of the form of the subordinated guarantee of the Issuer;]

(e) there shall have been delivered to the Fiscal Agent one opinion for each jurisdiction affected of lawyers of recognized standing to the effect that subparagraphs (a), (b), (c) and (d) above have been satisfied.

For the purposes of this § 10, "**Affiliate**" shall mean any affiliated company (*Konzernunternehmen*) within the meaning of section 15 Austrian Stock Corporation Act (*Aktiengesetz*).

(2) *Notice.* Notice of any such substitution shall be published in accordance with § 12.

(3) *Change of References.* In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. Furthermore, in the event of such substitution the following shall apply:

[(a) in § 7 and § 5 (2) an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor;

[(b) in § 10 (1)(c) to (e) an alternative reference to the Issuer in its capacity as guarantor shall be deemed to have been included in addition to the reference to the Substitute Debtor.]

In the event of any such substitution, the Substitute Debtor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes with the same effect as if the Substitute Debtor had been named as the Issuer herein, and the Issuer (or any corporation which shall have previously assumed the obligations of the Issuer) shall be released from its liability as obligor under the Notes.]

[In the case of Covered Bonds insert:

§ 10 SUBSTITUTION

(1) *Substitution.* The Issuer may, without the consent of the Noteholders, if no payment of principal of or interest on any of the Notes is in default, at any time substitute for the Issuer any wholly owned subsidiary of it as principal debtor in respect of all obligations arising from or in connection with the Notes (the "**Substitute Debtor**") provided that:

- (a) the Substitute Debtor is entitled to issue Covered Bonds (*Fundierte Bankschuldverschreibungen*) pursuant to the Austrian Law on Covered Bonds of Banks and its Articles of Association;
- (b) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes, including all obligations in relation to the cover pool of assets which cover the Notes pursuant to the Austrian Law on Covered Bonds of Banks and agrees not to alter the Conditions applicable to any outstanding Covered Bonds (*Fundierte Bankschuldverschreibungen*);
- (c) the Issuer and the Substitute Debtor have obtained all necessary authorisations and may transfer to the Fiscal Agent in the Specified Currency and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;
- (d) the Substitute Debtor has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution; and
- (e) there shall have been delivered to the Fiscal Agent an opinion or opinions of lawyers of recognized standing to the effect that subparagraphs (a), (b), (c) and (d) above hold true or have been satisfied.

(2) *Notice.* Notice of any such substitution shall be published in accordance with § 12.

(3) *Change of References.* In the event of any such substitution, any reference in these Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor.]

§ 11 FURTHER ISSUES, REPURCHASES AND CANCELLATION

(1) *Further Issues.* The Issuer may from time to time, without the consent of the Noteholders, **[in the case of Covered Bonds insert: subject to availability of the statutory cover (security)]** issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.

(2) *Repurchases.* The Issuer may at any time **[in the case of Subordinated Notes insert: in accordance with the provisions of the Relevant Regulations (as defined in § 5 (3)) and subject to the conditions in § 5 [(5)(6)], in particular in relation to any prior approval requirement of the Competent Authority,]** **[in case of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes, insert: in accordance with and subject to the Applicable MREL Regulation (as defined in § 2 (2)), in particular in relation to any prior approval requirement of the Competent Authority and/or (as the case may be) the competent supervisory authority under the Applicable MREL Regulation,]** (i) purchase Notes in the open market or otherwise and at any price and (ii) hold, resell or surrender such purchased Notes to the Fiscal Agent for cancellation. If purchases are made by tender, tenders for such Notes must be made available to all Noteholders of such Notes alike.

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 12 NOTICES

(1) *Publication.* All notices concerning the Notes shall be published [on the website of the Issuer under the link: [●]] [and] [on the website of the Luxembourg Stock Exchange, www.bourse.lu] [in a leading daily newspaper having general circulation in Luxembourg. This newspaper is expected to be [the Tageblatt (Luxembourg)] [insert other

applicable newspaper having general circulation]. If publication [on this website] [in this newspaper] is not possible, the notices shall be published in [another] [a] newspaper having general circulation in Luxembourg.

[In the case of Notes listed on the Vienna Stock Exchange insert: All notices concerning the Notes shall also be published [in a leading daily newspaper having general circulation in Austria. This newspaper is expected to be [Amtsblatt zur Wiener Zeitung] [insert other applicable newspaper having general circulation] If publication in this newspaper is not possible, the notices shall be published in another newspaper having general circulation in Austria.]

The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange on which the Notes are listed. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of the first such publication). **[In the case applicable rules require additional publication of notices, insert applicable provisions regarding additional publication of notices.]**

[In the case of Notes which are listed on the Official List of the Luxembourg Stock Exchange or the Vienna Stock Exchange the following applies:

[(2)] *Notification to Clearing System.*

In the case of notices regarding the Variable Interest or, if the rules of the relevant stock exchange otherwise so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Noteholders, in lieu of publication as set forth in subparagraph (1) above; any such notice shall be deemed to have been validly given on the seventh day after the day on which the said notice was given to the Clearing System.]

§ 13

APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Exclusion of the Applicability of the Austrian Notes Trustee Act.* To the extent legally permissible, the applicability of the provisions of the Austrian Notes Trustee Act (*Kuratorenengesetz*) and the Austrian Notes Trustee Supplementation Act (*Kuratorenenergänzungsgesetz*) is explicitly excluded in relation to the Notes.

(2) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, **[in the case of Unsubordinated Notes other than Covered Bonds or Senior Non-Preferred Notes insert:** shall be governed by [German] [Austrian] law] **[in the case of Senior Non-Preferred Notes insert:** shall be governed by [German][Austrian] law **[In case of German law insert:** except for conditions relating to the subordination which will be governed by Austrian law]] **[In the case of Covered Bonds insert:** shall be governed by [German] [Austrian] law and comply with Austrian Law on Covered Bonds of Banks dated 27 December 1905 (*Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen*, Imperial Law Gazette No. 213/1905 as amended – the "**Law on Covered Bonds of Banks**").] **[In case of Subordinated Notes insert:** shall be governed by [German] [Austrian] law [except for conditions relating to the subordination which will be governed by Austrian law]].

(3) *Submission to Jurisdiction.* The district court (*Landgericht*) in Frankfurt am Main shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.

[In case of Covered Bonds, Subordinated Notes and Notes subject to Austrian law and for which an Austrian Fiscal Agent has been appointed replace by: (3a) *Submission to Jurisdiction.* The competent court in Vienna shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.

[In case of Notes offered in Austria: (3b) Any claims raised by or against Austrian consumers shall be subject to the statutory jurisdiction set forth by the Austrian Consumer Protection Act and the Jurisdiction Act (*Jurisdiktionsnorm*).]

(4) *Enforcement.* Any Noteholder of Notes may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Noteholder maintains a securities account in respect of the Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the

Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognized standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System. Each Noteholder may, without prejudice to the foregoing, protect and enforce his rights under the Notes also in any other way which is admitted in Proceedings in the country in which the Proceedings take place.

§ 14 LANGUAGE

[If the Conditions are to be in the German language with an English language translation insert:

These Terms and Conditions are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is provided for convenience only.]

[If the Conditions are to be in the English language with a German language translation insert:

These Terms and Conditions are written in the English language and provided with a German language translation. The English text shall be controlling and binding. The German language translation is provided for convenience only.]

[If the Conditions are to be in the English language only insert:

These Terms and Conditions are written in the English language only.]

[In the case of Notes which are to be publicly offered, in whole or in part, in Germany or distributed, in whole or in part, to non-professional investors in Germany with English language Conditions insert:

Eine deutsche Übersetzung der Emissionsbedingungen wird bei der [BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft, Wiedner Gürtel 11, A-1100 Wien, Republik Österreich] [BAWAG Group AG, Wiedner Gürtel 11, A-1100 Wien, Republik Österreich] und bei der [●] zur kostenlosen Ausgabe bereitgehalten.]

* * *

OPTION IV – Terms and Conditions for Zero Coupon Notes

Terms and Conditions of the Notes

§ 1

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency; Denomination.* This Series of Notes (the "Notes") of [in case BAWAG is the Issuer of the Notes (other than Covered Bonds) insert: BAWAG Group AG][in case BAWAG P.S.K. is the Issuer of the Notes insert: BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft] (the "Issuer") is being issued in [insert Specified Currency] (the "Specified Currency") in the aggregate principal amount of [insert aggregate principal amount] (in words: [insert aggregate principal amount in words]) in the denomination of [insert specified Denomination] (the "specified Denomination").]

(2) *Form.* The Notes are being issued in bearer form.

[In the case of Notes which are represented by a Permanent Global Note insert:

(3) *Permanent Global Note.* The Notes are represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Permanent Global Note shall be signed manually by two authorised signatories of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.]

[In the case of Notes which are initially represented by a Temporary Global Note insert:

(3) *Temporary Global Note – Exchange.*

(a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in the specified Denomination represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed manually by two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.

(b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not later than 180 days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1 (3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 4 (3)).]

(4) *Clearing System.* The Permanent Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means [if more than one Clearing System insert: each of] the following: [OeKB CSD GmbH ("**OeKB CSD**")] [Clearstream Banking, société anonyme, Luxembourg, ("**CBL**")] [Euroclear Bank SA/NV, as operator of the Euroclear System ("**Euroclear**")], [and] [specify other Clearing System].

[In the case of Notes kept in custody on behalf of the ICSDs insert:

[In the case the Global Note is an NGN insert: The Notes are issued in new global note ("**NGN**") form and are kept in custody by a common safekeeper on behalf of both ICSDs.]

[In the case of Euroclear and CBL and if the Global Note is a Eurosystem Eligible NGN insert:

The Notes are issued in new global note ("**NGN**") form and are kept in custody by a common safekeeper on behalf of both ICSDs. The principal amount of Notes represented by the Global Note shall be the aggregate amount from

time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount Notes represented by the Global Note.

On any redemption in respect of, or purchase by or on behalf of the Issuer and cancellation of, any of the Notes represented by this [Temporary] [Permanent] Global Note details of such redemption or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in the records of the ICSDs. The principal amount of Notes represented by the [Temporary] [Permanent] Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount of Notes represented by the [Temporary] [Permanent] Global Note and, for these purposes, a statement issued by ICSD stating the principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time. For technical procedure of the ICSDs, in the case of the exercise of a Call Option relating to a partial redemption the outstanding redemption amount will be reflected in the records of the ICSDs as either a nominal reduction or as a pool factor, at the discretion of the ICSDs.]]

(5) *Conditions*. "**Conditions**" means these Terms and Conditions of the Notes.

(6) *Noteholder*. "**Noteholder**" means any holder of a proportionate co-ownership or other beneficial interest in the Notes.

[In the case of Unsubordinated Notes which are not Covered Bonds or Non-Preferred Subordinated notes insert:

§ 2 STATUS

(1) The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer except for any obligations preferred by law.

(2) The Notes are intended to qualify as Eligible MREL Instruments.

"**Applicable MREL Regulation**" means the laws, regulations, requirements, guidelines and policies relating to the minimum requirements for own funds and eligible liabilities, as applicable from time to time.

"**Eligible MREL Instrument**" means any (directly issued) debt instrument of the Issuer that qualifies for the minimum requirements for own funds and eligible liabilities (MREL) pursuant to the Applicable MREL Regulation.

"**MREL**" means the minimum requirements for own funds and eligible liabilities from time to time pursuant to the Applicable MREL Regulation.

(3) No Noteholder has at any time a right to set-off his claims under the Notes against any claim the Issuer has or may have against such Noteholder. Neither the Issuer nor any third party may secure the rights under the Notes by providing any form of guarantee or security in favour of the Noteholders. No such guarantee or security may be provided at any later time. No subsequent agreement may limit the subordination pursuant to the provisions set out in this § 2 or amend the Maturity Date in respect of the Notes to any earlier date or shorten any applicable notice period (*Kündigungsfrist*).

*Note to the Noteholders of Unsubordinated Notes which are not Covered Bonds or Senior Non-Preferred Notes: In respect of the Status, reference is made to the risk for Unsubordinated Notes which are not Covered Bonds or Senior Non-Preferred Notes of a regulatory allocation of losses by the write-down or conversion of liabilities in the context of an application of the Austrian Federal Act on the Recovery and Resolution of Banks ("**BaSAG**") as more fully described in the risk factor entitled "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("**BaSAG**") , including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss." in the Base Prospectus dated 18 March 2019.]*

[In the case of Senior Non-Preferred Notes insert:

§ 2 STATUS

(1) The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer, provided that they are non-preferred senior obligations of the Issuer under debt instruments which meet the criteria pursuant to § 131 (3) nos. 1–3 BaSAG. Therefore, in the event of the insolvency or the liquidation of the Issuer, claims on the principal amount of the Notes rank: (i) junior to all other present or future unsecured and unsubordinated instruments or obligations of the Issuer which do not meet the criteria pursuant to § 131 (3) nos. 1–3 BaSAG; (ii) *pari passu*: (A) among themselves; and (B) with all other present or future non-preferred senior instruments or obligations of the Issuer which meet the criteria pursuant to § 131 (3) nos. 1–3 BaSAG (other than senior instruments or obligations of the Issuer ranking or expressed to rank senior or junior to the Notes); and (iii) senior to all present or future claims under: (A) ordinary shares and other common equity tier 1 instruments pursuant to Article 28 CRR of the Issuer; (B) additional tier 1 instruments pursuant to Article 52 CRR of the Issuer; (C) tier 2 instruments pursuant to Article 63 CRR; and (D) all other subordinated instruments or obligations of the Issuer.

"**BaSAG**" means the Austrian Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*), as amended or replaced from time to time; to the extent that any provisions of the BaSAG are amended or replaced, the reference to provisions of the BaSAG as used in these Conditions shall refer to such amended provisions or successor provisions from time to time.

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended or replaced from time to time; to the extent that any provisions of the CRR are amended or replaced, the reference to provisions of the CRR as used in these Conditions shall refer to such amended provisions or successor provisions from time to time.

(2) The Notes shall qualify as Eligible MREL Instruments.

"**Applicable MREL Regulation**" means the laws, regulations, requirements, guidelines and policies relating to the minimum requirements for own funds and eligible liabilities, as applicable from time to time.

"**Eligible MREL Instrument**" means any (directly issued) debt instrument of the Issuer that qualifies for the minimum requirements for own funds and eligible liabilities (MREL) pursuant to the Applicable MREL Regulation.

"**MREL**" means the minimum requirements for own funds and eligible liabilities from time to time pursuant to the Applicable MREL Regulation.

(3) No Noteholder has at any time a right to set-off his claims under the Notes against any claim the Issuer has or may have against such Noteholder. Neither the Issuer nor any third party may secure the rights under the Notes by providing any form of guarantee or security in favour of the Noteholders. No such guarantee or security may be provided at any later time. No subsequent agreement may limit the subordination pursuant to the provisions set out in this § 2 or amend the Maturity Date in respect of the Notes to any earlier date or shorten any applicable notice period (*Kündigungsfrist*).

Note to the Noteholders of Senior Non-Preferred Notes: In respect of the Status reference is made to the higher risk for Senior Non-Preferred Notes of a regulatory allocation of losses by the write-down or conversion of liabilities in the context of an application of the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG") as more fully described in the risk factor entitled "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss." in the Base Prospectus dated 18 March 2019.]

[In the case of Covered Bonds insert:

§ 2 STATUS

(1) The obligations under the Notes constitute unsubordinated obligations of the Issuer ranking *pari passu* among themselves. The Notes are secured by a cover pool pursuant to the Austrian Law on Covered Bonds of Banks dated 27 December 1905 (*Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen*,

Imperial Law Gazette No. 213/1905 as amended – the "Law on Covered Bonds of Banks") and pursuant to number 14 of the Articles of Association of the Issuer.

[In the case of Covered Bonds covered by a mortgage-backed pool of assets in:

(2) In accordance with the Austrian Law on Covered Bonds of Banks, the Issuer is obliged to designate assets to cover the Notes and to satisfy claims arising out of these Covered Bonds (*Fundierte Bankschuldverschreibungen*) from the designated assets (security) ahead of other claims. In accordance with section 1 para 9 of the Austrian Law on Covered Bonds of Banks, the Notes are secured by the Issuer's mortgage-backed pool of assets (*hypothekarischer Deckungsstock*), which consists primarily of assets in accordance with section 1 para 5 item 1 and 2 of the Austrian Law on Covered Bonds of Banks. The level of coverage provided by such assets shall be in accordance with the Austrian Law on Covered Bonds of Banks and the Issuer's Articles of Association. The Issuer is obliged to register the assets that are designated to secure the Notes separately in a cover register. Assets in accordance with section 1 para 5 item 2 of the Austrian Law on Covered Bonds of Banks may be included in the cover register only after their security status has been registered with the respective public records.]

[In the case of Covered Bonds covered by a public sector cover pool insert:

(2) In accordance with the Austrian Law on Covered Bonds of Banks, the Issuer is obliged to designate assets to cover the Notes and to satisfy claims arising out of these Covered Bonds (*Fundierte Bankschuldverschreibungen*) from the designated assets (security) ahead of other claims. In accordance with section 1 para 9 of the Austrian Law on Covered Bonds of Banks, the Notes are secured by the Issuer's public sector cover pool (*öffentlicher Deckungsstock*), which primarily consist of assets held against or secured by public debtors in accordance with section 1 para 5 items 3 and 4 of the Austrian Law on Covered Bonds of Banks. The level of coverage provided by such assets shall be in accordance with the Austrian Law on Covered Bonds of Banks and the Issuer's Articles of Association. The Issuer is obliged to register the assets that are designated to secure the Notes separately in a cover register.]

(3) In the event of the insolvency or liquidation of the Issuer (or if the Issuer otherwise fails to make payments in respect of the Notes in accordance with these Conditions), the claims of the Noteholders of the Covered Bonds (*Fundierte Bankschuldverschreibungen*) may be satisfied out of the assets listed in the appropriate cover register in accordance with the Austrian Law on Covered Bonds of Banks, the Articles of Association of the Issuer and these Conditions.]

§ 3 INTEREST

(1) *No Periodic Payments of Interest.* There will not be any periodic payments of interest on the Notes.

(2) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall accrue on the outstanding principal amount of the Notes from (and including) the due date to (but excluding) the date of actual redemption at the default rate of interest established by law⁸.

§ 4 PAYMENTS

(1) *Payment of Principal.* Payment of principal in respect of Notes shall be made, subject to § 4 (2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the Global Note representing the Notes at the time of payment at the specified office of the Fiscal Agent outside the United States.

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency.

⁸ Under German law, the default rate of interest established by law is five percentage points above the basic rate of interest published by *Deutsche Bundesbank* from time to time, §§ 288 (1), 247 (1) German Civil Code (*Bürgerliches Gesetzbuch* – "BGB"). Under Austrian law, the default rate of interest is four percentage points *per annum* (§§ 1333, 1000 Austrian Civil Code – *Allgemeines Bürgerliches Gesetzbuch* – "ABGB"). Regarding monetary claims between entrepreneurs relating to entrepreneurial dealings, the default interest rate in case of a culpable default is 9.2 percentage points *per annum* above the basic rate of interest (§ 456 Austrian Commercial Code (*Unternehmensgesetzbuch* – "UGB")), otherwise also the default interest rate of four percentage points *per annum* applies.

(3) *United States*. For purposes of **[in the case of D Rules Notes insert: § 1 (3) and] § 4 (1)**, "United States" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

(4) *Discharge*. The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(5) *Payment Business Day*. If the date for payment of any amount in respect of any Notes is not a Payment Business Day, then the Noteholders shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

"**Payment Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System as well as **[if the Specified Currency is EUR insert: TARGET2 (Trans-European Automated Realtime Gross Settlement Express Transfer System) is open for the settlement of payments in Euro.] [if the Specified Currency is not EUR insert: commercial banks and foreign exchange markets settle payments in [insert all relevant financial centres].]**

(6) *References to Principal and Interest*. Reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes; the Early Redemption Amount of the Notes; **[if Notes are subject to Early Redemption at the Option of the Issuer and Call Redemption Amount(s) are specified insert: the Call Redemption Amount of the Notes;] [if redeemable at the option of the Noteholder insert: the Put Redemption Amount of the Notes;]** the Amortised Face Amount of the Notes and any premium and any other amounts which may be payable under or in respect of the Notes. Reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

(7) *Deposit of Principal and Interest*. The Issuer may deposit with the Amtsgericht in Frankfurt am Main principal or interest not claimed by Noteholders within twelve months after the Maturity Date, even though such Noteholders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Noteholders against the Issuer shall cease.

§ 5 REDEMPTION

(1) *Redemption at Maturity*. Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[in the case of a specified Maturity Date insert such Maturity Date]** (the "**Maturity Date**"). The "**Final Redemption Amount**" in respect of each Note shall be **[its] [●] per cent. of the]** principal amount.

(2) *Early Redemption for Reasons of Taxation*. If as a result of any change in, or amendment to, the laws or regulations of the Republic of Austria or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last Tranche of this series of Notes was issued, the Issuer is required to pay Additional Amounts (as defined in § 7 herein) at maturity or upon the sale or exchange of any Note, and this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Notes may **[in the case of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes, insert: , in accordance with and subject to the Applicable MREL Regulation (as defined in § 2 (2)),]** be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 12 to the Noteholders, at their Early Redemption Amount (as defined below).

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts or make such deduction or withholding does not remain in effect.

Any such notice shall be given in accordance with § 12. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

[In the case of Senior Non-Preferred Notes insert:

(3) *Early Redemption due to a MREL Disqualification Event.*

If an MREL Disqualification Event has occurred and is continuing, then the Issuer may, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 12 to the Noteholders, redeem the Notes, in whole but not in part, at their Early Redemption Amount (as defined below), together with interest (if any) accrued to the date fixed for redemption. Such notice may not be given, however, later than 90 days following such MREL Disqualification Event. Any such notice shall be irrevocable and must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

Any redemption of the Notes is subject to such redemption being permitted by Applicable MREL Regulations and subject to the Issuer obtaining permission from the Competent Authority and/or (as the case may be) the relevant supervisory authority pursuant to the Applicable MREL Regulation, if required.

"MREL Disqualification Event" means the determination by the Issuer, at any time, that the Notes, in full or in part, (i) do not constitute Eligible MREL Instruments, or (ii) there is a change in the regulatory classification of the Notes that would likely result or has resulted in the exclusion of the Notes from the Eligible MREL Instruments, provided that in each case an MREL Disqualification Event shall not occur on the basis (i) that the remaining maturity of the Notes is less than any period prescribed by any Applicable MREL Regulation, and/or (ii) of any applicable limits on the amount of Eligible MREL Instruments permitted or allowed to meet MREL under the Applicable MREL Regulation.]

[If Notes are subject to Early Redemption at the Option of the Issuer insert:

[(3)|(4)] *Early Redemption at the Option of the Issuer.*

(a) The Issuer may, upon notice given in accordance with clause [(b)|(c)], redeem the Notes [in whole or in part][in whole, but not in part,] on the "**Call Redemption Date(s)**" (as set forth below) at the [**Call Redemption Amount(s)**" set forth below][Early Redemption Amount (as defined below)].

[If Minimum Redemption Amount or Higher Redemption Amount applies insert: Any such redemption must be of a principal amount equal to [at least [insert **Minimum Redemption Amount**]] [insert **Higher Redemption Amount**].]

Any notice of redemption in accordance with this § 5 [(3)|(4)] shall be given by the Issuer to the Noteholders in accordance with § 12 observing a notice period of not less than 30 calendar days nor more than 60 calendar days. Any such notice shall be irrevocable.

Call Redemption Date(s)	[Call Redemption(s) Amount(s)]
[insert Call Redemption Date(s)]	[insert Call Redemption Amount(s)]
[_____]	[_____]
[_____]	[_____]

[In the case of Unsubordinated Notes (other than Covered Bonds) and Senior Non-Preferred Notes insert:

(b) The Issuer may call the Notes for redemption only subject to the Applicable MREL Regulation (as defined in § 2 (2).)]

[If Covered Bonds are subject to Early Redemption at the Option of the Noteholder insert: The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under subparagraph (4) of this § 5.]

[(b)|(c)] Notice of redemption shall be given by the Issuer to the Noteholders of the Notes in accordance with § 12. Such notice shall specify:

- (i) the Series of Notes subject to redemption;
- (ii) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
- (iii) the Call Redemption Date; and

(iv) the Call Redemption Amount at which such Notes are to be redeemed.

[[c)] In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System. **[In the case of Notes in NGN form insert: Such partial redemption shall be reflected in the records of CBL and Euroclear as either a pool factor or a reduction in principal amount, at the discretion of CBL and Euroclear.]**

[If Covered Bonds are subject to Early Redemption at the Option of a Noteholder insert:

[(3)](4) *Early Redemption at the Option of a Noteholder.*

(a) The Issuer shall, at the option of the Noteholder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below.

Put Redemption Date(s)	Put Redemption(s) Amount(s)
[insert Put Redemption Date(s)]	[insert Put Redemption Amount(s)]
[_____]	[_____]
[_____]	[_____]

The Noteholder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of its option to redeem such Note under this § 5.

(b) In order to exercise such option, the Noteholder must, not less than **[insert Minimum Notice to Issuer]** nor more than **[insert Maximum Notice to Issuer]** days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), submit during normal business hours at the specified office of the Fiscal Agent a duly completed early redemption notice ("Put Notice") in the form available from the specified office of the Fiscal Agent. No option so exercised may be revoked or withdrawn.]

[(3)](4)(5) *Early Redemption Amount.*

(a) The "**Early Redemption Amount**" of a Note shall be its Final Redemption Amount.

(b) **[In case of accrued interest being added, the following applies:** The Amortised Face Amount of a Note shall be an amount equal to the sum of: (i) **[Reference Price]** (the "**Reference Price**"), and (ii) the product of **[Amortisation Yield]** (the "**Amortisation Yield**") (compounded annually) and the Reference Price from (and including) **[Issue Date]** to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Notes become due and payable. **[In case of unaccrued interest being deducted, the following applies:** The Amortised Face Amount of a Note shall be the principal amount thereof adjusted for interest from (and including) the Maturity Date to (but excluding) the date of final repayment by the Amortisation Yield, being **[insert Amortisation Yield]**. Such calculation shall be made on the assumption of an annual capitalisation of accrued interest.]

(c) Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year (the "**Calculation Period**") shall be made on the basis of the Day Count Fraction, as defined below.

(d) If the Issuer fails to pay the Early Redemption Amount when due, the Amortised Face Amount of a Note shall be calculated as provided herein.]

[(6)] "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any Calculation Period:

[In the case of Actual/Actual (ICMA Rule 251) the following applies: the actual number of days in the Calculation Period divided by the actual number of days in the respective interest period.]

[In case of Actual/Actual (ISDA) insert: (ISDA) the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).]

[In the case of Actual/365 (Fixed) the following applies: the actual number of days in the Calculation Period divided by 365.]

[In the case of Actual/360 the following applies: the actual number of days in the Calculation Period divided by 360.]

§ 6

FISCAL AGENT [,] [AND] [PAYING AGENTS] [AND CALCULATION AGENT]

(1) *Appointment; Specified Offices.* The initial Fiscal Agent [,] [and] Paying Agent[s] [and the Calculation Agent] and [its] [their] [respective] initial specified office[s] [is] [are]:

[If any global Note initially representing the Notes is to be deposited with, or with a depositary or common depositary of, any Clearing System other than OeKB CSD insert:

Fiscal Agent: Citibank Europe plc
1 N Wall Quay, North Dock
Dublin, 1
Ireland]

[If any global Note initially representing the Notes is to be deposited with OeKB CSD insert:

Fiscal Agent: BAWAG P.S.K.
Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft
Wiedner Gürtel 11
A-1100 Vienna
Republic of Austria]

Paying Agent[s]: **[insert Paying Agents and specified offices]**

[If the Fiscal Agent is to be appointed as Calculation Agent insert: The Fiscal Agent shall also act as Calculation Agent.]

[If a Calculation Agent other than the Fiscal Agent is to be appointed insert: The Calculation Agent and its initial specified office shall be:

Calculation Agent: **[insert name and specified office]]**

The Fiscal Agent [,] [and] the Paying Agent[s] [and the Calculation Agent] reserve the right at any time to change [its] [their] respective specified offices to some other specified office[s] in Germany.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent [or any Paying Agent] [or the Calculation Agent] and to appoint another Fiscal Agent [or additional or other Paying Agents] [or another Calculation Agent]. The Issuer shall at all times maintain (i) a Fiscal Agent **[in the case of Notes listed on a stock exchange insert: [,] [and]** (ii) so long as the Notes are listed on the **[insert name of Stock Exchange]**, a Paying Agent (which may be the Fiscal Agent) which shall be a bank domiciled in the European Economic Area ("EEA") with a specified office in **[insert location of Stock Exchange]** and/or in such other place as may be required by the rules of such stock exchange] **[in the case of payments in U.S. dollars insert: [,] [and]** [(iii) if payments at or through the offices of all Paying Agents outside the United States (as defined in § 4 hereof) become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollars, a Paying Agent with a specified office in New York City] **[if any Calculation Agent is to be appointed insert: [,] [and]** [(iv) a Calculation Agent **[if Calculation Agent is required to maintain a Specified Office in a Required Location insert:** with a specified office located in **[insert Required Location]]**. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with § 12.

(3) *Agents of the Issuer.* The Fiscal Agent[,] [and] the Paying Agent[s] [and the Calculation Agent] act[s] solely as agent[s] of the Issuer and do[es] not have any obligations towards or relationship of agency or trust to any Noteholder.

§ 7 TAXATION

(1) All payments of principal and interest in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of deduction or withholding on behalf of the Republic of Austria or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction [**in the case of Senior Non-Preferred Notes insert:** and provided that Additional Amounts shall only encompass amounts in relation to interest, but not in relation to principal]; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of principal or interest made by it, or
- (b) are payable by reason of the Noteholder having, or having had, some personal or business connection with the Republic of Austria and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Republic of Austria, or
- (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Republic of Austria or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or
- (d) are withheld or deducted by a paying office from a payment if the payment could have been made by another paying office without such withholding or deduction; or
- (e) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 12, whichever occurs later.

(2) Notwithstanding any other provision in these Terms and Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the IRS ("**FATCA Withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA Withholding deducted or withheld by the Issuer, any paying agent or any other party as a result of any person other than Issuer or an agent of the Issuer not being entitled to receive payments free of FATCA Withholding.

[§ 8 PRESENTATION PERIOD

The presentation period provided in section 801 subparagraph 1, sentence 1 BGB (German Civil Code) is reduced to ten years for the Notes.]

[In case of Notes subject to Austrian law and appointment of an Austrian Fiscal Agent § 8 PRESENTATION PERIOD to be replaced in its entirety by the following:

§ 8 PRESCRIPTION

The obligations of the Issuer to pay principal and interest in respect of this Note shall prescribe (i) in respect of principal upon the expiry of 10 years following the respective due date for the payment of principal and (ii) in respect of interest upon the expiry of 3 years following the respective due date for the relevant payment of interest.]

§ 9
EVENTS OF DEFAULT

[In the case of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes insert:

(1) *Events of Default.* Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in § 5), together with accrued interest (if any) to the date of repayment, in the event that insolvency or liquidation proceedings are instituted against the Issuer which shall not have been dismissed or stayed within 60 days after institution, or if the Issuer applies for institution of such proceedings.

(3) *Notice.* Any notice, including any notice declaring Notes due, in accordance with subparagraph (1) shall be made by means of a written declaration in the German or English language delivered by hand or registered mail to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a Noteholder of the relevant Notes by means of a certificate of his Custodian (as defined in § 13 (4)) or in other appropriate manner.]

[In the case of Covered Bonds insert:

(1) *Events of Default.* Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in § 5), together with accrued interest (if any) to the date of repayment in the event that the Issuer fails to pay principal or interest within 30 days from the relevant due date.

(2) *Notice.* Any notice, including any notice declaring Notes due in accordance with subparagraph (1) shall be made by means of a written declaration in the German or English language delivered by hand or registered mail to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes by means of a certificate of his Custodian (as defined in § 13 (4)) or in another appropriate manner.]

[In the case of Unsubordinated Notes (other than Covered Bonds) and Senior Non-Preferred Notes insert:

§ 10
SUBSTITUTION

(1) *Substitution.* The Issuer shall be entitled at any time, without the consent of the Noteholders, if no payment of principal or interest on any of the Notes is in default, to substitute for the Issuer any Affiliate (as defined below) as principal debtor in respect to all obligations arising from or in connection with the Notes (the "**Substitute Debtor**"), provided that:

(a) the Substitute Debtor is in a position to fulfil all payment obligations arising from or in connection with the Notes without the necessity of any taxes or duties being withheld at source and to transfer all amounts which are required therefore to the Fiscal Agent without any restrictions;

(b) the Substitute Debtor assumes all obligations of the Issuer arising from or in connection with the Notes;

(c) the Substitute Debtor undertakes to reimburse any Noteholder for such taxes, fees or duties which may be imposed upon it as a consequence of assumption of the obligations of the Issuer by the Substitute Debtor;

[(d) the Issuer irrevocably and unconditionally guarantees in favour of each Noteholder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of the form of the senior guarantee of the Issuer in respect of Unsubordinated Notes set out in the Agency Agreement;]

[(d) the obligations assumed by the Substitute Debtor in respect of the Notes are subordinated on terms identical to the terms of the Notes and (i) the Substitute Debtor is a subsidiary (*Tochterunternehmen*) of the Issuer, (ii) the Substitute Debtor deposits an amount which is equal to the aggregate principal amount of the Notes with the Issuer on terms equivalent, including in respect of subordination, to the terms and conditions of the Notes, and (iii) the Issuer irrevocably and unconditionally guarantees in favour of each Noteholder the

payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of the form of the subordinated guarantee of the Issuer;]

(e) there shall have been delivered to the Fiscal Agent one opinion for each jurisdiction affected of lawyers of recognized standing to the effect that subparagraphs (a), (b), (c) and (d) above have been satisfied.

For the purposes of this § 10, "**Affiliate**" shall mean any affiliated company (*Konzernunternehmen*) within the meaning of section 15 Austrian Stock Corporation Act (*Aktiengesetz*).

(2) *Notice.* Notice of any such substitution shall be published in accordance with § 12.

(3) *Change of References.* In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. Furthermore, in the event of such substitution the following shall apply:

[(a) in § 7 and § 5(2) an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor;

[(b) in § 10 (1)(c) to (e) an alternative reference to the Issuer in its capacity as guarantor shall be deemed to have been included in addition to the reference to the Substitute Debtor.]

In the event of any such substitution, the Substitute Debtor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes with the same effect as if the Substitute Debtor had been named as the Issuer herein, and the Issuer (or any corporation which shall have previously assumed the obligations of the Issuer) shall be released from its liability as obligor under the Notes.

[In the case of Covered Bonds insert:

§ 10 SUBSTITUTION

(1) *Substitution.* The Issuer may, without the consent of the Noteholders, if no payment of principal or interest on any of the Notes is in default, at any time substitute for the Issuer any wholly owned subsidiary of it as principal debtor in respect of all obligations arising from or in connection with the Notes (the "**Substitute Debtor**") provided that:

(a) the Substitute Debtor is entitled to issue Covered Bonds (*Fundierte Bankschuldverschreibungen*) pursuant to the Austrian Law on Covered Bonds of Banks and its Articles of Association;

(b) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes, including all obligations in relation to the cover pool of assets which cover the Notes pursuant to the Austrian Law on Covered Bonds of Banks and agrees not to alter the Conditions applicable to any outstanding Covered Bonds (*Fundierte Bankschuldverschreibungen*);

(c) the Issuer and the Substitute Debtor have obtained all necessary authorisations and may transfer to the Fiscal Agent in the Specified Currency and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;

(d) the Substitute Debtor has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution; and

(e) there shall have been delivered to the Fiscal Agent an opinion or opinions of lawyers of recognized standing to the effect that subparagraphs (a), (b), (c) and (d) above hold true or have been satisfied.

(2) *Notice.* Notice of any such substitution shall be published in accordance with § 12.

(3) *Change of References.* In the event of any such substitution, any reference in these Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the

Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor.]

§ 11 FURTHER ISSUES, REPURCHASES AND CANCELLATION

(1) *Further Issues.* The Issuer may from time to time, without the consent of the Noteholders, **[in the case of Covered Bonds insert: subject to availability of the statutory cover (security)]** issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.

(2) *Repurchases.* The Issuer may at any time **[in the case of Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes, insert:]**, in accordance with and subject to the Applicable MREL Regulation (as defined in § 2 (2)), in particular in relation to any prior approval requirement of the Competent Authority and/or (as the case may be) the competent supervisory authority under the Applicable MREL Regulation,] (i) purchase Notes in the open market or otherwise and at any price and (ii) hold, resell or surrender such purchased Notes to the Fiscal Agent for cancellation. If purchases are made by tender, tenders for such Notes must be made available to all Noteholders of such Notes alike.

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 12 NOTICES

(1) *Publication.* All notices concerning the Notes shall be published [on the website of the Issuer under the link: [●]] [and] [on the website of the Luxembourg Stock Exchange, www.bourse.lu] [in a leading daily newspaper having general circulation in Luxembourg. This newspaper is expected to be [the Tageblatt (Luxembourg)] [insert other applicable newspaper having general circulation]. If publication [on this website] [in this newspaper] is not possible, the notices shall be published in [another] [a] newspaper having general circulation in Luxembourg.

[In the case of Notes listed on the Vienna Stock Exchange insert: All notices concerning the Notes shall also be published [in a leading daily newspaper having general circulation in Austria. This newspaper is expected to be [Amtsblatt zur Wiener Zeitung] [insert other applicable newspaper having general circulation] If publication in this newspaper is not possible, the notices shall be published in another newspaper having general circulation in Austria.]

The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange on which the Notes are listed. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of the first such publication). **[In the case applicable rules require additional publication of notices, insert applicable provisions regarding additional publication of notices.]**

[In the case of Notes which are listed on the Official List of the Luxembourg Stock Exchange or the Vienna Stock Exchange the following applies:

[(2)] *Notification to Clearing System.*

The Issuer may, in lieu of the publication set forth in subparagraph (1) above, deliver the relevant notice to the Clearing System, for communication by the Clearing System to the Noteholders **[in the case of Notes listed on a Stock Exchange insert:]**, provided that the rules of the stock exchange on which the Notes are listed permit such form of notice]. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to the Clearing System.

§ 13 APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Exclusion of the Applicability of the Austrian Notes Trustee Act.* To the extent legally permissible, the applicability of the provisions of the Austrian Notes Trustee Act (*Kuratorenengesetz*) and the Austrian Notes Trustee Supplementation Act (*Kuratorenenergänzungsgesetz*) is explicitly excluded in relation to the Notes.

(2) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, **[in the case of Unsubordinated Notes other than Covered Bonds or Senior Non-Preferred Notes**

insert: shall be governed by [German] [Austrian] law **[in case of Senior Non-Preferred Notes insert:** shall be governed by [German][Austrian] law **[in the case of German law insert:** except for conditions relating to the subordination which will be governed by Austrian law] **[in the case of Covered Bonds insert:** shall be governed by [German] [Austrian] law and comply with Austrian Law on Covered Bonds of Banks dated 27 December 1905 (*Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen*, Imperial Law Gazette No. 213/1905 as amended – the "**Law on Covered Bonds of Banks**")].

(3) *Submission to Jurisdiction.* The district court (*Landgericht*) in Frankfurt am Main shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.

[In the case of Covered Bonds and Notes subject to Austrian law and for which an Austrian Fiscal Agent has been appointed replace by: (3a) Submission to Jurisdiction. The competent court in Vienna shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.

[In case of Notes offered in Austria: (3b) Any claims raised by or against Austrian consumers shall be subject to the statutory jurisdiction set forth by the Austrian Consumer Protection Act and the Jurisdiction Act (*Jurisdiktionsnorm*).]

(4) *Enforcement.* Any Noteholder of Notes may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Noteholder maintains a securities account in respect of the Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognized standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System. Each Noteholder may, without prejudice to the foregoing, protect and enforce his rights under the Notes also in any other way which is admitted in Proceedings in the country in which the Proceedings take place.

§ 14 LANGUAGE

[If the Conditions are to be in the German language with an English language translation insert:

These Terms and Conditions are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is provided for convenience only.]

[If the Conditions are to be in the English language with a German language translation insert:

These Terms and Conditions are written in the English language and provided with a German language translation. The English text shall be controlling and binding. The German language translation is provided for convenience only.]

[If the Conditions are to be in the English language only insert:

These Terms and Conditions are written in the English language only.]

[In the case of Notes which are to be publicly offered, in whole or in part, in Germany or distributed, in whole or in part, to non-professional investors in Germany with English language Conditions insert:

Eine deutsche Übersetzung der Emissionsbedingungen ist diesen Emissionsbedingungen beigelegt und wird bei der [BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft, Wiedner Gürtel 11, A-1100 Wien, Republik Österreich] [BAWAG Group AG, Wiedner Gürtel 11, A-1100 Wien, Republik Österreich] und bei der [●] zur kostenlosen Ausgabe bereitgehalten.]

* * *

EMISSIONSBEDINGUNGEN

German Language Version

(Deutsche Fassung der Emissionsbedingungen)

Die Emissionsbedingungen für die Schuldverschreibungen (die "**Emissionsbedingungen**") sind nachfolgend in vier Optionen aufgeführt.

Option I umfasst den Satz der Emissionsbedingungen, der auf Tranchen von Schuldverschreibungen mit fester Verzinsung oder fester und neu festsetzbarer fester Verzinsung Anwendung findet.

Option II umfasst den Satz der Emissionsbedingungen, der auf Tranchen von Schuldverschreibungen mit variabler Verzinsung Anwendung findet.

Option III umfasst den Satz der Emissionsbedingungen, der auf Tranchen von Schuldverschreibungen mit fester zur variabler Verzinsung Anwendung findet.

Option IV umfasst den Satz der Emissionsbedingungen, der auf Tranchen von Nullkupon-Schuldverschreibungen Anwendung findet.

Der Satz von Emissionsbedingungen für jede dieser Optionen enthält bestimmte weitere Optionen, die entsprechend gekennzeichnet sind, indem die jeweilige optionale Bestimmung durch Instruktionen und Erklärungen in eckigen Klammern innerhalb des Satzes der Emissionsbedingungen bezeichnet wird.

In den Endgültigen Bedingungen wird die Emittentin festlegen, welche der Option I, Option II, Option III oder Option IV (einschließlich der jeweils enthaltenen bestimmten weiteren Optionen) für die einzelne Emission von Schuldverschreibungen Anwendung findet, indem entweder die betreffenden Angaben wiederholt werden oder auf die betreffenden Optionen verwiesen wird.

Soweit die Emittentin zum Zeitpunkt der Billigung des Prospektes keine Kenntnis von bestimmten Angaben hatte, die auf eine einzelne Emission von Schuldverschreibungen anwendbar sind, enthält dieser Prospekt Platzhalter in eckigen Klammern, die die maßgeblichen durch die Endgültigen Bedingungen zu vervollständigenden Angaben enthalten.

[Im Fall, dass die Optionen, die für eine einzelne Emission anwendbar sind, in den Endgültigen Bedingungen durch Verweis auf die weiteren Optionen bestimmt werden, die im Satz der Emissionsbedingungen der Option I, Option II, Option III oder Option IV enthalten sind:

Die Bestimmungen dieser Emissionsbedingungen gelten für diese Schuldverschreibungen so, wie sie durch die Angaben der beigefügten endgültigen Bedingungen (die "**Endgültigen Bedingungen**") vervollständigt werden. Die Leerstellen in den auf die Schuldverschreibungen anwendbaren Bestimmungen dieser Emissionsbedingungen gelten als durch die in den endgültigen Bedingungen enthaltenen Angaben ausgefüllt, als ob die Leerstellen in den betreffenden Bestimmungen durch diese Angaben ausgefüllt wären; alternative oder wählbare Bestimmungen dieser Emissionsbedingungen, deren Entsprechungen in den Endgültigen Bedingungen nicht ausgefüllt oder die gestrichen sind, gelten als aus diesen Emissionsbedingungen gestrichen; sämtliche auf die Schuldverschreibungen nicht anwendbaren Bestimmungen dieser Emissionsbedingungen (einschließlich der Anweisungen, Anmerkungen und der Texte in eckigen Klammern) gelten als aus diesen Emissionsbedingungen gestrichen, so dass die Bestimmungen der Endgültigen Bedingungen Geltung erhalten. Kopien der Endgültigen Bedingungen sind kostenlos bei der bezeichneten Geschäftsstelle des Emissionsstelle sowie bei der Hauptgeschäftsstelle der Emittentin erhältlich; bei nicht an einer Börse notierten Schuldverschreibungen sind Kopien der betreffenden Endgültigen Bedingungen allerdings ausschließlich für die Gläubiger solcher Schuldverschreibungen erhältlich.]

Diese Serie von Schuldverschreibungen wird gemäß **[im Fall Schuldverschreibungen, die anfänglich (in Form einer Globalurkunde) bei einem anderen Clearing System oder dessen Verwahrer oder gemeinsamen Verwahrer als der OeKB CSD GmbH ("OeKB CSD") einzuliefern sind, einfügen:** einem Amended and Restated Fiscal Agency Agreement vom [●] 2019 (das "**Agency Agreement**") zwischen [BAWAG Group AG][BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft ("**BAWAG P.S.K.**")]] und [●] als Emissionsstelle (die "Emissionsstelle", wobei dieser Begriff jeden Nachfolger der Emissionsstelle gemäß dem Agency Agreement einschließt)] **[im Fall von Schuldverschreibungen, die anfänglich (in Form einer Globalurkunde) bei der OeKB CSD einzuliefern sind, einfügen:** das Austrian Fiscal Agency Agreement vom [●] 2019 (das "**Austrian Agency Agreement**"), die von der [BAWAG Group AG][BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft ("**BAWAG P.S.K.**")]] in ihrer Eigenschaft als Emittentin und als Emissionsstelle (die "**Emissionsstelle**", wobei dieser Begriff jeden Nachfolger der Emissionsstelle gemäß dem Agency Agreement einschließt) bekanntgemacht worden sind,] und den anderen darin genannten Parteien begeben. Ablichtungen des [Agency Agreement] [und] [des Austrian Agency Agreement] können bei der Geschäftsstelle der Emissionsstelle eingesehen werden.

8 EMISSIONSBEDINGUNGEN DER SCHULDVERSCHREIBUNGEN

OPTION I – Emissionsbedingungen für Schuldverschreibungen mit fester Verzinsung oder fester und neu festsetzbarer fester Verzinsung

Emissionsbedingungen der Schuldverschreibungen

§ 1

WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN

(1) *Währung; Stückelung.* Diese Serie von Schuldverschreibungen (die "**Schuldverschreibungen**") der [im Fall von BAWAG als Emittentin von Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) einfügen: BAWAG Group AG][im Fall von BAWAG P.S.K. als Emittentin von Schuldverschreibungen einfügen: BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft] (die "**Emittentin**") wird in [Festgelegte Währung einfügen] (die "**Festgelegte Währung**") im Gesamtnennbetrag von [Gesamtnennbetrag einfügen] (in Worten: [Gesamtnennbetrag in Worten einfügen]) in einer Stückelung von [Festgelegte Stückelung einfügen] (die "**Festgelegte Stückelung**") begeben.

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

[Im Fall von Schuldverschreibungen, die durch eine Dauerglobalurkunde verbrieft sind, einfügen:

(3) *Dauerglobalurkunde.* Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") ohne Zinsscheine verbrieft. Die Dauerglobalurkunde trägt die eigenhändigen Unterschriften zweier vertretungsbefugter Personen der Emittentin und ist von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.]

[Im Fall von Schuldverschreibungen, die anfänglich durch eine vorläufige Globalurkunde verbrieft sind, einfügen:

(3) *Vorläufige Globalurkunde – Austausch.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in der Festgelegten Stückelung, die durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") ohne Zinsscheine verbrieft sind, ausgetauscht. Die vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die eigenhändigen Unterschriften zweier vertretungsbefugter Personen der Emittentin und sind jeweils von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) Die vorläufige Globalurkunde wird an einem Tag (der "**Austauschtag**") gegen eine Dauerglobalurkunde ausgetauscht, der nicht mehr als 180 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegt. Der Austauschtag für einen solchen Austausch soll nicht weniger als 40 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegen. Ein solcher Austausch soll nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Abs. (b) dieses § 1 (3) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) zu liefern.]

(4) *Clearing System.* Die Dauerglobalurkunde wird solange von einem oder im Namen eines Clearing Systems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "**Clearing System**" bedeutet [bei mehr als einem Clearing System einfügen: jeweils] folgendes: [OeKB CSD GmbH ("**OeKB CSD**")] [Clearstream Banking, société anonyme, Luxemburg, ("**CBL**")] [Euroclear Bank SA/NV, als Betreiberin des Euroclear Systems ("**Euroclear**")]., [und] [anderes Clearing System angeben].

[Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden, einfügen:

[Im Fall, dass die Globalurkunde eine NGN ist, einfügen: Die Schuldverschreibungen werden in Form einer New Global Note ("NGN") ausgegeben und von einem Common Safekeeper im Namen beider ICSDs verwahrt.]

[Im Fall von Euroclear und CBL und wenn die Globalurkunde eine EZB-fähige NGN ist, einfügen:

Die Schuldverschreibungen werden in Form einer New Global Note ("NGN") ausgegeben und von einem Common Safekeeper im Namen beider ICSDs verwahrt. Der Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen.

Bei jeder Rückzahlung oder jedem Kauf durch oder für die Emittentin und jeder Entwertung von Schuldverschreibungen, die durch diese [Vorläufige] [Dauer-] Globalurkunde verbrieft werden, werden die Einzelheiten der Rückzahlung oder des Kaufs und der Entwertung von der oder für die Emittentin in den Registern der ICSDs vermerkt. Der Nennbetrag der durch diese [Vorläufige] [Dauer-] Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Nennbetrag der durch die [Vorläufige] [Dauer-] Globalurkunde verbrieften Schuldverschreibungen, und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Nennbetrag der so verbrieften Schuldverschreibungen ist in jedem Zeitpunkt ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD. Für das technische Verfahren der ICSDs im Falle der Ausübung einer Call Option hinsichtlich einer teilweisen Rückzahlung wird der ausstehende Rückzahlungsbetrag entweder als reduzierter Nennbetrag oder als Poolfaktor nach Ermessen der ICSDs in das Register der ICSDs aufgenommen.]]

(5) *Anleihebedingungen.* "**Anleihebedingungen**" bedeutet diese Emissionsbedingungen der Schuldverschreibungen.

(6) *Gläubiger von Schuldverschreibungen.* "**Gläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen treugeberischen oder eigenen Rechts an den Schuldverschreibungen.

[Im Fall von Nicht-Nachrangigen Schuldverschreibungen außer bei Fundierten Bankschuldverschreibungen oder Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:

§ 2 STATUS

(1) Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen gegenwärtigen und zukünftigen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind mit Ausnahme von Verbindlichkeiten, die nach geltenden Rechtsvorschriften vorrangig sind.

(2) Die Schuldverschreibungen sind dazu bestimmt, als Berücksichtigungsfähige MREL-Instrumente qualifizieren.

"**Anwendbare MREL-Regeln**" meint die Gesetze, Vorschriften, Anforderungen, Leitlinien und Richtlinien im Zusammenhang mit den Mindestanforderungen für Eigenmittel und Berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL), wie jeweils anwendbar.

"**Berücksichtigungsfähige MREL-Instrumente**" meint jegliche (direkt oder indirekt begebene) Schuldtitel der Emittentin, die für die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL) nach den Anwendbaren MREL-Regeln qualifizieren.

"**MREL**" meint die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*) nach den Anwendbaren MREL-Regeln.

(3) Kein Gläubiger ist zu irgendeinem Zeitpunkt berechtigt, mit Ansprüchen aus den Schuldverschreibungen gegen Ansprüche der Emittentin aufzurechnen. Den Gläubigern wird für ihre Rechte aus den

Schuldverschreibungen weder durch die Emittentin noch durch Dritte irgendeine Sicherheit oder Garantie gestellt; eine solche Sicherheit oder Garantie wird auch zu keinem späteren Zeitpunkt gestellt werden. Nachträglich kann der Nachrang gemäß diesem § 2 nicht beschränkt sowie die Laufzeit der Schuldverschreibungen und jede anwendbare Kündigungsfrist nicht verkürzt werden.

Hinweis an die Gläubiger der Nicht-Nachrangigen Schuldverschreibungen: In Bezug auf den Status wird auf das für Nicht-Nachrangige Schuldverschreibungen bestehende Risiko einer regulatorischen Verlustzurechnung durch Abschreibung oder Umwandlung von Verbindlichkeiten gemäß dem Bundesgesetz über die Sanierung und Abwicklung von Banken ("**BaSAG**") hingewiesen, wie näher im Risikofaktor des Basisprospekts vom 18. März 2019 beschrieben wird: "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("**BaSAG**")", including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss."

[Im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:

§ 2 STATUS

(1) Die Schuldverschreibungen begründen direkte, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, jedoch mit der Maßgabe, dass sie nicht-bevorrechtigte nicht-nachrangige (*non-preferred senior*) Verbindlichkeiten der Emittentin aus Schuldtiteln sind, welche die Voraussetzungen gemäß § 131 Abs. 3 Z 1 bis 3 BaSAG erfüllen. Daher sind im Fall der Insolvenz oder der Liquidation der Emittentin Ansprüche auf den Kapitalbetrag der Schuldverschreibungen: (i) nachrangig gegenüber allen anderen gegenwärtigen oder zukünftigen unbesicherten und nicht nachrangigen Instrumenten oder Verbindlichkeiten der Emittentin, die nicht die Voraussetzungen gemäß § 131 Abs. 3 Z 1 bis 3 BaSAG erfüllen; (ii) gleichrangig: (A) untereinander; und (B) mit allen anderen gegenwärtigen oder zukünftigen nicht-bevorrechtigten nicht-nachrangigen Instrumenten oder Verbindlichkeiten der Emittentin, die die Voraussetzungen gemäß § 131 Abs. 3 Z 1 bis 3 BaSAG erfüllen (ausgenommen nicht nachrangige Instrumente oder Verbindlichkeiten der Emittentin, die vorrangig oder nachrangig gegenüber den Schuldverschreibungen sind oder diesen gegenüber als vorrangig oder nachrangig bezeichnet werden); und (iii) vorrangig gegenüber allen gegenwärtigen oder zukünftigen: (A) Stammaktien oder anderen Instrumenten des harten Kernkapitals (*Common Equity Tier 1*) gemäß Artikel 28 CRR der Emittentin; (B) Instrumenten des zusätzlichen Kernkapitals (*Additional Tier 1*) gemäß Artikel 52 CRR der Emittentin; (C) Instrumenten des Ergänzungskapitals (*Tier 2*) gemäß Artikel 63 CRR der Emittentin; und (D) allen anderen nachrangigen Instrumenten oder Verbindlichkeiten der Emittentin.

"**BaSAG**" bezeichnet das österreichische Sanierungs- und Abwicklungsgesetz in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen des BaSAG geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen des BaSAG in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**CRR**" bezeichnet die Verordnung (EU) Nr. 575/2013 des Europäischen Parlaments und des Rates vom 26. Juni 2013 über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen und zur Änderung der Verordnung (EU) Nr. 648/2012, in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der CRR geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der CRR in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

(2) Die Schuldverschreibungen sind dazu bestimmt, als Berücksichtigungsfähige MREL-Instrumente qualifizieren.

"**Anwendbare MREL-Regeln**" meint die Gesetze, Vorschriften, Anforderungen, Leitlinien und Richtlinien im Zusammenhang mit den Mindestanforderungen für Eigenmittel und Berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL), wie jeweils anwendbar.

"**Berücksichtigungsfähige MREL-Instrumente**" meint jegliche (direkt oder indirekt begebene) Schuldtitel der Emittentin, die für die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL) nach den Anwendbaren MREL-Regeln qualifizieren.

"**MREL**" meint die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*) nach den Anwendbaren MREL-Regeln.

(3) Kein Gläubiger ist zu irgendeinem Zeitpunkt berechtigt, mit Ansprüchen aus den Schuldverschreibungen gegen Ansprüche der Emittentin aufzurechnen. Den Gläubigern wird für ihre Rechte aus den Schuldverschreibungen weder durch die Emittentin noch durch Dritte irgendeine Sicherheit oder Garantie gestellt; eine solche Sicherheit oder Garantie wird auch zu keinem späteren Zeitpunkt gestellt werden. Nachträglich kann der Nachrang gemäß diesem § 2 nicht beschränkt sowie die Laufzeit der Schuldverschreibungen und jede anwendbare Kündigungsfrist nicht verkürzt werden.

Hinweis an die Gläubiger der Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen: In Bezug auf den Status wird auf das für Nicht-Nachrangige Nicht-Präferierte Schuldverschreibungen höhere Risiko einer regulatorischen Verlustzurechnung durch Abschreibung oder Umwandlung von Verbindlichkeiten gemäß dem Bundesgesetz über die Sanierung und Abwicklung von Banken ("**BaSAG**") hingewiesen, wie näher im Risikofaktor des Basisprospekts vom 18. März 2019 beschrieben wird: "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("**BaSAG**")", including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss."

[Im Fall von Nachrangigen Schuldverschreibungen, einfügen:

§ 2 STATUS

(1) Die Schuldverschreibungen begründen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die (i) untereinander und (ii) mit allen anderen gegenwärtigen oder zukünftigen (x) Tier 2 Instrumenten (wie untenstehend definiert) und (y) gleichrangigen oder ausdrücklich als gleichrangig mit dem Schuldverschreibungen bestimmten Instrumenten oder Verbindlichkeiten; und (iii) mit allen Verbindlichkeiten der Emittentin, die in dieser Weise nachrangig sind, gleichrangig sind. Im Fall der Insolvenz oder der Liquidation der Emittentin dürfen die Forderungen aus den Schuldverschreibungen erst nach (i) den Forderungen der nicht nachrangigen Gläubiger der Emittentin und (ii) allen anderen Instrumenten oder Verbindlichkeiten der Emittentin, die nach nachrangigen Verbindlichkeiten der Emittentin befriedigt werden oder dazu bestimmt sind (mit Ausnahme von Instrumenten oder Verbindlichkeiten der Emittentin, die mit den Schuldverschreibungen gleichrangig oder diesen nachrangig sind oder dazu bestimmt sind), befriedigt werden.

Zur Klarstellung: Gläubiger partizipieren in der Liquidation der Emittentin nicht an etwaigen Rücklagen der Emittentin oder Liquidationsgewinne im Sinne von § 8 Abs. 3 Z 1 des österreichischen Körperschaftssteuergesetzes 1988.

"**CRR**" bezeichnet die Verordnung (EU) Nr. 575/2013 des Europäischen Parlaments und des Rates vom 26. Juni 2013 über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen und zur Änderung der Verordnung (EU) Nr. 648/2012, in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der CRR geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der CRR in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**Tier 2 Instrument**" meint jedes (direkt oder indirekt begebene) Kapitalinstrument oder nachrangige Kreditinstrument, das als Instrument des Ergänzungskapitals (Tier 2) gemäß Artikel 63 CRR qualifiziert, einschließlich jedes Kapitalinstruments und nachrangigen Kreditinstruments, das aufgrund von CRR-Übergangsbestimmungen zu den Instrumenten des Ergänzungskapitals zählt.

(2) Kein Gläubiger ist zu irgendeinem Zeitpunkt berechtigt, mit Ansprüchen aus den Schuldverschreibungen gegen Ansprüche der Emittentin aufzurechnen. Den Gläubigern wird für ihre Rechte aus den Schuldverschreibungen weder durch die Emittentin noch durch Dritte irgendeine Sicherheit oder Garantie gestellt; eine solche Sicherheit oder Garantie wird auch zu keinem späteren Zeitpunkt gestellt werden. Nachträglich kann der Nachrang gemäß diesem § 2 nicht beschränkt sowie die Laufzeit der Schuldverschreibungen und jede anwendbare Kündigungsfrist nicht verkürzt werden.

Hinweis an die Gläubiger der Nachrangigen Schuldverschreibungen:

In Bezug auf den Status wird auf das für Nachrangige Schuldverschreibungen höhere Risiko einer regulatorischen Verlustzurechnung durch Abschreibung oder Umwandlung von Verbindlichkeiten gemäß dem Bundesgesetz über die Sanierung und Abwicklung von Banken ("**BaSAG**") hingewiesen, wie sie näher in folgendem Risikofaktor des Basisprospekts vom 18. März 2019 beschrieben wird: "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks

("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss."]

[Im Fall von Fundierten Bankschuldverschreibungen, einfügen:

§ 2 STATUS

(1) Die Schuldverschreibungen begründen nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind. Die Schuldverschreibungen sind gemäß dem Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen RGBI. Nr. 213 idgF (FBSchVG), sowie gemäß Punkt 14 der Satzung der Emittentin durch einen Deckungsstock gesichert.

[Im Fall Fundierter Bankschuldverschreibungen mit hypothekarischem Deckungsstock, einfügen:

(2) In Übereinstimmung mit den Bestimmungen des FBSchVG ist die Emittentin verpflichtet, Vermögenswerte als Kautions für die vorzugsweise Deckung der Ansprüche aus fundierten Bankschuldverschreibungen zu bestellen. Die Schuldverschreibungen werden gemäß § 1 Abs. 9 FBSchVG durch den hypothekarischen Deckungsstock der Emittentin, welcher hauptsächlich die in § 1 Abs. 5 Z 1 und 2 FBSchVG genannten Werte enthält, besichert. Die Höhe der durch die Vermögensobjekte bestellten Deckung muss dem Gesetz betreffend fundierte Bankschuldverschreibungen und der Satzung der Emittentin entsprechen. Die Emittentin muss die Vermögensobjekte, die zur Sicherung der Schuldverschreibungen bestellt werden, einzeln in einem Deckungsregister anführen. Vermögensobjekte gemäß § 1 Abs. 5 Z 2 FBSchVG dürfen in das Deckungsregister erst eingetragen werden, nachdem das Kautionsband in den öffentlichen Büchern eingetragen worden ist.]

[Im Fall Fundierter Bankschuldverschreibungen mit öffentlichem Deckungsstock, einfügen:

(2) In Übereinstimmung mit den Bestimmungen des FBSchVG ist die Emittentin verpflichtet, Vermögenswerte als Kautions für die vorzugsweise Deckung der Ansprüche aus fundierten Bankschuldverschreibungen zu bestellen. Die Schuldverschreibungen werden gemäß § 1 Abs. 9 FBSchVG durch den öffentlichen Deckungsstock der Emittentin, welcher hauptsächlich aus Forderungen gegenüber oder besichert von öffentlichen Schuldnern gemäß § 1 Abs. 5 Z 3 und 4 FBSchVG besteht, besichert. Die Höhe der durch die Vermögensobjekte bestellten Deckung muss dem Gesetz betreffend fundierte Bankschuldverschreibungen und der Satzung der Emittentin entsprechen. Die Emittentin muss die Vermögensobjekte, die zur Sicherung der Schuldverschreibungen bestellt werden, einzeln in einem Deckungsregister anführen.]

(3) Im Fall der Insolvenz oder der Liquidation der Emittentin (oder in anderen Fällen, in denen die Emittentin ihren Zahlungsverpflichtungen im Zusammenhang mit den fundierten Schuldverschreibungen in Übereinstimmung mit diesen Emissionsbedingungen nicht nachkommt) werden die Ansprüche der Inhaber von fundierten Schuldverschreibungen aus den Vermögenswerten zur Deckung der Schuldverschreibungen in Übereinstimmung mit dem Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen, der Satzung der Emittentin und diesen Emissionsbedingungen befriedigt.]

§ 3 ZINSEN

(1) *Zinssatz und Zinszahlungstage.*

[Im Fall von Schuldverschreibungen mit einem Zinssatz einfügen: Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag verzinst, und zwar vom **[Verzinsungsbeginn einfügen]** (einschließlich) bis zum Fälligkeitstag (wie in § 5 (1) definiert) (ausschließlich) mit jährlich **[Zinssatz einfügen]** Prozent. Die Zinszahlung erfolgt nachträglich am **[Zinszahlungstag/e einfügen]** eines jeden Jahres ([jeweils ein][der/die] "**Zinszahlungstag/e**"). **[Sofern es mehr als einen Zinszahlungstag gibt, einfügen:** Die erste Zinszahlung erfolgt am **[ersten Zinszahlungstag einfügen]** **[sofern der/die Zinszahlungstag/e nicht der Jahrestag des Verzinsungsbeginns ist/sind einfügen:** und beläuft sich auf **[Zinsbetrag pro Festgelegte Stückelung einfügen]**.

[Sofern der Fälligkeitstag kein Festzinstermine ist, einfügen: Die Zinsen für den Zeitraum vom **[den letzten dem Fälligkeitstag vorausgehenden Festzinstermine einfügen]** (einschließlich) bis zum Fälligkeitstag (ausschließlich) belaufen sich auf **[abschließenden Bruchteilszinsbetrag pro Festgelegte Stückelung einfügen]**.]

[Im Fall von Schuldverschreibungen mit unterschiedlichen Zinssätzen einfügen: Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag verzinst, und zwar vom **[Verzinsungsbeginn einfügen]** (einschließlich) bis zum **[Zinsänderungstag einfügen]** (der "Zinsänderungstag") (ausschließlich) mit **[Zinssatz einfügen]**(der "Erste Zinssatz") und danach mit **[[Zinsänderungszinssatz einfügen]** Prozent] **[mit einem Zinssatz, der dem Referenzsatz zuzüglich einer Marge von [Marge einfügen] Prozent (die "Marge")]** pro Jahr (der "**Festgelegte Zinssatz**") entspricht, von (einschließlich) dem Zinsänderungstag bis zum (ausschließlich) Fälligkeitstag (wie in § 5 (1) definiert), wie jeweils von der Berechnungsstelle (wie in § 6 definiert) festgelegt].

Die Zinszahlung erfolgt nachträglich am **[Zinszahlungstag/e einfügen]** eines jeden Jahres ([jeweils ein][der/die] "**Zinszahlungstag/e**"). Die erste Zinszahlung erfolgt am **[ersten Zinszahlungstag einfügen]** **[sofern der/die Zinszahlungstag/e nicht der Jahrestag des Verzinsungsbeginns ist/sind einfügen:** und beläuft sich auf **[Zinsbetrag pro Festgelegte Stückelung einfügen]**. **[Sofern der Fälligkeitstag oder Zinsänderungstag kein Festzinstermine ist, einfügen:** Die Zinsen für den Zeitraum vom **[den letzten dem Fälligkeitstag oder Zinsänderungstag vorausgehenden Festzinstermine einfügen]** (einschließlich) bis zum **[Fälligkeitstag][Zinsänderungstag]** (ausschließlich) belaufen sich auf **[abschließenden Bruchteilszinsbetrag pro Festgelegte Stückelung einfügen].] [Falls Actual/Actual (ICMA-Regelung 251) anwendbar ist, einfügen:** Die Anzahl der Zinszahlungstage im Kalenderjahr (jeweils ein "**Feststellungstermin**") beträgt **[Anzahl der regulären Zinszahlungstage im Kalenderjahr einfügen]**.

[Hinweis an die Gläubiger: die Marge für die Bestimmung des Zinsänderungssatzes entspricht der Marge, wie sie sich aus dem Ursprungszinssatz ergibt.]

"**Referenzsatz**" meint, vorbehaltlich § 3 (5) unten, den Swap-Satz für Swap-Transaktionen in der Festgelegten Währung mit einer Laufzeit von **[relevanten Zeitraum einfügen]** Jahren, welcher am **[relevante Anzahl von Tagen einfügen]** Zahltag (wie in § 4 (5) definiert) vor dem Zinsänderungstag (der "**Zinsänderungs-Festlegungstag**") um **[relevante Uhrzeit einfügen]** Uhr (**[relevantes Finanzzentrum einfügen]** Ortszeit) auf der Zinsänderungs-Homepage (wie unten definiert) angezeigt wird.

Sollte der Referenzsatz nicht auf der Zinsänderungs-Homepage angezeigt werden, so ist der Referenzsatz der Zinsänderungs-Referenzbanksatz an diesem Zinsänderungs-Festlegungstag.

"**Euro-Zone**" bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die gemäß dem Vertrag über die Gründung der Europäischen Gemeinschaft (unterzeichnet in Rom am 25. März 1957), geändert durch den Vertrag über die Europäische Union (unterzeichnet in Maastricht am 7. Februar 1992), den Amsterdamer Vertrag vom 2. Oktober 1997 und den Vertrag von Lissabon vom 13. Dezember 2007, in seiner jeweiligen Fassung, eine einheitliche Währung eingeführt haben oder jeweils eingeführt haben werden.

"**Swap-Satz-Angebotssätze**" bedeutet den arithmetische Mittelwert von Kauf- und Verkaufssätzen für den festverzinslichen Teil eines Zinsswap in der Festgelegten Währung, bei dem ein fester Zinssatz gegen einen variablen Zinssatz getauscht wird, der (i) eine Laufzeit von **[relevante Laufzeit einfügen]** Jahren hat, beginnend mit dem Zinsänderungstag, (ii) ein Betrag ist, der ein repräsentativer Wert für eine einzelne Transaktion im relevanten Markt zum jeweiligen Zeitpunkt mit einem anerkannten Dealer mit guter Bonität auf dem Swap-Markt ist und (iii) einen variabel verzinslichen Teil auf Basis des **[falls die Festgelegte Währung Euro ist, einfügen: [6]-Monats-[EURIBOR]][falls die Festgelegte Währung nicht Euro ist, Zahl, Laufzeit und Bezeichnung des relevanten Referenzzinssatzes einfügen]** Satzes hat.

"**Zinsänderungs-Homepage**" meint **[falls die Festgelegte Währung Euro ist, einfügen:** die REUTERS Bildschirmseite "**[ICESWAP2]**" unter der Bildschirmüberschrift "**[EURIBOR BASIS – EUR]**"]**[falls die Festgelegte Währung nicht Euro ist, relevante Zinsänderungs-Homepage einfügen]** (oder eine Nachfolgeseite).

"**Zinsänderungs-Referenzbanksatz**" ist der von der Berechnungsstelle festgestellte Prozentsatz, der auf Grundlage der Swap-Satz-Angebotssätze, die von **[Anzahl einfügen]** führenden Swap-Dealern im **[falls der Referenzsatz kein Euro Swap-Satz ist, Finanzzentrum einfügen]** Interbankenmarkt **[falls der Referenzsatz ein Euro Swap-Satz ist, einfügen:** der Euro-Zone oder dem Londoner Interbankenmarkt], wie von der Emittentin ausgewählt (die "**Zinsänderungs-Referenzbanken**"), am Zinsänderungs-Festlegungsstag gegen **[Uhrzeit einfügen]** Uhr (**[Finanzzentrum einfügen]** Ortszeit) der Berechnungsstelle gemeldet werden, festgelegt wird. Soweit zwei oder mehr Sätze mitgeteilt wurden, wird der Zinsänderungs-Referenzbanksatz auf den arithmetischen Mittelwert der Angebotssätze festgelegt (falls erforderlich, auf- oder abgerundet auf das nächste Hunderttausendstel Prozent, wobei 0,000005 aufgerundet wird), indem der höchste Angebotssatz (oder, im Falle von gleicher Höhe, einer der höchsten Angebotssätze) und der niedrigste Angebotssatz (oder,

im Falle von gleicher Höhe, einer der niedrigsten) nicht berücksichtigt werden. Für den Fall, dass der Zinsänderungs-Referenzbanksatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, gilt als Zinsänderungs-Referenzbanksatz der von der Berechnungsstelle gemäß ihrem billigen Ermessen bestimmte Satz; bei der Bestimmung dieses Satzes richtet sich die Berechnungsstelle nach der üblichen Marktpraxis.

Die Berechnungsstelle wird der Emittentin, jeder Zahlstelle und jeder Börse, an der die Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an diese Börse verlangen, sowie den Anleihegläubigern gemäß § 12 sobald nach dem Zinsänderungs-Festlegungstag wie möglich den von ihr festgestellten festgelegten Zinssatz mitteilen.]

(2) *Auflaufende Zinsen*. Der Zinslauf der Schuldverschreibungen endet mit Beginn des Tages, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, fallen auf den ausstehenden Nennbetrag der Schuldverschreibungen ab dem Fälligkeitstag (einschließlich) bis zum Tag der tatsächlichen Rückzahlung (ausschließlich) Zinsen zum gesetzlich festgelegten Satz für Verzugszinsen an⁹.

(3) *Berechnung der Zinsen für Teile von Zeiträumen*. Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).

(4) Zinstagequotient. "**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**"):

[Im Falle von Actual/Actual (ICMA-Regelung 251) einfügen:

- (i) wenn der Zinsberechnungszeitraum (einschließlich des ersten, aber ausschließlich des letzten Tages dieser Periode) gleich lang oder kürzer ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraumes fällt, oder ihr entspricht, die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum (einschließlich des ersten, aber ausschließlich des letzten Tages dieser Periode), geteilt durch das Produkt aus (1) der Anzahl der Tage in der Feststellungsperiode und (2) der Anzahl von Feststellungsterminen in einem Kalenderjahr; oder
- (ii) wenn der Zinsberechnungszeitraum (einschließlich des ersten, aber ausschließlich des letzten Tages dieser Periode) länger ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraumes fällt, die Summe (A) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch das Produkt (1) der Anzahl der Tage in dieser Feststellungsperiode und (2) der Anzahl der Feststellungstermine in einem Kalenderjahr und (B) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die nächste Feststellungsperiode fallen, geteilt durch das Produkt (1) der Anzahl der Tage in dieser Feststellungsperiode und (2) der Anzahl der Feststellungstermine in einem Kalenderjahr.

"**Feststellungsperiode**" ist die Periode ab einem Feststellungstermin (einschließlich desselben) bis zum nächsten Feststellungstermin (ausschließlich desselben).

"**Feststellungstermin**" bezeichnet **[Feststellungstermine einfügen]** in jedem Jahr.]

[Im Fall von Actual/Actual (ISDA) einfügen: (ISDA) die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 366 und (B) die tatsächliche Anzahl der nicht in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 365.)

[Im Falle von Actual/365 (Fixed) einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]

⁹ Der gesetzliche Verzugszinssatz beträgt nach deutschem Recht für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Abs 1, 247 Abs 1 BGB. Nach österreichischem Recht beträgt der allgemeine gesetzliche Verzugszinssatz für das Jahr 4 Prozentpunkte (§ 1333 iVm § 1000 ABGB), für Geldforderungen zwischen Unternehmern aus unternehmensbezogenen Geschäften für das Jahr 9,2 Prozentpunkte über dem Basiszinssatz (§ 456 UGB) im Fall eines schuldhaften Verzugs, sonst ebenfalls 4 Prozentpunkte.

[Im Falle von **Actual/360** einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.]

[Im Falle von **30/360, 360/360 oder Bond Basis** einfügen: die Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360, wobei die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln ist (es sei denn, (A) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraumes weder auf den 30. noch auf den 31. Tag eines Monats fällt, in welchem Fall der diesen Tag enthaltende Monat nicht als ein auf 30 Tage gekürzter Monat zu behandeln ist, oder (B) der letzte Tag des Zinsberechnungszeitraumes fällt auf den letzten Tag des Monats Februar, in welchem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

[Im Falle von **30E/360 oder Eurobond Basis** einfügen: die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des ersten oder letzten Tages des Zinsberechnungszeitraumes), es sei denn, dass im Falle einer am Fälligkeitstag endenden Zinsperiode der Fälligkeitstag der letzte Tag des Monats Februar ist, in welchem Fall der Monat Februar als nicht auf einen Monat zu 30 Tagen verlängert gilt.]

[Im Fall von **Schuldverschreibungen mit unterschiedlichen Zinssätzen** einfügen:

(5) *Wegfall einer Benchmark.*

(a) *Unabhängiger Berater.* Wenn ein Benchmark Ereignis in Bezug auf den Referenzsatz eintritt und der Festgelegte Zinssatz (oder Teile davon) noch anhand dieses Referenzsatzes festgelegt werden muss, dann ernennt die Emittentin unter zumutbaren Bemühungen einen Unabhängigen Berater, der, sobald wie vernünftigerweise möglich, einen Nachfolgezinsatz oder anderenfalls einen Alternativzinssatz (gemäß § 3 (5)(b)) und in beiden Fällen gegebenenfalls eine Anpassungsspanne (gemäß § 3 (5)(c)) festlegt und etwaige Benchmark Änderungen (gemäß § 3 (5)(d)) vornimmt.

Außer im Falle von grober Fahrlässigkeit und Vorsatz, übernimmt der Unabhängige Berater keinerlei Haftung gegenüber der Emittentin, der Emissionsstelle, den Zahlstellen, der Berechnungsstelle oder den Anleihegläubigern für seine Festlegungen gemäß diesem § 3 (5).

Wenn (A) die Emittentin außerstande ist, einen Unabhängigen Berater zu ernennen; oder (B) der ernannte Unabhängige Berater vor dem betreffenden Zinsänderungs-Festlegungstag keinen Nachfolgezinsatz oder anderenfalls keinen Alternativzinssatz gemäß diesem § 3 (5) festlegt, entspricht der Referenzsatz dem Ersten Zinssatz abzüglich der Marge.

(b) *Nachfolgezinsatz oder Alternativzinssatz.* Im Fall, dass der Unabhängige Berater nach billigem Ermessen bestimmt, dass: (A) es einen Nachfolgezinsatz gibt, dann ist dieser Nachfolgezinsatz (vorbehaltlich einer etwaigen Anpassung gemäß § 3 (5)(c)) an Stelle des Referenzsatzes maßgeblich, um den Festgelegten Zinssatz zu bestimmen; oder (B) es keinen Nachfolgezinsatz aber einen Alternativzinssatz gibt, dann ist dieser Alternativzinssatz (vorbehaltlich einer etwaigen Anpassung gemäß § 3 (5)(c)) an Stelle des Referenzsatzes maßgeblich, um den Festgelegten Zinssatz zu bestimmen.

(c) *Anpassungsspanne.* Wenn der Unabhängige Berater nach billigem Ermessen bestimmt, dass (A) eine Anpassungsspanne auf den Nachfolgezinsatz oder gegebenenfalls den Alternativzinssatz anzuwenden ist und (B) den Umfang, eine Formel oder die Methode zur Bestimmung einer solchen Anpassungsspanne festlegt, dann findet eine solche Anpassungsspanne auf den Nachfolgezinsatz bzw. den Alternativzinssatz Anwendung.

(d) *Benchmark Änderungen.* Wenn ein entsprechender Nachfolgezinsatz, Alternativzinssatz oder eine entsprechende Anpassungsspanne gemäß diesem § 3 (5) festgelegt wird und der Unabhängige Berater nach billigem Ermessen (A) bestimmt, dass Änderungen hinsichtlich dieser Bedingungen notwendig sind, um die ordnungsgemäße Anwendung eines Nachfolgezinsatz, Alternativzinssatz und/oder einer Anpassungsspanne zu gewährleisten (diese Änderungen, die "**Benchmark Änderungen**") und (B) die Bedingungen dieser Benchmark Änderungen bestimmt, dann gelten jene Benchmark Änderungen für die Schuldverschreibungen, vorbehaltlich einer Mitteilung durch die Emittentin gemäß § 3 (5)(e), ab dem in der Mitteilung angegebenen Zeitpunkt.

- (e) *Mitteilungen, etc.* Die Emittentin hat den Nachfolgezinzsatz, Alternativzinzsatz, eine entsprechende Anpassungsspanne und die Bedingungen von Benchmark Änderungen gemäß diesem § 3 (5) unverzüglich der Emissionsstelle, der Berechnungsstelle und den Zahlstellen sowie gemäß § 12 den Anleihegläubigern mitzuteilen. Eine solche Mitteilung ist unwiderruflich und hat den Zeitpunkt, ab dem etwaige Benchmark Änderungen wirksam werden, zu benennen.

Gleichzeitig mit dieser Mitteilung hat die Emittentin der Emissionsstelle einen durch zwei Unterschriftsberechtigte der Emittentin unterzeichneten Nachweis zu übergeben, (A) (x) der bestätigt, dass ein Benchmark Ereignis eingetreten ist, (y) der den Nachfolgezinzsatz bzw. den Alternativzinzsatz benennt und (z) der eine etwaige Anpassungsspanne und/oder die Bedingungen etwaiger Benchmark Änderungen benennt, und zwar jeweils bestimmt gemäß den Bestimmungen dieses § 3 (5); und (B) der bestätigt, dass die Benchmark Änderungen notwendig sind, um die ordnungsgemäße Anwendung eines solchen Nachfolgezinzsatz, Alternativzinzsatz und/oder der Anpassungsspanne zu gewährleisten.

Der Nachfolgezinzsatz oder Alternativzinzsatz, die Anpassungsspanne (sofern zutreffend) und die Benchmark Änderungen (sofern zutreffend) sind in der Form des Nachweises (mit Ausnahme von offensichtlichen Fehlern oder Bösgläubigkeit bei der Festlegung des Nachfolgezinzsatzes oder Alternativzinzsatzes, der Anpassungsspanne (sofern zutreffend) oder der Bedingungen von Benchmark Änderungen (sofern zutreffend)) bindend für die Emittentin, die Emissionsstelle, die Berechnungsstelle, die Zahlstellen und die Anleihegläubiger.

- (f) *Fortbestehen des Referenzsatzes.* Unbeschadet der Verpflichtungen der Emittentin gemäß § 3 (5)(i), (ii), (iii) und (iv) bleiben der Referenzsatz und die Fallback-Regelungen in der Definition "Zinsänderungs-Referenzbanksatz" gemäß § 3 (1) bis zum Eintritt eines Benchmark Ereignisses anwendbar.

- (g) *Definitionen.* Zur Verwendung in § 3 (5):

"**Anpassungsspanne**" bezeichnet entweder die Spanne (positiv oder negativ) oder die Formel oder Methode zur Bestimmung einer solchen Spanne, die nach Bestimmung durch den Unabhängigen Berater auf den Nachfolgezinzsatz bzw. den Alternativzinzsatz anzuwenden ist, um wirtschaftliche Nachteile oder gegebenenfalls Vorteile der Gläubiger, soweit unter den Umständen sinnvoll umsetzbar, zu reduzieren oder auszuschließen, die durch die Ersetzung des Referenzsatzes durch die Nachfolgezinzsatz oder gegebenenfalls den Alternativzinzsatz entstehen, und ist die Spanne oder die Formel oder Methode, (1) die im Fall eines Nachfolgezinzsatzes formell im Zusammenhang mit der Ersetzung des Referenzsatzes durch den Nachfolgezinzsatz vom Nominierungsgremium empfohlen wird; oder (2) die (sofern keine Empfehlung abgegeben wurde oder im Fall eines Alternativzinzsatzes) durch den Unabhängigen Berater als anerkannten und berücksichtigten Industriestandard für "over-the-counter" derivative Transaktionen mit Bezug auf den Referenzsatz, bei denen dieser durch den Nachfolgezinzsatz bzw. den Alternativzinzsatz ersetzt wurde, bestimmt wird; oder (3) die (falls der Unabhängigen Berater bestimmt, dass es keinen anerkannten und berücksichtigten Industriestandard gibt) von dem Unabhängigen Berater als angemessen erachtet wird.

"**Alternativzinzsatz**" bezeichnet eine alternative Benchmark oder einen Bildschirmsatz welche der Unabhängige Berater gemäß § 3 (5)(b) als zur Bestimmung von variablen Zinssätzen in der Festgelegten Währung (oder entsprechenden Teilen davon) auf den internationalen Fremdkapitalmärkten marktüblich bestimmt.

"**Benchmark Änderungen**" hat die Bedeutung wie in § 3 (5)(d) festgelegt.

"**Benchmark Ereignis**" bezeichnet: (1) die Nichtveröffentlichung des Referenzsatzes für mindestens fünf (5) Geschäftstage oder das Nichtbestehen des Referenzsatzes; oder (2) eine öffentliche Bekanntmachung des Administrators des Referenzsatzes dahingehend, dass die Veröffentlichung dauerhaft oder auf unbestimmte Zeit eingestellt wird (in Fällen in denen kein Nachfolgeadministrator ernannt worden ist, der die Veröffentlichung vornehmen wird); oder (3) eine öffentliche Bekanntmachung der Aufsichtsbehörde des Administrators des Referenzsatzes, dass die Veröffentlichung dauerhaft oder auf unbestimmte Zeit eingestellt wird oder bereits wurde; oder (4) eine öffentliche Bekanntmachung der Aufsichtsbehörde des Administrators des Referenzsatzes infolgedessen der Referenzsatz allgemein oder in Bezug auf die Schuldverschreibungen nicht mehr verwendet werden darf; oder (5) den Umstand, dass die Verwendung des Referenzsatzes zur Berechnung des Festgelegten Zinssatzes für die Zahlstellen, die Berechnungsstelle, die Emittentin oder jeden Dritten rechtswidrig geworden ist.

"**Unabhängiger Berater**" bezeichnet ein von der Emittentin ernanntes unabhängiges Finanzinstitut mit internationalem Ansehen oder einen anderen unabhängigen Finanzberater mit Erfahrung in internationalen Kapitalmärkten wie jeweils von der Emittentin gemäß § 3 (5)(a) bestimmt.

"**Nominierungsgremium**" bezeichnet in Bezug auf die Benchmark oder einen Bildschirmsatz: (1) die Zentralbank für die Währung in der die Benchmark oder der Bildschirmsatz dargestellt wird oder eine Zentralbank oder andere Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist; oder (2) jede Arbeitsgruppe oder Komitee gefördert durch, geführt oder mitgeführt von oder gebildet von (a) der Zentralbank für die Währung in der die Benchmark oder der Bildschirmsatz dargestellt wird, (b) einer Zentralbank oder anderen Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist, (c) einer Gruppe der zuvor genannten Zentralbanken oder anderer Aufsichtsbehörden oder (d) dem Finanzstabilitätsrat (Financial Stability Board) oder Teilen davon.

"**Nachfolgezinssatz**" bezeichnet einen Nachfolger oder Ersatz des Referenzsatzes, der formell durch das Nominierungsgremium empfohlen wurde.

[Im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen und Nachrangigen Schuldverschreibungen einfügen:

- (h) Eine Anpassung des Referenzsatzes gemäß diesem § 3 (5) im Falle eines Benchmark Ereignisses darf nicht durchgeführt werden, wenn und soweit diese Anpassung dazu führen würde, dass die Emittentin berechtigt wäre, die Schuldverschreibungen aus regulatorischen Gründen gemäß § 5 (3) zurückzuzahlen.]]

[Im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen) einfügen:

- (h) Eine Anpassung des Referenzsatzes gemäß diesem § 3 (5) im Falle eines Benchmark Ereignisses darf nicht durchgeführt werden, wenn und soweit diese Anpassung dazu führen würde, dass ein MREL Disqualification Event eintritt.

"**MREL Disqualification Event**" meint zu jedem Zeitpunkt die Feststellung durch die Emittentin, dass die Schuldverschreibungen, ganz oder teilweise (i) nicht als Berücksichtigungsfähige MREL-Instrumente anerkannt werden, oder (ii) sich ihre aufsichtsrechtliche Einstufung so ändert, dass die Schuldverschreibungen wahrscheinlich von den Berücksichtigungsfähigen MREL-Instrumenten ausgeschlossen wären oder sind, wobei jeweils kein MREL Disqualification Event eintreten soll auf der Basis, (i) dass die Restlaufzeit der Schuldverschreibungen weniger beträgt als ein etwaiger Zeitraum gemäß den Anwendbaren MREL-Regeln, und/oder (ii) etwaiger anwendbarer Beschränkungen des zulässigen oder genehmigten Betrages für Berücksichtigungsfähige MREL-Instrumente zur Erfüllung von MREL gemäß den Anwendbaren MREL-Regeln.]]

§ 4 ZÄHLUNGEN

- (1) (a) *Zahlungen von Kapital.* Zahlungen von Kapital auf die Schuldverschreibungen erfolgen nach Maßgabe des § 4 (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems gegen Vorlage und (außer im Fall von Teilzahlungen) Einreichung der die Schuldverschreibungen zum Zeitpunkt der Zahlung verbriefenden Globalurkunde bei der bezeichneten Geschäftsstelle der Emissionsstelle außerhalb der Vereinigten Staaten.

- (b) *Zahlung von Zinsen.* Die Zahlung von Zinsen auf Schuldverschreibungen erfolgt nach Maßgabe von § 4 (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

[Im Fall von Zinszahlungen auf eine vorläufige Globalurkunde einfügen: Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von § 4 (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 (3)(b).]

- (2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der Festgelegten Währung ist.

(3) *Vereinigte Staaten*. Für die Zwecke des **[im Fall von D Rules Schuldverschreibungen einfügen: § 1 (3) und des] § 4 (1)** bezeichnet **"Vereinigte Staaten"** die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und der Northern Mariana Islands).

(4) *Erfüllung*. Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(5) *Zahltag*. Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag und ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

"Zahltag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem das Clearing System **[falls die Festgelegte Währung EUR ist, einfügen: und TARGET2 (Trans-European Automated Realtime Cross Settlement Express Transfer System) zur Abwicklung von Zahlungen in Euro betriebsbereit ist.] [falls die Festgelegte Währung nicht EUR ist, einfügen: und Geschäftsbanken und Devisenmärkte in [sämtliche relevanten Finanzzentren einfügen] Zahlungen abwickeln].**

(6) *Bezugnahmen auf Kapital und Zinsen*. Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen; den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen; **[falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzahlen, und Wahl-Rückzahlungsbetrag/beträge (Call) angegeben sind, einfügen: den Wahl-Rückzahlungsbetrag (Call) der Schuldverschreibungen;] [falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen: den Wahl-Rückzahlungsbetrag (Put) der Schuldverschreibungen;]** sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge]. Bezugnahmen in diesen Anleihebedingungen auf Zinsen auf Schuldverschreibungen sollen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren zusätzlichen Beträge einschließen.

(7) *Hinterlegung von Kapital und Zinsen*. Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die jeweiligen Ansprüche der Gläubiger gegen die Emittentin.

§ 5 RÜCKZAHLUNG

(1) *Rückzahlung bei Endfälligkeit*. Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am **[im Fall eines festgelegten Fälligkeitstages, Fälligkeitstag einfügen] [im Fall eines Rückzahlungsmonats einfügen: in den [Rückzahlungsmonat einfügen] fallenden Zinszahlungstag] (der "Fälligkeitstag")** zurückgezahlt. Der **"Rückzahlungsbetrag"** in Bezug auf jede Schuldverschreibung entspricht **[[•] Prozent des] [dem] Nennbetrag[s]** der Schuldverschreibungen.

(2) *Vorzeitige Rückzahlung aus steuerlichen Gründen*. Die Schuldverschreibungen können **[im Fall von Nachrangigen Schuldverschreibungen einfügen:; bei Erfüllung der Rückzahlungsbedingungen gemäß § 5 [(5)|(6)].][im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:; nach Maßgabe der Anwendbaren MREL-Regeln (wie in § 2 (2) definiert),]** insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Emissionsstelle und gemäß § 12 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden, falls die Emittentin als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften der Republik Österreich oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam) am nächstfolgenden Zinszahlungstag (wie in § 3 (1) definiert) zur Zahlung von zusätzlichen Beträgen (wie in § 7 dieser Bedingungen definiert) verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen vernünftiger der Emittentin zur Verfügung stehender Maßnahmen vermieden werden kann.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von zusätzlichen Beträgen nicht mehr wirksam ist.

Eine solche Kündigung hat gemäß § 12 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.]

[Im Fall von Nachrangigen Schuldverschreibungen einfügen:

(3) *Außerordentliche Kündigung durch die Emittentin aus regulatorischen Gründen.* Wenn ein Regulatorisches Ereignis eintritt und die Rückzahlungsbedingungen erfüllt sind, können die Schuldverschreibungen, insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin, mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Emissionsstelle und gemäß § 12 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden. Eine solche Mitteilung darf nicht später als 90 Tage nach Eintritt eines Regulatorischen Ereignisses erfolgen. Jede derartige Mitteilung ist unwiderruflich, gemäß § 12 bekannt zu geben und muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

Ein "**Regulatorisches Ereignis**" tritt ein, wenn sich die aufsichtsrechtliche Einstufung der Schuldverschreibungen gemäß den Relevanten Regeln ändert, was wahrscheinlich zu ihrem vollständigen oder teilweisen Ausschluss aus den Eigenmitteln oder ihrer Neueinstufung als Eigenmittel niederer Qualität der [Regulatorischen BAWAG-Gruppe auf konsolidierter Basis][und/oder der][Emittentin auf individueller Basis] führen würde oder geführt hat.

"**BWG**" bezeichnet das österreichische Bankwesengesetz in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen des BWG geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen des BWG in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**CDR**" bezeichnet die Delegierte Verordnung (EU) Nr. 241/2014 der Kommission vom 7. Januar 2014 zur Ergänzung der Verordnung (EU) Nr. 575/2013 des Europäischen Parlaments und des Rates im Hinblick auf technische Regulierungsstandards für die Eigenmittelanforderungen an Institute (*Commission Delegated Regulation, CDR*), in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der CDR geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der CDR in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**CRD IV**" bezeichnet die Richtlinie 2013/36/EU des Europäischen Parlaments und des Rates vom 26. Juni 2013 über den Zugang zur Tätigkeit von Kreditinstituten und die Beaufsichtigung von Kreditinstituten und Wertpapierfirmen, zur Änderung der Richtlinie 2002/87/EG und zur Aufhebung der Richtlinien 2006/48/EG und 2006/49/EG (*Capital Requirements Directive IV, CRD IV*), wie in der Republik Österreich umgesetzt und wie geändert oder ersetzt.

"**Regulatorische BAWAG-Gruppe**" meint jederzeit jede Bankengruppe: (i) zu der die Emittentin gehört; und (ii) für welche die Eigenmittelanforderungen gemäß dem Zweiten und Dritten Teil der CRR auf konsolidierter Basis aufgrund von aufsichtlicher Konsolidierung nach Maßgabe des Ersten Teils, Titel 2, Kapitel 2 der CRR anwendbar sind.

"**Relevante Regeln**" meint jederzeit alle Voraussetzungen nach österreichischem Recht oder die in Vorschriften, Anforderungen, Leitlinien oder Richtlinien der Zuständigen Behörde, des Europäischen Parlaments und/oder des Europäischen Rates, die dann in der Republik Österreich gültig sind und für die Regulatorische BAWAG-Gruppe und/oder (gegebenenfalls) die Emittentin anwendbar sind, einschließlich, aber nicht ausschließlich der Bestimmungen des BWG, der CRD IV, der CRR, der CDR and der SSM-Verordnung, jeweils in ihrer jeweils gültigen Fassung, oder an ihre Stelle tretende Gesetze, Verordnung oder Richtlinie.

"**SSM-Verordnung**" bezeichnet die Verordnung (EU) Nr. 1024/2013 des Rates vom 15. Oktober 2013 zur Übertragung besonderer Aufgaben im Zusammenhang mit der Aufsicht über Kreditinstitute auf die Europäische Zentralbank (*Single Supervisory Mechanism Regulation*), in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der SSM-Verordnung geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der SSM-Verordnung in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"Zuständige Behörde" meint die zuständige Aufsichtsbehörde gemäß Artikel 4 Abs. 1 Nr. 40 CRR und/oder Artikel 9 Abs. 1 SSM-Verordnung, die jeweils für die Beaufsichtigung der Regulatorischen BAWAG-Gruppe und (gegebenenfalls) der Emittentin zuständig ist.]

[Im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:

(3) *Vorzeitige Rückzahlung wegen eines MREL Disqualification Events.*

Im Fall eines MREL Disqualification Event können die Schuldverschreibungen insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Emissionsstelle und gemäß § 12 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden. Eine derartige Kündigung muss innerhalb von 90 Tagen nach Eintritt des MREL Disqualification Event ausgesprochen werden. Die Kündigung ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

Eine Rückzahlung der Schuldverschreibungen muss durch die Anwendbaren MREL Regeln erlaubt sein und ist, sofern erforderlich, durch eine Erlaubnis der Zuständigen Behörde und/oder (gegebenenfalls) der gemäß den Anwendbaren MREL-Regeln zuständigen Aufsichtsbehörde bedingt.

"MREL Disqualification Event" meint zu jedem Zeitpunkt die Feststellung durch die Emittentin, dass die Schuldverschreibungen, ganz oder teilweise (i) nicht als Berücksichtigungsfähige MREL-Instrumente anerkannt werden, oder (ii) sich ihre aufsichtsrechtliche Einstufung so ändert, dass die Schuldverschreibungen wahrscheinlich von den Berücksichtigungsfähigen MREL-Instrumenten ausgeschlossen wären oder sind, wobei jeweils kein MREL Disqualification Event eintreten soll auf der Basis, (i) dass die Restlaufzeit der Schuldverschreibungen weniger beträgt als ein etwaiger Zeitraum gemäß den Anwendbaren MREL-Regeln, und/oder (ii) etwaiger anwendbarer Beschränkungen des zulässigen oder genehmigten Betrages für Berücksichtigungsfähige MREL-Instrumente zur Erfüllung von MREL gemäß den Anwendbaren MREL-Regeln.]

[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen, einfügen:

[(3)|(4)] *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

(a) Die Emittentin kann, nachdem sie gemäß Abs. [(b)|(c)] gekündigt hat, die Schuldverschreibungen [insgesamt oder teilweise][insgesamt, aber nicht teilweise,] an dem/den Wahl-Rückzahlungstag(en) (Call) [zu den Wahl-Rückzahlungsbetrag/beträgen (Call), wie nachstehend angegeben][zum vorzeitigen Rückzahlungsbetrag (wie unten definiert)] nebst etwaigen bis zum Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzuzahlen.

[Bei Geltung eines Mindestrückzahlungsbetrages oder eines erhöhten Rückzahlungsbetrages einfügen: Eine solche Rückzahlung muss in Höhe eines Nennbetrages von [mindestens [Mindestrückzahlungsbetrag einfügen]] [erhöhten Rückzahlungsbetrag einfügen] erfolgen.

Jede Kündigung nach diesem § 5 [(3)|(4)] soll die Emittentin nach Maßgabe des § 12 unter Einhaltung einer Kündigungsfrist von nicht weniger als 30 Kalendertagen und nicht mehr als 60 Kalendertagen gegenüber den Gläubigern abgeben. Jede solche Kündigung ist widerruflich.

"Wahl-Rückzahlungstag(e) (Call)" ist [jeder|der] [Wahl-Rückzahlungstag (Call) wie nachstehend angegeben][oder im Fall von Nachrangigen Schuldverschreibungen alternativ: Zinszahlungstag am [oder nach dem] [fünften oder späteren einfügen]] Jahrestag der Begebung der Schuldverschreibungen].

[Wahl-Rückzahlungstag(e) (Call)]	[Wahl-Rückzahlungsbetrag/beträge (Call)]
[Wahl-Rückzahlungstag(e) einfügen]	[Wahl-Rückzahlungsbetrag/beträge einfügen]
[_____]	[_____]
[_____]	[_____]

[Im Fall von Nachrangigen Schuldverschreibungen einfügen:

(b) Die Emittentin kann die Schuldverschreibungen nur vorbehaltlich der Erfüllung der in § 5 [(5)|(6)] definierten Bedingungen vorzeitig kündigen.]

[Im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:

(b) Die Emittentin kann die Schuldverschreibungen nur vorbehaltlich der Anwendbaren MREL-Regeln (wie unter § 2 (2) definiert) vorzeitig kündigen.]

[Falls der Gläubiger bei Fundierten Bankschuldverschreibungen ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen: Der Emittentin steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Gläubiger in Ausübung seines Wahlrechts nach Abs. 4 dieses § 5 verlangt hat.]

[(b)|(c)] Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 12 bekanntzugeben. Sie beinhaltet die folgenden Angaben:

- (i) die zurückzuzahlende Serie von Schuldverschreibungen;
- (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen;
- (iii) den Wahl-Rückzahlungstag (Call); und
- (iv) den Wahl-Rückzahlungsbetrag (Call), zu dem die Schuldverschreibungen zurückgezahlt werden.

[(c)] Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen in Übereinstimmung mit den Regeln des betreffenden Clearing Systems ausgewählt. **[Falls die Schuldverschreibungen in Form einer NGN begeben werden, einfügen:** Die teilweise Rückzahlung wird in den Registern von CBL und Euroclear nach deren Ermessen entweder als Pool-Faktor oder als Reduzierung des Nennbetrags wiedergegeben.]]

[Falls der Gläubiger bei Fundierten Bankschuldverschreibungen ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:

[(3)|(4)] *Vorzeitige Rückzahlung nach Wahl des Gläubigers.*

(a) Die Emittentin hat eine Schuldverschreibung nach Ausübung des entsprechenden Wahlrechts durch den Gläubiger am/an den Wahl-Rückzahlungstag(en) (Put) zum/zu den Wahl-Rückzahlungsbetrag/beträgen (Put), wie nachstehend angegeben nebst etwaigen bis zum Wahl-Rückzahlungstag (Put) (ausschließlich) aufgelaufener Zinsen zurückzuzahlen.

Wahl-Rückzahlungsrat(e) (Put) [[Wahl-Rückzahlungstag(e) einfügen] [_____] [_____]	Wahl-Rückzahlungsbetrag/-beträge (Put) [[Wahl-Rückzahlungsbetrag/beträge einfügen] [_____] [_____]
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Dem Gläubiger steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung die Emittentin zuvor in Ausübung ihres Wahlrechts nach diesem § 5 verlangt hat.

(b) Um dieses Wahlrecht auszuüben, hat der Gläubiger nicht weniger als **[Mindestkündigungsfrist einfügen]** Tage und nicht mehr als **[Höchstkündigungsfrist einfügen]** Tage vor dem Wahl-Rückzahlungstag (Put), an dem die Rückzahlung gemäß der Ausübungserklärung (wie nachstehend definiert) erfolgen soll, bei der bezeichneten Geschäftsstelle der Emissionsstelle während der normalen Geschäftszeiten eine ordnungsgemäß ausgefüllte Mitteilung zur vorzeitigen Rückzahlung ("**Ausübungserklärung**"), wie sie von der bezeichneten Geschäftsstelle der Emissionsstelle erhältlich ist, zu hinterlegen. Die Ausübung des Wahlrechts kann nicht widerrufen werden.]

[(3)|(4)|(5)] *Vorzeitiger Rückzahlungsbetrag.* Der "**vorzeitige Rückzahlungsbetrag**" einer Schuldverschreibung entspricht dem Rückzahlungsbetrag.

[Im Fall Nachrangiger Schuldverschreibungen einfügen:

[(5)|(6)] Jede Rückzahlung und jeder Rückkauf gemäß § 11 (2) der Schuldverschreibungen und jede Mitteilung diesbezüglich nach § 12 unterliegt den folgenden Bedingungen ("**Rückzahlungsbedingungen**"):

- (a) die Emittentin hat von der Zuständigen Behörde die vorherige Erlaubnis zu vorzeitigen Rückzahlung nach diesem § 5 oder für einen Rückkauf gemäß § 11 (2) nach Maßgabe des Artikel 78 CRR erlangt, soweit im betreffenden Zeitpunkt auf die Emittentin anwendbar; eine solche Erlaubnis setzt unter anderem voraus, dass
 - (i) die Emittentin die Schuldverschreibungen durch Eigenmittelinstrumente gleicher oder höherer Qualität zu Bedingungen ersetzt, die im Hinblick auf die Ertragsmöglichkeiten der Emittentin nachhaltig sind; und
 - (ii) die Emittentin der Zuständigen Behörde hinreichend nachgewiesen hat, dass die Eigenmittel der [Regulatorischen BAWAG-Gruppe][und/oder (gegebenenfalls) der][Emittentin] nach einer solchen vorzeitigen Rückzahlung oder einem Rückkauf die Mindestkapitalanforderungen (einschließlich etwaiger kombinierter Kapitalpufferanforderung) um eine Spanne übertreffen, welche die Zuständige Behörde im betreffenden Zeitpunkt für erforderlich hält; und
- (b) zusätzlich, im Falle einer vorzeitigen Rückzahlung gemäß dieses § 5 früher als fünf Jahre nach dem Zeitpunkt der Ausgabe der Schuldverschreibungen
 - (i) im Falle einer vorzeitigen Rückzahlung aus steuerlichen Gründen nach Maßgabe des § 5 (2), die Emittentin der Zuständigen Behörde hinreichend nachgewiesen hat, dass die geltende steuerliche Behandlung sich wesentlich geändert hat und dies zum Zeitpunkt der Begebung der Schuldverschreibungen nicht vernünftigerweise vorherzusehen war; oder
 - (ii) im Falle einer vorzeitigen Rückzahlung aus regulatorischen Gründen nach Maßgabe des § 5 (3) die Zuständige Behörde es für ausreichend sicher hält, dass sich die aufsichtsrechtliche Einstufung der Schuldverschreibungen nach den Anwendbaren Regeln ändert und die Emittentin der Zuständigen Behörde hinreichend nachgewiesen hat, dass dies zum Zeitpunkt der Begebung der Schuldverschreibungen nicht vernünftigerweise vorherzusehen war.

Unabhängig von den vorstehenden Bedingungen, wenn die anwendbaren Relevanten Regeln im Zeitpunkt einer vorzeitigen Rückzahlung oder eines Rückkaufs die vorzeitige Rückzahlung oder den Rückkauf nur unter Beachtung einer oder mehrerer alternativer oder zusätzlicher Bedingungen zu den in diesem § 5 [(5)|(6)] niedergelegten Bedingungen erlauben, hat die Emittentin diese anderen Bedingungen und/oder zusätzlichen Bedingungen einzuhalten.

Darüberhinaus wird die Emittentin die Schuldverschreibungen, selbst wenn eine Mitteilung über eine vorzeitige Rückzahlung gemäß § 5 (2), § 5 (3) oder § 5 (4) abgegeben wurde, nur dann vorzeitig am in der Mitteilung genannten Tag zurückzahlen, wenn die dann anwendbaren Bedingungen für eine vorzeitige Rückzahlung nach diesem § 5 [(5)|(6)] am in dieser Mitteilung genannten Rückzahlungstag erfüllt sind.

Zur Klarstellung: Eine etwaige Verweigerung der Erlaubnis durch die Zuständige Behörde nach Maßgabe der Anwendbaren Regeln stellt keine Pflichtverletzung zu irgendeinem Zweck dar.]

§ 6

DIE EMISSIONSSTELLE[,] [UND] [DIE ZAHLSTELLEN] [UND DIE BERECHNUNGSSTELLE]

(1) *Bestellung*; bezeichnete Geschäftsstelle. Die anfänglich bestellte Emissionsstelle[,] [und] die anfänglich bestellte[n] Zahlstelle[n] [und] die anfänglich bestellte Berechnungsstelle] und deren jeweilige bezeichnete Geschäftsstelle lauten wie folgt:

[Falls eine die Schuldverschreibungen anfänglich verbriefende Globalurkunde bei einem anderen Clearing System oder dessen Verwahrer oder gemeinsamen Verwahrer als OeKB CSD eingeliefert werden soll, einfügen:

Emissionsstelle: Citibank Europe plc
1 N Wall Quay, North Dock
Dublin, 1
Irland]

[Falls eine die Schuldverschreibungen anfänglich verbriefende Globalurkunde bei OeKB CSD eingeliefert werden soll, einfügen:

Emissionsstelle: BAWAG P.S.K. Bank für Arbeit und Wirtschaft und
Österreichische Postsparkasse Aktiengesellschaft
Wiedner Gürtel 11
A-1100 Wien
Republik Österreich]

Zahlstelle[n]: **[Zahlstellen und bezeichnete Geschäftsstellen einfügen]**

[Falls die Emissionsstelle als Berechnungsstelle bestellt werden soll, einfügen: Die Emissionsstelle handelt auch als Berechnungsstelle.]

[Falls eine Berechnungsstelle bestellt werden soll, die nicht die Emissionsstelle ist, einfügen: Die Berechnungsstelle und ihre anfänglich bezeichnete Geschäftsstelle lauten:

Berechnungsstelle: **[Namen und bezeichnete Geschäftsstelle einfügen]]**

Die Emissionsstelle[,] [und] die Zahlstelle[n] [und die Berechnungsstelle] [behält] [behalten] sich das Recht vor, jederzeit ihre [jeweilige] bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in Deutschland zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Emissionsstelle oder einer Zahlstelle [oder der Berechnungsstelle] zu ändern oder zu beenden und eine andere Emissionsstelle oder zusätzliche oder andere Zahlstellen [oder eine andere Berechnungsstelle] zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) eine Emissionsstelle unterhalten **[im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen: [,] [und] (ii)** solange die Schuldverschreibungen an der **[Name der Börse einfügen]** notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann), wobei es sich um eine Bank mit dem Sitz im Europäischen Wirtschaftsraum ("EWR") zu handeln hat, mit bezeichneter Geschäftsstelle in **[Sitz der Börse einfügen]** und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen] **[im Fall von Zahlungen in US-Dollar einfügen: [,] [und] [(iii)]** falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 4 definiert) aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich der vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in US-Dollar widerrechtlich oder tatsächlich ausgeschlossen werden, eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City unterhalten] **[falls eine Berechnungsstelle bestellt werden soll, einfügen: [,] [und] [(iv)]** eine Berechnungsstelle **[falls die Berechnungsstelle eine bezeichnete Geschäftsstelle an einem vorgeschriebenen Ort zu unterhalten hat, einfügen:** mit bezeichneter Geschäftsstelle in **[vorgeschriebenen Ort einfügen]]** unterhalten]. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 12 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

(3) *Beauftragte der Emittentin.* Die Emissionsstelle[,] [und] die Zahlstelle[n] [und die Berechnungsstelle] [handelt] [handeln] ausschließlich als Beauftragte der Emittentin und [übernimmt] [übernehmen] keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen [ihr] [ihnen] und den Gläubigern begründet.

§ 7 STEUERN

(1) Alle auf die Schuldverschreibungen zahlbaren Kapital- oder Zinsbeträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in der Republik Österreich oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in der Republik Österreich auferlegt oder erhoben werden, es sei denn, dieser Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall wird die Emittentin diejenigen zusätzlichen Beträge (die "**zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen von Kapital und Zinsen entsprechen, die ohne einen solchen Abzug oder Einbehalt von den Gläubigern empfangen worden wären**[im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen und Nachrangigen Schuldverschreibungen einfügen:** wobei zusätzliche Beträge Zinsen, nicht aber Kapital umfassen]; die

Verpflichtung zur Zahlung solcher zusätzlichen Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- (a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihm zu leistenden Zahlungen von Kapital oder Zinsen einen Einbehalt oder Abzug vornimmt; oder
- (b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zu der Republik Österreich zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Republik Österreich stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (c) aufgrund (i) Verordnungen oder Richtlinien der Europäischen Union betreffend die Besteuerung von Zinserträgen, oder (ii) internationaler Verträge oder Übereinkommen der Europäischen Union oder der Republik Österreich bezüglich der Besteuerung von Zinserträgen, oder (iii) den gesetzlichen Vorschriften, die derartige Richtlinien, Verordnungen oder Übereinkommen umsetzen, zurückbehalten oder abgezogen werden; oder
- (d) von einer auszahlenden Stelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen auszahlenden Stelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können; oder
- (e) wegen einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 12 wirksam wird.

(2) Unbeschadet sonstiger Bestimmungen dieser Emissionsbedingungen, ist die Emittentin zum Einbehalt oder Abzug der Beträge berechtigt, die gemäß §§ 1471 bis 1474 des U.S. Internal Revenue Code (einschließlich dessen Änderungen oder Nachfolgevorschriften), gemäß zwischenstaatlicher Abkommen, gemäß den in einer anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen ("**FATCA Quellensteuer**") erforderlich sind. Die Emittentin ist nicht verpflichtet, zusätzliche Beträge zu zahlen oder Gläubiger in Bezug auf FATCA Quellensteuer schadlos zu halten, die von der Emittentin, einer Zahlstelle oder von einem anderen Beteiligten als Folge davon, dass eine andere Person als die Emittentin oder deren Zahlstelle nicht zum Empfang von Zahlungen ohne FATCA Quellensteuer berechtigt ist, abgezogen oder einbehalten wurden.

[§ 8 VORLEGUNGSFRIST

Die in § 801 Abs. 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.]

[Im Fall von Schuldverschreibungen, die österreichischem Recht unterliegen und für die eine österreichische Emissionsstelle bestellt wurde, ist § 8 VORLEGUNGSFRIST vollständig wie folgt zu ersetzen:

§ 8 VERJÄHRUNG

Die Verpflichtungen der Emittentin, Kapital und Zinsen auf diese Schuldverschreibung zu zahlen, verjähren (i) mit Bezug auf Kapital nach Ablauf von 10 Jahren nach dem Fälligkeitstag für die Zahlung von Kapital und (ii) mit Bezug auf Zinsen nach Ablauf von 3 Jahren nach dem Fälligkeitstag für die entsprechende Zinszahlung.]

§ 9 KÜNDIGUNG

[Im Fall Nicht-Nachrangiger Schuldverschreibungen (außer Fundierter Bankschuldverschreibungen) und Nicht-Nachrangiger Nicht-Präferierter Schuldverschreibungen einfügen:

(1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibung zu kündigen und deren sofortige Rückzahlung zu ihrem vorzeitigen Rückzahlungsbetrag (wie in § 5 beschrieben), zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls ein Insolvenz- oder Liquidationsverfahren

gegen die Emittentin eingeleitet wird, welches nicht binnen 60 Tage nach seiner Einleitung endgültig oder einstweilen eingestellt worden ist, oder falls die Emittentin die Eröffnung eines solchen Verfahrens beantragt.

(2) *Benachrichtigung.* Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß vorstehendem Abs. 1 ist schriftlich in deutscher oder englischer Sprache gegenüber der Emissionsstelle zu erklären und persönlich oder per Einschreiben an deren bezeichnete Geschäftsstelle zu übermitteln. Der Benachrichtigung ist ein Nachweis beizufügen, aus dem sich ergibt, dass der betreffende Gläubiger zum Zeitpunkt der Abgabe der Benachrichtigung Inhaber der betreffenden Schuldverschreibung ist. Der Nachweis kann durch eine Bescheinigung der Depotbank (wie in § 13 (4) definiert) oder auf andere geeignete Weise erbracht werden.]

[Im Fall Nachrangiger Schuldverschreibungen einfügen:

Die Gläubiger haben kein Recht, die Schuldverschreibungen während ihrer Laufzeit zu kündigen.]

[Im Fall Fundierter Bankschuldverschreibungen einfügen:

(1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibung zu kündigen und deren sofortige Rückzahlung zu ihrem vorzeitigen Rückzahlungsbetrag (wie in § 5 beschrieben), zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls die Emittentin Kapital oder Zinsen nicht innerhalb von 30 Tagen nach dem betreffenden Fälligkeitstag zahlt.

(2) *Benachrichtigung.* Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß vorstehendem Abs. 1 ist schriftlich in deutscher oder englischer Sprache gegenüber der Emissionsstelle zu erklären und persönlich oder per Einschreiben an deren bezeichnete Geschäftsstelle zu übermitteln. Der Benachrichtigung ist ein Nachweis beizufügen, aus dem sich ergibt, dass der betreffende Gläubiger zum Zeitpunkt der Abgabe der Benachrichtigung Inhaber der betreffenden Schuldverschreibung ist. Der Nachweis kann durch eine Bescheinigung der Depotbank (wie in § 13 (4) definiert) oder auf andere geeignete Weise erbracht werden.]

[Im Fall Nachrangiger Schuldverschreibungen einfügen:

**§ 10
ERSETZUNG**

[Dieser Paragraph ist absichtlich frei gelassen.]

[Im Fall Nicht-Nachrangiger Schuldverschreibungen (außer Fundierter Bankschuldverschreibungen) und Nicht-Nachrangiger Nicht-Präferierter Schuldverschreibungen einfügen:

**§ 10
ERSETZUNG**

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger ein mit ihr verbundenes Unternehmen (wie unten definiert) als Hauptschuldnerin für alle Verpflichtungen im Zusammenhang mit diesen Schuldverschreibungen (die "**Nachfolgeschuldnerin**") einzusetzen, sofern:

(a) die Nachfolgeschuldnerin in der Lage ist, sämtliche sich aus oder in dem Zusammenhang mit diesen Schuldverschreibungen ergebenden Zahlungsverpflichtungen ohne die Notwendigkeit eines Einbehalts von irgendwelchen Steuern oder Abgaben an der Quelle zu erfüllen sowie die hierzu erforderlichen Beträge ohne Beschränkungen an die Emissionsstelle übertragen können;

(b) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin aus oder im Zusammenhang mit diesen Schuldverschreibungen übernimmt;

(c) die Nachfolgeschuldnerin sich verpflichtet, jedem Gläubiger alle Steuern, Gebühren oder Abgaben zu erstatten, die ihm in Folge der Ersetzung durch die Nachfolgeschuldnerin auferlegt werden;

[(d) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert, die den

Bedingungen des Musters der nicht nachrangigen Garantie der Emittentin hinsichtlich der Nicht-Nachrangigen Schuldverschreibungen, das im Agency Agreement enthalten ist, entsprechen;]

- [(d) hinsichtlich der von der Nachfolgeschuldnerin bezüglich der Schuldverschreibungen übernommenen Verpflichtungen der Nachrang zu mit den Bedingungen der Schuldverschreibungen übereinstimmenden Bedingungen begründet wird und (i) die Nachfolgeschuldnerin ein Tochterunternehmen der Emittentin ist, (ii) die Nachfolgeschuldnerin eine Einlage in Höhe eines Betrages, der dem Gesamtnennbetrag der Schuldverschreibungen entspricht, bei der Emittentin vornimmt und zwar zu Bedingungen, die den Emissionsbedingungen (einschließlich hinsichtlich der Nachrangigkeit) entsprechen, und (iii) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert, die den Bedingungen des Musters der nachrangigen Garantie der Emittentin, das im Agency Agreement enthalten ist, entsprechen;]
- (f) der Emissionsstelle jeweils eine Bestätigung bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt wird, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden.

Für die Zwecke dieses § 10 bedeutet "**verbundenes Unternehmen**" ein Konzernunternehmen im Sinne von § 15 österreichisches Aktiengesetz.

(2) *Bekanntmachung.* Jede Ersetzung ist gemäß § 12 bekannt zu machen.

(3) *Änderung von Bezugnahmen.* Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat. Des Weiteren gilt im Fall einer Ersetzung folgendes:

[(a)] in § 7 und § 5 Abs. 2 gilt eine alternative Bezugnahme auf die Bundesrepublik Deutschland als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat);

[(b)] in § 10 Abs. 1(c) bis (e) gilt eine alternative Bezugnahme auf die Emittentin in ihrer Eigenschaft als Garantin als aufgenommen (zusätzlich zu der Bezugnahme auf die Nachfolgeschuldnerin).]

Im Fall einer Ersetzung folgt die Nachfolgeschuldnerin der Emittentin als Rechtsnachfolgerin nach, ersetzt diese und darf alle Rechte und Befugnisse der Emittentin aus den Schuldverschreibungen mit der gleichen Wirkung geltend machen, als wenn die Nachfolgeschuldnerin in diesen Emissionsbedingungen als Emittentin genannt worden wäre, und die Emittentin (bzw. die Gesellschaft, die zuvor die Verpflichtungen der Emittentin übernommen hat) wird von ihren Verpflichtungen als Schuldnerin aus den Schuldverschreibungen befreit.

[Im Fall Fundierter Bankschuldverschreibungen einfügen:

§ 10 ERSETZUNG

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger ein mit ihr verbundenes Unternehmen (wie unten definiert) als Hauptschuldnerin für alle Verpflichtungen im Zusammenhang mit diesen Schuldverschreibungen (die "**Nachfolgeschuldnerin**") einzusetzen, sofern:

- (a) die Nachfolgeschuldnerin berechtigt ist, Fundierte Bankschuldverschreibungen gemäß dem Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen und gemäß ihrer Satzung zu begeben;
- (b) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin aus oder im Zusammenhang mit diesen Schuldverschreibungen übernimmt, einschließlich aller Verpflichtungen im Zusammenhang mit dem Deckungsstock zur Deckung der Schuldverschreibungen in Übereinstimmung mit dem Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen, und sich verpflichtet, die Emissionsbedingungen für noch ausstehende fundierte Bankschuldverschreibungen nicht zu ändern;
- (c) die Emittentin und die Nachfolgeschuldnerin alle notwendigen Bewilligungen erhalten haben und in der Lage sind, sämtliche sich aus oder in dem Zusammenhang mit diesen Schuldverschreibungen ergebenden

Zahlungsverpflichtungen ohne die Notwendigkeit eines Einbehalts von irgendwelchen Steuern oder Abgaben an der Quelle zu erfüllen sowie die hierzu erforderlichen Beträge ohne Beschränkungen an die Emissionsstelle in der Festgelegten Währung übertragen können;

- (d) die Nachfolgeschuldnerin sich verpflichtet, jedem Gläubiger alle Steuern, Gebühren oder Abgaben zu erstatten, die ihm in Folge der Ersetzung durch die Nachfolgeschuldnerin auferlegt werden; und
- (e) der Emissionsstelle jeweils eine Bestätigung bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt wird, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden.

(2) *Bekanntmachung.* Jede Ersetzung ist gemäß § 12 bekannt zu machen.

(3) *Änderung von Bezugnahmen.* Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat.]

§ 11

BEBEGUNG WEITERER SCHULDVERSCHREIBUNGEN, RÜCKKAUF UND ENTWERTUNG

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit **[Im Fall von Fundierten Bankschuldverschreibungen einfügen:** vorbehaltlich der gesetzlichen Deckung (Kautions)] ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Rückkauf.* Die Emittentin ist jederzeit **[Im Fall von Nachrangigen Schuldverschreibungen einfügen:** unter Beachtung der Beschränkungen der Relevanten Regeln (wie in § 5 (3) definiert) und vorbehaltlich der Bedingungen in § 5 [(5)|(6)], insbesondere eines Erlaubnisvorbehalts der Zuständigen Behörde]**[Im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:** nach Maßgabe und vorbehaltlich der Anwendbaren MREL-Regeln (wie unter § 2 (2) definiert), insbesondere eines Erlaubnisvorbehalts der Zuständigen Behörde und/oder (gegebenenfalls) der zuständigen Aufsichtsbehörde nach den Anwendbaren MREL-Regeln] berechtigt, (i) Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen und (ii) diese Schuldverschreibungen zu halten, weiterzverkaufen oder bei der Emissionsstelle zwecks Entwertung einzureichen.] Sofern diese Käufe durch öffentliches Angebot erfolgen, muss dieses Angebot allen Gläubigern gemacht werden.

(3) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§ 12

MITTEILUNGEN

(1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen sind [auf der Internetseite der Emittentin unter dem Link [•]] [und] [auf der Internetseite der Luxemburger Börse, www.bourse.lu] [in einer führenden Tageszeitung mit allgemeiner Verbreitung in Luxemburg, voraussichtlich [dem Tageblatt (Luxemburg)] [andere Zeitung mit allgemeiner Verbreitung einfügen]] zu veröffentlichen. Falls eine Veröffentlichung [auf der Internetseite] [in dieser Zeitung] nicht möglich ist, werden die Mitteilungen in einer [anderen] führenden Tageszeitung mit allgemeiner Verbreitung in Luxemburg veröffentlicht.

[Im Fall von Schuldverschreibungen, die an der Wiener Börse notiert sind, einfügen: Alle die Schuldverschreibungen betreffenden Mitteilungen sind auch in einer führenden Tageszeitung mit allgemeiner Verbreitung in Österreich, voraussichtlich [dem Amtsblatt zur Wiener Zeitung] [andere Zeitung mit allgemeiner Verbreitung einfügen] zu veröffentlichen. Falls eine Veröffentlichung in dieser Zeitung nicht möglich ist, werden die Mitteilungen in einer anderen führenden Tageszeitung mit allgemeiner Verbreitung in Österreich veröffentlicht.]

Die Emittentin wird auch sicherstellen, dass Mitteilungen ordnungsgemäß in Übereinstimmung mit den Erfordernissen einer jeden Börse, an der die Schuldverschreibungen notiert sind, erfolgen. Jede derartige Mitteilung gilt am Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen am Tag der ersten solchen Veröffentlichung) als wirksam erfolgt. **[Falls anwendbare Vorschriften die Veröffentlichung zusätzlicher**

Mitteilungen erfordern, anwendbare Regelungen zur zusätzlichen Veröffentlichung von Mitteilungen einfügen.]

[Im Fall von Schuldverschreibungen, die an der Official List der Luxemburger Börse oder der Wiener Börse notiert werden, ist folgendes anwendbar:

[(2)] *Mitteilungen an das Clearing System.*

Die Emittentin ist berechtigt, anstelle der Veröffentlichung nach Abs.1, eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger zu übermitteln **[im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen:** , vorausgesetzt, die Regeln der Börse, an der die Schuldverschreibungen notiert sind, lassen diese Form der Mitteilung zu]. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.

§ 13

ANWENDBARES RECHT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

(1) *Ausschluss der Anwendbarkeit des Kuratorengesetzes.* Soweit rechtlich zulässig ist die Anwendbarkeit der Bestimmungen des Kuratorengesetzes und des Kuratorenergänzungsgesetzes im Zusammenhang mit den Schuldverschreibungen ausdrücklich ausgeschlossen.

(2) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich **[im Fall Nicht-Nachrangiger Schuldverschreibungen, die keine Fundierten Bankschuldverschreibungen oder Nicht-Nachrangige Nicht-Präferierte Schuldverschreibungen sind, einfügen:** nach [deutschem] [österreichischem] Recht] **[im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:** nach [deutschem] [österreichischem] Recht **[im Fall von deutschem Recht einfügen:** mit Ausnahme der den Nachrang regelnden Bedingungen, welche österreichischem Recht unterliegen]] **[im Fall von Fundierten Bankschuldverschreibungen einfügen:** nach [deutschem] [österreichischem] Recht und entsprechen dem österreichischen Gesetz vom 27. Dezember 1905 betreffend fundierte Bankschuldverschreibungen RGBI. 213/1905 idGF.] **[im Fall von Nachrangigen Schuldverschreibungen einfügen:** nach [deutschem] [österreichischem] Recht, [bis auf die Regelungen im Hinblick auf die Nachrangigkeit, die österreichischem Recht unterliegen]].

(3) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht in Frankfurt am Main.

[Im Fall von Fundierten Bankschuldverschreibungen, Nachrangigen Schuldverschreibungen und Schuldverschreibungen, die österreichischem Recht unterliegen und für die eine österreichische Emissionsstelle bestellt wurde, einfügen: (3a) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das zuständige Gericht in Wien.

[Im Fall von Angeboten nach Österreich: (3b) Für Klagen von und gegen österreichische Konsumenten sind die im österreichischen Konsumentenschutzgesetz und in der Jurisdiktionsnorm zwingend vorgesehenen Gerichtsstände maßgeblich.]]

(4) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems.

Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land, in dem der Prozess stattfindet, prozessual zulässig ist.

§ 14 SPRACHE

[Falls die Emissionsbedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind in englischer Sprache abgefasst. Eine Übersetzung in die deutsche Sprache ist beigefügt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen ausschließlich in deutscher Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefasst.]

* * *

OPTION II – Emissionsbedingungen für Schuldverschreibungen mit variabler Verzinsung

Emissionsbedingungen der Schuldverschreibungen

§ 1

WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN

(1) *Währung; Stückelung.* Diese Serie von Schuldverschreibungen (die "**Schuldverschreibungen**") der [im Fall von BAWAG als Emittentin von Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) einfügen: BAWAG Group AG][im Fall von BAWAG P.S.K. als Emittentin von Schuldverschreibungen einfügen: BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft] (die "**Emittentin**") wird in [Festgelegte Währung einfügen] (die "**Festgelegte Währung**") im Gesamtnennbetrag von [Gesamtnennbetrag einfügen] (in Worten: [Gesamtnennbetrag in Worten einfügen]) in einer Stückelung von [Festgelegte Stückelung einfügen] (die "**Festgelegte Stückelung**") begeben.

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

[Im Fall von Schuldverschreibungen, die durch eine Dauerglobalurkunde verbrieft sind, einfügen:

(3) *Dauerglobalurkunde.* Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") ohne Zinsscheine verbrieft. Die Dauerglobalurkunde trägt die eigenhändigen Unterschriften zweier vertretungsbefugter Personen der Emittentin und ist von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelkunden und Zinsscheine werden nicht ausgegeben.]

[Im Fall von Schuldverschreibungen, die anfänglich durch eine vorläufige Globalurkunde verbrieft sind, einfügen:

(3) *Vorläufige Globalurkunde – Austausch.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in der Festgelegten Stückelung, die durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") ohne Zinsscheine verbrieft sind, ausgetauscht. Die vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die eigenhändigen Unterschriften zweier vertretungsbefugter Personen der Emittentin und sind jeweils von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelkunden und Zinsscheine werden nicht ausgegeben.

(b) Die vorläufige Globalurkunde wird an einem Tag (der "**Austauschtag**") gegen eine Dauerglobalurkunde ausgetauscht, der nicht mehr als 180 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegt. Der Austausch tag für einen solchen Austausch soll nicht weniger als 40 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegen. Ein solcher Austausch soll nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Abs. (b) dieses § 1 (3) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) zu liefern.]

(4) *Clearing System.* Die Dauerglobalurkunde wird solange von einem oder im Namen eines Clearing Systems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "**Clearing System**" bedeutet [bei mehr als einem Clearing System einfügen: jeweils] folgendes: [OeKB CSD GmbH ("**OeKB CSD**") [Clearstream Banking, société anonyme, Luxemburg, ("**CBL**") [Euroclear Bank SA/NV, als Betreiberin des Euroclear Systems ("**Euroclear**") [.] [und] [anderes Clearing System angeben].

[Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden, einfügen:

[Im Fall, dass die Globalurkunde eine NGN ist, einfügen: Die Schuldverschreibungen werden in Form einer New Global Note ("**NGN**") ausgegeben und von einem Common Safekeeper im Namen beider ICSDs verwahrt.]

[Im Fall von Euroclear und CBL und wenn die Globalurkunde eine EZB-fähige NGN ist, einfügen:

Die Schuldverschreibungen werden in Form einer New Global Note ("**NGN**") ausgegeben und von einem Common Safekeeper im Namen beider ICSDs verwahrt. Der Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen.

Bei jeder Rückzahlung oder jedem Kauf durch oder für die Emittentin und jeder Entwertung von Schuldverschreibungen, die durch diese [Vorläufige] [Dauer-] Globalurkunde verbrieft werden, werden die Einzelheiten der Rückzahlung oder des Kaufs und der Entwertung von der oder für die Emittentin in den Registern der ICSDs vermerkt. Der Nennbetrag der durch diese [Vorläufige] [Dauer-] Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Nennbetrag der durch die [Vorläufige] [Dauer-] Globalurkunde verbrieften Schuldverschreibungen, und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Nennbetrag der so verbrieften Schuldverschreibungen ist in jedem Zeitpunkt ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD. Für das technische Verfahren der ICSDs im Falle der Ausübung einer Call Option hinsichtlich einer teilweisen Rückzahlung wird der ausstehende Rückzahlungsbetrag entweder als reduzierter Nennbetrag oder als Poolfaktor nach Ermessen der ICSDs in das Register der ICSDs aufgenommen.]

(5) *Anleihebedingungen.* "**Anleihebedingungen**" bedeutet diese Emissionsbedingungen der Schuldverschreibungen.

(6) *Gläubiger von Schuldverschreibungen.* "**Gläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen treugeberischen oder eigenen Rechts an den Schuldverschreibungen.

[Im Fall von Nicht-Nachrangigen Schuldverschreibungen außer bei Fundierten Bankschuldverschreibungen oder Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:

**§ 2
STATUS**

(1) Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen gegenwärtigen und zukünftigen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind mit Ausnahme von Verbindlichkeiten, die nach geltenden Rechtsvorschriften vorrangig sind.

(2) Die Schuldverschreibungen sind dazu bestimmt, als Berücksichtigungsfähige MREL-Instrumente qualifizieren.

"Anwendbare MREL-Regeln" meint die Gesetze, Vorschriften, Anforderungen, Leitlinien und Richtlinien im Zusammenhang mit den Mindestanforderungen für Eigenmittel und Berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL), wie jeweils anwendbar.

"Berücksichtigungsfähige MREL-Instrumente" meint jegliche (direkt oder indirekt begebene) Schuldtitel der Emittentin, die für die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL) nach den Anwendbaren MREL-Regeln qualifizieren.

"MREL" meint die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*) nach den Anwendbaren MREL-Regeln.

(3) Kein Gläubiger ist zu irgendeinem Zeitpunkt berechtigt, mit Ansprüchen aus den Schuldverschreibungen gegen Ansprüche der Emittentin aufzurechnen. Den Gläubigern wird für ihre Rechte aus den Schuldverschreibungen weder durch die Emittentin noch durch Dritte irgendeine Sicherheit oder Garantie gestellt; eine solche Sicherheit oder Garantie wird auch zu keinem späteren Zeitpunkt gestellt werden. Nachträglich kann der Nachrang gemäß diesem § 2 nicht beschränkt sowie die Laufzeit der Schuldverschreibungen und jede anwendbare Kündigungsfrist nicht verkürzt werden.

Hinweis an die Gläubiger der Nicht-Nachrangigen Schuldverschreibungen: In Bezug auf den Status wird auf das für Nicht-Nachrangige Schuldverschreibungen bestehende Risiko einer regulatorischen Verlustzurechnung durch Abschreibung oder Umwandlung von Verbindlichkeiten gemäß dem Bundesgesetz über die Sanierung und Abwicklung von Banken ("BaSAG") hingewiesen, wie näher im Risikofaktor des Basisprospekts vom 18. März 2019 beschrieben wird: "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss."]

[Im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:

§ 2 STATUS

(1) Die Schuldverschreibungen begründen direkte, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, jedoch mit der Maßgabe, dass sie nicht-bevorrechtigte nicht-nachrangige (*non-preferred senior*) Verbindlichkeiten der Emittentin aus Schuldtiteln sind, welche die Voraussetzungen gemäß § 131 Abs. 3 Z 1 bis 3 BaSAG erfüllen. Daher sind im Fall der Insolvenz oder der Liquidation der Emittentin Ansprüche auf den Kapitalbetrag der Schuldverschreibungen: (i) nachrangig gegenüber allen anderen gegenwärtigen oder zukünftigen unbesicherten und nicht nachrangigen Instrumenten oder Verbindlichkeiten der Emittentin, die nicht die Voraussetzungen gemäß § 131 Abs. 3 Z 1 bis 3 BaSAG erfüllen; (ii) gleichrangig: (A) untereinander; und (B) mit allen anderen gegenwärtigen oder zukünftigen nicht-bevorrechtigten nicht-nachrangigen Instrumenten oder Verbindlichkeiten der Emittentin, die die Voraussetzungen gemäß § 131 Abs. 3 Z 1 bis 3 BaSAG erfüllen (ausgenommen nicht nachrangige Instrumente oder Verbindlichkeiten der Emittentin, die vorrangig oder nachrangig gegenüber den Schuldverschreibungen sind oder diesen gegenüber als vorrangig oder nachrangig bezeichnet werden); und (iii) vorrangig gegenüber allen gegenwärtigen oder zukünftigen: (A) Stammaktien oder anderen Instrumenten des harten Kernkapitals (*Common Equity Tier 1*) gemäß Artikel 28 CRR der Emittentin; (B) Instrumenten des zusätzlichen Kernkapitals (*Additional Tier 1*) gemäß Artikel 52 CRR der Emittentin; (C) Instrumenten des Ergänzungskapitals (*Tier 2*) gemäß Artikel 63 CRR der Emittentin; und (D) allen anderen nachrangigen Instrumenten oder Verbindlichkeiten der Emittentin.

"**BaSAG**" bezeichnet das österreichische Sanierungs- und Abwicklungsgesetz in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen des BaSAG geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen des BaSAG in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**CRR**" bezeichnet die Verordnung (EU) Nr. 575/2013 des Europäischen Parlaments und des Rates vom 26. Juni 2013 über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen und zur Änderung der Verordnung (EU) Nr. 648/2012, in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der CRR geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der CRR in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

(2) Die Schuldverschreibungen sind dazu bestimmt, als Berücksichtigungsfähige MREL-Instrumente qualifizieren.

"**Anwendbare MREL-Regeln**" meint die Gesetze, Vorschriften, Anforderungen, Leitlinien und Richtlinien im Zusammenhang mit den Mindestanforderungen für Eigenmittel und Berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL), wie jeweils anwendbar.

"**Berücksichtigungsfähige MREL-Instrumente**" meint jegliche (direkt oder indirekt begebene) Schuldtitel der Emittentin, die für die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL) nach den Anwendbaren MREL-Regeln qualifizieren.

"**MREL**" meint die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*) nach den Anwendbaren MREL-Regeln.

(3) Kein Gläubiger ist zu irgendeinem Zeitpunkt berechtigt, mit Ansprüchen aus den Schuldverschreibungen gegen Ansprüche der Emittentin aufzurechnen. Den Gläubigern wird für ihre Rechte aus den Schuldverschreibungen weder durch die Emittentin noch durch Dritte irgendeine Sicherheit oder Garantie gestellt; eine solche Sicherheit oder Garantie wird auch zu keinem späteren Zeitpunkt gestellt werden. Nachträglich kann

der Nachrang gemäß diesem § 2 nicht beschränkt sowie die Laufzeit der Schuldverschreibungen und jede anwendbare Kündigungsfrist nicht verkürzt werden.

Hinweis an die Gläubiger der Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen: In Bezug auf den Status wird auf das für Nicht-Nachrangige Nicht-Präferierte Schuldverschreibungen höhere Risiko einer regulatorischen Verlustzurechnung durch Abschreibung oder Umwandlung von Verbindlichkeiten gemäß dem Bundesgesetz über die Sanierung und Abwicklung von Banken ("BaSAG") hingewiesen, wie näher im Risikofaktor des Basisprospekts vom 18. März 2019 beschrieben wird: "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss."

[Im Fall von Nachrangigen Schuldverschreibungen, einfügen:

§ 2 STATUS

(1) Die Schuldverschreibungen begründen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die (i) untereinander und (ii) mit allen anderen gegenwärtigen oder zukünftigen (x) Tier 2 Instrumenten (wie untenstehend definiert) und (y) gleichrangigen oder ausdrücklich als gleichrangig mit dem Schuldverschreibungen bestimmten Instrumenten oder Verbindlichkeiten; und (iii) mit allen Verbindlichkeiten der Emittentin, die in dieser Weise nachrangig sind, gleichrangig sind. Im Fall der Insolvenz oder der Liquidation der Emittentin dürfen die Forderungen aus den Schuldverschreibungen erst nach (i) den Forderungen der nicht nachrangigen Gläubiger der Emittentin und (ii) allen anderen Instrumenten oder Verbindlichkeiten der Emittentin, die nach nachrangigen Verbindlichkeiten der Emittentin befriedigt werden oder dazu bestimmt sind (mit Ausnahme von Instrumenten oder Verbindlichkeiten der Emittentin, die mit den Schuldverschreibungen gleichrangig oder diesen nachrangig sind oder dazu bestimmt sind), befriedigt werden.

Zur Klarstellung: Gläubiger partizipieren in der Liquidation der Emittentin nicht an etwaigen Rücklagen der Emittentin oder Liquidationsgewinne im Sinne von § 8 Abs. 3 Z 1 des österreichischen Körperschaftssteuergesetzes 1988.

"CRR" bezeichnet die Verordnung (EU) Nr. 575/2013 des Europäischen Parlaments und des Rates vom 26. Juni 2013 über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen und zur Änderung der Verordnung (EU) Nr. 648/2012, in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der CRR geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der CRR in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"Tier 2 Instrument" meint jedes (direkt oder indirekt begebene) Kapitalinstrument oder nachrangige Kreditinstrument, das als Instrument des Ergänzungskapitals (Tier 2) gemäß Artikel 63 CRR qualifiziert, einschließlich jedes Kapitalinstruments und nachrangigen Kreditinstruments, das aufgrund von CRR-Übergangsbestimmungen zu den Instrumenten des Ergänzungskapitals zählt.

(2) Kein Gläubiger ist zu irgendeinem Zeitpunkt berechtigt, mit Ansprüchen aus den Schuldverschreibungen gegen Ansprüche der Emittentin aufzurechnen. Den Gläubigern wird für ihre Rechte aus den Schuldverschreibungen weder durch die Emittentin noch durch Dritte irgendeine Sicherheit oder Garantie gestellt; eine solche Sicherheit oder Garantie wird auch zu keinem späteren Zeitpunkt gestellt werden. Nachträglich kann der Nachrang gemäß diesem § 2 nicht beschränkt sowie die Laufzeit der Schuldverschreibungen und jede anwendbare Kündigungsfrist nicht verkürzt werden.

Hinweis an die Gläubiger der Nachrangigen Schuldverschreibungen:

In Bezug auf den Status wird auf das für nachrangige Schuldverschreibungen höhere Risiko einer regulatorischen Verlustzurechnung durch Abschreibung oder Umwandlung von Verbindlichkeiten gemäß dem Bundesgesetz über die Sanierung und Abwicklung von Banken ("BaSAG") hingewiesen, wie sie näher in folgendem Risikofaktor des Basisprospekts vom 18. März 2019 beschrieben wird: "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss."

[Im Fall von Fundierten Bankschuldverschreibungen, einfügen:

§ 2 STATUS

(1) Die Schuldverschreibungen begründen nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind. Die Schuldverschreibungen sind gemäß dem Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen RGBI. Nr. 213 idgF (FBSchVG), sowie gemäß Punkt 14 der Satzung der Emittentin durch einen Deckungsstock gesichert.

[Im Fall Fundierter Bankschuldverschreibungen mit hypothekarischen Deckungsstock, einfügen:

(2) In Übereinstimmung mit den Bestimmungen des FBSchVG ist die Emittentin verpflichtet, Vermögenswerte als Kautions für die vorzugsweise Deckung der Ansprüche aus fundierten Bankschuldverschreibungen zu bestellen. Die Schuldverschreibungen werden gemäß § 1 Abs. 9 FBSchVG durch den hypothekarischen Deckungsstock der Emittentin, welcher hauptsächlich die in § 1 Abs. 5 Z 1 und 2 FBSchVG genannten Werte enthält, besichert. Die Höhe der durch die Vermögensobjekte bestellten Deckung muss dem Gesetz betreffend fundierte Bankschuldverschreibungen und der Satzung der Emittentin entsprechen. Die Emittentin muss die Vermögensobjekte, die zur Sicherung der Schuldverschreibungen bestellt werden, einzeln in einem Deckungsregister anführen. Vermögensobjekte gemäß § 1 Abs. 5 Z 2 FBSchVG dürfen in das Deckungsregister erst eingetragen werden, nachdem das Kautionsband in den öffentlichen Büchern eingetragen worden ist.]

[Im Fall Fundierter Bankschuldverschreibungen mit öffentlichem Deckungsstock, einfügen:

(2) In Übereinstimmung mit den Bestimmungen des FBSchVG ist die Emittentin verpflichtet, Vermögenswerte als Kautions für die vorzugsweise Deckung der Ansprüche aus fundierten Bankschuldverschreibungen zu bestellen. Die Schuldverschreibungen werden gemäß § 1 Abs. 9 FBSchVG durch den öffentlichen Deckungsstock der Emittentin, welcher hauptsächlich aus Forderungen gegenüber oder besichert von öffentlichen Schuldner gemäß § 1 Abs. 5 Z 3 und 4 FBSchVG besteht, besichert. Die Höhe der durch die Vermögensobjekte bestellten Deckung muss dem Gesetz betreffend fundierte Bankschuldverschreibungen und der Satzung der Emittentin entsprechen. Die Emittentin muss die Vermögensobjekte, die zur Sicherung der Schuldverschreibungen bestellt werden, einzeln in einem Deckungsregister anführen.]

(3) Im Fall der Insolvenz oder der Liquidation der Emittentin (oder in anderen Fällen, in denen die Emittentin ihren Zahlungsverpflichtungen im Zusammenhang mit den fundierten Schuldverschreibungen in Übereinstimmung mit diesen Emissionsbedingungen nicht nachkommt) werden die Ansprüche der Inhaber von fundierten Schuldverschreibungen aus den Vermögenswerten zur Deckung der Schuldverschreibungen in Übereinstimmung mit dem Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen, der Satzung der Emittentin und diesen Emissionsbedingungen befriedigt.]

§ 3 ZINSEN

(1) *Zinszahlungstage.*

(a) Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag vom **[Verzinsungsbeginn einfügen]** an (der "**Verzinsungsbeginn**") (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) verzinst. Zinsen auf die Schuldverschreibungen sind an jedem Zinszahlungstag zahlbar.

(b) "**Zinszahlungstag**" bedeutet

[(i) im Fall von festgelegten Zinszahlungstagen einfügen: jeder [festgelegte Zinszahlungstage einfügen].]

[(ii) im Fall von festgelegten Zinsperioden einfügen: (soweit diese Bedingungen keine abweichenden Bestimmungen vorsehen) jeweils der Tag, der [Zahl einfügen] [Wochen] [Monate] [andere festgelegte Zeiträume einfügen] nach dem vorausgehenden Zinszahlungstag oder im Fall des ersten Zinszahlungstages, nach dem Verzinsungsbeginn liegt.]

(c) Fällt ein Zinszahlungstag auf einen Tag, der kein Geschäftstag (wie nachstehend definiert) ist, so wird der Zinszahlungstag:

[(i) bei Anwendung der Modified Following Business Day Convention einfügen: auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.]

[(ii) bei Anwendung der FRN Convention einfügen: auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall (i) wird der Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen und (ii) ist jeder nachfolgende Zinszahlungstag der jeweils letzte Geschäftstag des Monats, der **[[Zahl einfügen] Monate] [andere festgelegte Zeiträume einfügen]** nach dem vorhergehenden anwendbaren Zinszahlungstag liegt.]

[(iii) bei Anwendung der Following Business Day Convention einfügen: auf den nächstfolgenden Geschäftstag verschoben.]

[(iv) bei Anwendung der Preceding Business Day Convention einfügen: auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.]

Der Zinsberechnungszeitraum wird **[nicht]** angepasst.

[Falls der Angebotssatz für Einlagen in der Festgelegten Währung EURIBOR ist, ist folgendes anwendbar:

(2) *Zinssatz.* Der Zinssatz (der "**Zinssatz**") für jede Zinsperiode (wie nachfolgend definiert) ist, sofern nachfolgend nichts Abweichendes bestimmt wird und vorbehaltlich § 3 (3), der Angebotssatz (ausgedrückt als Prozentsatz per annum) für Einlagen in der Festgelegten Währung für die jeweilige Zinsperiode, der auf der Bildschirmseite am Zinsfestlegungstag (wie nachfolgend definiert) gegen **[maßgebliche Uhrzeit einfügen] Uhr ([maßgebliche Zeitzone einfügen] Ortszeit)** angezeigt wird (der "**Referenzsatz**") [multipliziert mit einem Faktor] [und] **[im Falle einer Marge einfügen: [zuzüglich] [abzüglich] [im Fall eines Höchstzinssatzes einfügen [Höchstzinssatz]] [im Fall eines Mindestzinssatzes einfügen [Mindestzinssatz]]** der Marge (wie nachfolgend definiert)], wobei alle Festlegungen durch die Berechnungsstelle (wie nachfolgend definiert) erfolgen.

"**Bildschirmseite**" bedeutet die REUTERS Bildschirmseite "**[EURIOBOR01]**" oder jede Nachfolgeside.

Sollte zu der genannten Zeit die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird kein Angebotssatz angezeigt, wird die Berechnungsstelle von den Referenzbanken deren jeweilige Angebotssätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in der Festgelegten Währung für die betreffende Zinsperiode gegenüber führenden Banken im Interbanken-Markt in der Euro-Zone um ca. **[maßgebliche Uhrzeit einfügen] Uhr ([maßgebliche Zeitzone einfügen] Ortszeit)** am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Zinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) dieser Angebotssätze wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Zinssatz für die betreffende Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Angebotssätze ermittelt, die die Referenzbanken bzw. zwei oder mehrere von ihnen der Berechnungsstelle auf deren Anfrage als den jeweiligen Satz nennen, zu dem ihnen um ca. **[maßgebliche Uhrzeit einfügen] Uhr ([maßgebliche Zeitzone einfügen] Ortszeit)** an dem betreffenden Zinsfestlegungstag Einlagen in der Festgelegten Währung für die betreffende Zinsperiode von führenden Banken im Interbankenmarkt in der Euro-Zone angeboten werden; falls weniger als zwei der Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, soll der Zinssatz für die betreffende Zinsperiode der Angebotssatz für Einlagen in der Festgelegten Währung für die betreffende Zinsperiode oder das arithmetische Mittel (gerundet wie oben beschrieben) der Angebotssätze für Einlagen in der Festgelegten Währung für die betreffende Zinsperiode sein, den bzw. die eine oder mehrere Banken (die nach Ansicht der Berechnungsstelle und der Emittentin für diesen Zweck geeignet sind) der Berechnungsstelle als Sätze bekanntgeben, die sie an dem betreffenden Zinsfestlegungstag gegenüber führenden Banken im Interbanken-Markt in der Euro-Zone nennen (bzw. den diese Banken gegenüber der Berechnungsstelle nennen). Für den Fall, dass der Zinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Zinssatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestlegungstag, an dem diese Angebotssätze angezeigt wurden der Marge (wobei jedoch, falls für die relevante Zinsperiode eine andere Marge als für die unmittelbar vorhergehende Zinsperiode gilt, die relevante Marge an die Stelle der Marge für die vorhergehende Zinsperiode tritt).

"Euro-Zone" bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die gemäß dem Vertrag über die Gründung der Europäischen Gemeinschaft (unterzeichnet in Rom am 25. März 1957), den Amsterdamer Vertrag vom 2. Oktober 1997 und den Vertrag von Lissabon vom 13. Dezember 2007, in seiner jeweiligen Fassung, eine einheitliche Währung eingeführt haben oder jeweils eingeführt haben werden.]

[Die "Marge" beträgt [Marge einfügen] Prozent *per annum*.]

"Zinsperiode" bezeichnet jeweils den Zeitraum vom Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Zinszahlungstag (ausschließlich). Wenn der Zinszahlungstag kein Geschäftstag ist, wird die Zinsperiode [gemäß § 3 (1)(c) angepasst] [nicht angepasst].

"Referenzbanken" bezeichnet [relevante Zahl einfügen] Großbanken im Interbankenmarkt der Euro-Zone oder im Londoner Interbankenmarkt.

"Zinsfestlegungstag" bezeichnet den [zutreffende andere Zahl von Tagen einfügen] [TARGET][zutreffenden Ort einfügen] Geschäftstag vor [Beginn][Ende] der jeweiligen Zinsperiode. ["TARGET-Geschäftstag" bezeichnet einen Tag, an dem TARGET geöffnet ist, um Zahlungen abzuwickeln.]["[zutreffenden Ort einfügen] Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in [zutreffenden Ort einfügen] für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.]

[Falls der Angebotssatz für Einlagen in der Festgelegten Währung LIBOR ist, ist folgendes anwendbar:

(2) *Zinssatz*. Der Zinssatz (der "Zinssatz") für jede Zinsperiode (wie nachfolgend definiert) ist, sofern nachfolgend nichts Abweichendes bestimmt wird und vorbehaltlich § 3 (3), der Angebotssatz (ausgedrückt als Prozentsatz *per annum*) für Einlagen in der Festgelegten Währung für die jeweilige Zinsperiode, der auf der Bildschirmseite am Zinsfestlegungstag (wie nachfolgend definiert) gegen [maßgebliche Uhrzeit einfügen] Uhr ([maßgebliche Zeitzone einfügen] Ortszeit) angezeigt wird (der "Referenzsatz") [multipliziert mit einem Faktor] [im Falle einer Marge einfügen: [zuzüglich] [abzüglich] der Marge (wie nachfolgend definiert)], [wenn Höchstzinssatz einfügen: [Höchstzinssatz]] [wenn Mindestzinssatz einfügen: [Mindestzinssatz]], wobei alle Festlegungen durch die Berechnungsstelle (wie nachfolgend definiert) erfolgen.

"Bildschirmseite" bedeutet die REUTERS Bildschirmseite "[LIBOR01][LIBOR02]" oder jede Nachfolgeseite.

[Die "Marge" beträgt [Marge einfügen] Prozent *per annum*.]

"Referenzbanken" bezeichnet [maßgebliche Zahl einfügen] Großbanken im [maßgebliches Finanzzentrum einfügen] Interbankenmarkt.

"Zinsperiode" bezeichnet jeweils den Zeitraum vom Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Zinszahlungstag (ausschließlich). Wenn der Zinszahlungstag kein Geschäftstag ist, wird die Zinsperiode [gemäß § 3 (1)(c) angepasst] [nicht angepasst].

"Zinsfestlegungstag" bezeichnet den [Anzahl] [TARGET][zutreffenden Ort einfügen] Geschäftstag vor [Beginn][Ende] der jeweiligen Zinsperiode. ["TARGET-Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem TARGET2 (Trans-European Automated Real-time Gross Settlement Express Transfer System) Zahlungen abwickelt.]

"[zutreffenden Ort einfügen] Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in [zutreffenden Ort einfügen] für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.

Sollte zu der genannten Zeit die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird kein Angebotssatz angezeigt, wird die Berechnungsstelle von den Referenzbanken deren jeweilige Angebotssätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in der Festgelegten Währung für die betreffende Zinsperiode gegenüber führenden Banken im Londoner Interbanken-Markt um ca. [maßgebliche Uhrzeit einfügen] Uhr ([maßgebliche Zeitzone einfügen] Ortszeit) am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Zinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Hunderttausendstel Prozent, wobei 0,000005 aufgerundet wird) dieser Angebotssätze wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Abs. beschriebenen Angebotssätze nennt, ist der Zinssatz für die betreffende Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Hunderttausendstel Prozent, wobei 0,000005 aufgerundet wird) der Angebotssätze ermittelt, die die Referenzbanken bzw. zwei oder mehrere von ihnen der Berechnungsstelle auf deren Anfrage als den jeweiligen Satz nennen, zu dem ihnen um ca. **[maßgebliche Uhrzeit einfügen]** Uhr (**[maßgebliche Zeitzone einfügen]** Ortszeit) an dem betreffenden Zinsfestlegungstag Einlagen in der Festgelegten Währung für die betreffende Zinsperiode von führenden Banken im Londoner Interbanken-Markt angeboten werden; falls weniger als zwei der Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, soll der Zinssatz für die betreffende Zinsperiode der Angebotssatz für Einlagen in der Festgelegten Währung für die betreffende Zinsperiode oder das arithmetische Mittel (gerundet wie oben beschrieben) der Angebotssätze für Einlagen in der Festgelegten Währung für die betreffende Zinsperiode sein, den bzw. die eine oder mehrere Banken (die nach Ansicht der Berechnungsstelle und der Emittentin für diesen Zweck geeignet sind) der Berechnungsstelle als Sätze bekanntgeben, die sie an dem betreffenden Zinsfestlegungstag gegenüber führenden Banken im Londoner Interbanken-Markt nennen (bzw. den diese Banken gegenüber der Berechnungsstelle nennen). Für den Fall, dass der Zinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Zinssatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestlegungstag, an dem diese Angebotssätze angezeigt wurden (wobei jedoch, falls für die relevante Zinsperiode eine andere Marge als für die unmittelbar vorhergehende Zinsperiode gilt, die relevante Marge an die Stelle der Marge für die vorhergehende Zinsperiode tritt.)

[Falls der Zinssatz auf Basis des [maßgebliche Währung einfügen] CMS bestimmt wird, ist folgendes anwendbar:

[(2) *Zinssatz*. Der Zinssatz (der "**Zinssatz**") für die jeweilige Zinsperiode (wie nachfolgend definiert) wird von der Berechnungsstelle (wie in § 6 definiert) gemäß folgender Formel bestimmt:

$$\frac{\text{Min}[\text{Max}[\text{Max}[\text{Min}[\text{[(•)-Jahres [maßgebliche Währung einfügen] CMS * [Faktor einfügen]] [-] [+] [(•)-Jahres [maßgebliche Währung einfügen] CMS * [Faktor einfügen]]] [+] [-] [Marge einfügen]; [(•)-Jahres [maßgebliche Währung einfügen] CMS * [Faktor einfügen]] [-] [+] [(•)-Jahres [maßgebliche Währung einfügen] CMS * [Faktor einfügen]]] [+] [-] [Marge einfügen]; [(•)-Jahres [maßgebliche Währung einfügen] CMS * [Faktor einfügen]] [-] [+] [(•)-Jahres [maßgebliche Währung einfügen] CMS * [Faktor einfügen]]] [+] [-] [Marge einfügen])}{\text{[(•)-Jahres [maßgebliche Währung einfügen] CMS * [Faktor einfügen]]} + \text{[(•)-Jahres [maßgebliche Währung einfügen] CMS * [Faktor einfügen]]} + \text{[(•)-Jahres [maßgebliche Währung einfügen] CMS * [Faktor einfügen]]} + \text{[(•)-Jahres [maßgebliche Währung einfügen] CMS * [Faktor einfügen]]}}$$

"**[maßgebliche Währung einfügen] CMS**" ist, vorbehaltlich § 3 (3), der als Zinssatz *per annum* ausgedrückte Swap-Satz für **[maßgebliche Währung einfügen]** denominated Swap Transaktionen mit der oben aufgeführten Formel angegebenen Laufzeit von Jahren, der auf der Bildschirmseite (wie nachfolgend definiert) am Zinsfestlegungstag (wie nachfolgend definiert) unter der Bildüberschrift "**[maßgebliche Bildüberschrift einfügen]**" und über der Spalte "**[Uhrzeit und maßgebliche Zeitzone einfügen]**" gegen **[maßgebliche Uhrzeit einfügen]** Uhr (**[relevante Zeitzone einfügen]** Ortszeit) angezeigt wird (jeder solche **[•]-Jahres [maßgebliche Währung einfügen] CMS** ein "**Referenzsatz**"), wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Die "**Marge**" beträgt **[Marge einfügen]** Prozent *per annum*.

"**Zinsperiode**" bezeichnet jeweils den Zeitraum vom Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauf folgenden Zinszahlungstag (ausschließlich). Wenn der Zinszahlungstag kein Geschäftstag ist, wird die Zinsperiode **[gemäß § 3 (1)(c) angepasst]** **[nicht angepasst]**.

"**Zinsfestlegungstag**" bezeichnet den **[Anzahl] [TARGET][zutreffenden Ort einfügen]** Geschäftstag (wie nachstehend definiert) vor **[Beginn][Ende]** der jeweiligen Zinsperiode.

"**[TARGET-Geschäftstag]**" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem TARGET2 (Trans-European Automated Real-time Gross Settlement Express Transfer System) Zahlungen abwickelt.["**[zutreffenden Ort einfügen] Geschäftstag**" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in **[London] [zutreffenden Ort einfügen]** für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.]

"**Bildschirmseite**" bedeutet **[Bildschirmseite]** oder jede Nachfolgeseite.

Hat die Bildschirmseite dauerhaft aufgehört, den jeweiligen **[relevante Währung einfügen] CMS** anzugeben, ist diese Quotierung jedoch auf einer anderen von der Berechnungsstelle nach billigem Ermessen ausgewählten

Bildschirmseite verfügbar (die "**Ersatzbildschirmseite**"), wird die Ersatzbildschirmseite zum Zweck der Zinssatzberechnung eingesetzt.

Sollte die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird der jeweils maßgebliche **[relevante Währung einfügen]** CMS nicht angezeigt (in jedem dieser Fälle zu der genannten Zeit) und ist nach Feststellung der Berechnungsstelle keine Ersatzbildschirmseite verfügbar, wird die Berechnungsstelle von den Referenzbanken das arithmetische Mittel der Geld- und Briefkurse für die festverzinsliche Seite eines Euro Zinsswaps für die maßgebliche Laufzeit in einer Höhe, die repräsentativ für eine einzelne Swap Transaktion im Markt für Swaps ist (jeweils als Prozentsatz *per annum* ausgedrückt) gegenüber einem anerkannten Dealer in Swaps im Markt für Swaps um ca. **[Uhrzeit einfügen]** Uhr (**[relevante Zeitzone einfügen]** Ortszeit) am Zinsfestlegungstag anfordern.

Falls drei oder mehr Referenzbanken der Berechnungsstelle solche Quotierungen nennen, ist der **[relevante Währung einfügen]** CMS für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet) dieser Quotierungen, wobei die höchste bzw. eine der höchsten Quotierungen bei identischen Quotierungen und die niedrigste Quotierung bzw. eine der niedrigsten Quotierungen bei identischen Quotierungen nicht mitgezählt werden, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls nur zwei oder weniger Referenzbanken der Berechnungsstelle solche Quotierung nennen, so ist der **[relevante Währung einfügen]** CMS für diese Zinsperiode der Satz, wie er auf der Bildschirmseite an dem letzten Tag vor dem jeweiligen Zinsfestlegungstag, an dem dieser Satz noch angezeigt wurde, angezeigt worden ist.

"**Referenzbanken**" bezeichnet **[relevante Zahl einfügen]** führende Swap- Dealer im **[relevantes Finanzzentrum einfügen]** Interbankenmarkt.]

(3) *Wegfall einer Benchmark.*

(a) *Unabhängiger Berater.* Wenn ein Benchmark Ereignis in Bezug auf einen Referenzsatz eintritt und ein Zinssatz (oder Teile davon) für eine Zinsperiode noch anhand dieses Referenzsatzes festgelegt werden muss, dann ernennt die Emittentin unter zumutbaren Bemühungen einen Unabhängigen Berater, der, sobald wie vernünftigerweise möglich, einen Nachfolgezinsatz oder anderenfalls einen Alternativzinssatz (gemäß § 3 (3)(b)) und in beiden Fällen gegebenenfalls eine Anpassungsspanne (gemäß § 3 (3)(c)) festlegt und etwaige Benchmark Änderungen (gemäß § 3 (3)(d)) vornimmt.

Außer im Falle von grober Fahrlässigkeit oder Vorsatz, übernimmt der Unabhängige Berater keinerlei Haftung gegenüber der Emittentin, der Emissionsstelle, den Zahlstellen, der Berechnungsstelle oder den Anleihegläubigern für seine Festlegungen gemäß diesem § 3 (3).

Wenn (A) die Emittentin außerstande ist, einen Unabhängigen Berater zu ernennen; oder (B) der ernannte Unabhängige Berater vor dem betreffenden Zinsfestsetzungstag keinen Nachfolgezinsatz oder anderenfalls keinen Alternativzinssatz gemäß diesem § 3 (3) festlegt, entspricht der Referenzsatz der unmittelbar nachfolgenden Zinsperiode dem Referenzsatz, der zum letzten Zinsfestlegungstag anwendbar war. Falls es keinen ersten Zinszahlungstag gab, ist der Referenzsatz der Referenzsatz, der für die erste Zinsperiode anwendbar war. Zur Klarstellung: Anpassungen gemäß diesem § 3 (3) gelten nur für die unmittelbar nachfolgende Zinsperiode. Jede folgende Zinsperiode unterliegt der weiteren Anwendbarkeit dieses § 3 (3).

(b) *Nachfolgezinsatz oder Alternativzinssatz.* Im Fall, dass der Unabhängige Berater nach billigem Ermessen bestimmt, dass: (A) es einen Nachfolgezinsatz gibt, dann ist dieser Nachfolgezinsatz (vorbehaltlich einer etwaigen Anpassung gemäß § 3 (3)(c) an Stelle des Referenzsatzes maßgeblich, um den Zinssatz für diese Zinsperiode und alle folgenden Zinsperioden vorbehaltlich der weiteren Anwendbarkeit dieses § 3 (3) zu bestimmen; oder (B) es keinen Nachfolgezinsatz aber einen Alternativzinssatz gibt, dann ist dieser Alternativzinssatz (vorbehaltlich einer etwaigen Anpassung gemäß § 3 (3)(c)) an Stelle des Referenzsatzes maßgeblich, um den Zinssatz für diese Zinsperiode und alle folgenden Zinsperioden vorbehaltlich der weiteren Anwendbarkeit dieses § 3 (3) zu bestimmen.

(c) *Anpassungsspanne.* Wenn der Unabhängige Berater nach billigem Ermessen bestimmt, dass (A) eine Anpassungsspanne auf den Nachfolgezinsatz oder gegebenenfalls den Alternativzinssatz anzuwenden ist und (B) den Umfang, eine Formel oder die Methode zur Bestimmung einer solchen Anpassungsspanne festlegt, dann findet eine solche Anpassungsspanne auf den Nachfolgezinsatz bzw. den Alternativzinssatz Anwendung.

- (d) *Benchmark Änderungen.* Wenn ein entsprechender Nachfolgezinsatz, Alternativzinssatz oder eine entsprechende Anpassungsspanne gemäß diesem § 3 (3) festgelegt wird und der Unabhängige Berater nach billigem Ermessen (A) bestimmt, dass Änderungen hinsichtlich dieser Bedingungen notwendig sind, um die ordnungsgemäße Anwendung eines Nachfolgezinsatz, Alternativzinssatz und/oder einer Anpassungsspanne zu gewährleisten (diese Änderungen, die "**Benchmark Änderungen**") und (B) die Bedingungen dieser Benchmark Änderungen bestimmt, dann gelten jene Benchmark Änderungen für die Schuldverschreibungen, vorbehaltlich einer Mitteilung durch die Emittentin gemäß § 3 (3)(e), ab dem in der Mitteilung angegebenen Zeitpunkt.
- (e) *Mitteilungen, etc.* Die Emittentin hat den Nachfolgezinsatz, Alternativzinssatz, eine entsprechende Anpassungsspanne und die Bedingungen von Benchmark Änderungen gemäß diesem § 3 (3) unverzüglich der Emissionsstelle, der Berechnungsstelle und den Zahlstellen sowie gemäß § 12 den die Anleihegläubigern mitzuteilen. Eine solche Mitteilung ist unwiderruflich und hat den Zeitpunkt, ab dem etwaige Benchmark Änderungen wirksam werden, zu benennen.

Gleichzeitig mit dieser Mitteilung hat die Emittentin der Emissionsstelle einen durch zwei Unterschriftsberechtigte der Emittentin unterzeichneten Nachweis zu übergeben, der (A) (x) bestätigt, dass ein Benchmark Ereignis eingetreten ist, (y) der den Nachfolgezinsatz bzw. den Alternativzinssatz benennt und (z) der eine etwaige Anpassungsspanne und/oder die Bedingungen etwaiger Benchmark Änderungen benennt, und zwar jeweils bestimmt gemäß den Bestimmungen dieses § 3 (3); und (B) der bestätigt, dass die Benchmark Änderungen notwendig sind, um die ordnungsgemäße Anwendung eines solchen Nachfolgezinsatz, Alternativzinssatz und/oder der Anpassungsspanne zu gewährleisten.

Der Nachfolgezinsatz oder Alternativzinssatz, die Anpassungsspanne (sofern zutreffend) und die Benchmark Änderungen (sofern zutreffend) sind in der Form des Nachweises (mit Ausnahme von offensichtlichen Fehlern oder Bösgläubigkeit bei der Festlegung des Nachfolgezinsatzes oder Alternativzinssatzes, der Anpassungsspanne (sofern zutreffend) oder der Bedingungen von Benchmark Änderungen (sofern zutreffend)) bindend für die Emittentin, die Emissionsstelle, die Berechnungsstelle, die Zahlstellen und die Anleihegläubiger.

- (f) *Fortbestehen des Referenzsatzes.* Unbeschadet der Verpflichtungen der Emittentin gemäß § 3 (3)(a), (b), (c) und (d) bleiben der Referenzsatz und die Fallback-Regelungen in der Definition "Bildschirmseite" gemäß § 3 (2) bis zum Eintritt eines Benchmark Ereignisses anwendbar.
- (g) *Definitionen.* Zur Verwendung in § 3 (3):

"**Anpassungsspanne**" bezeichnet entweder die Spanne (positiv oder negativ) oder die Formel oder Methode zur Bestimmung einer solchen Spanne, die nach Bestimmung durch den Unabhängigen Berater auf den Nachfolgezinsatz bzw. den Alternativzinssatz anzuwenden ist, um wirtschaftliche Nachteile oder gegebenenfalls Vorteile der Gläubiger, soweit unter den Umständen sinnvoll umsetzbar, zu reduzieren oder auszuschließen, die durch die Ersetzung des Referenzsatzes durch die Nachfolgezinsatz oder gegebenenfalls den Alternativzinssatz entstehen, und ist die Spanne oder die Formel oder Methode, (1) die im Fall eines Nachfolgezinsatzes formell im Zusammenhang mit der Ersetzung des Referenzsatzes durch den Nachfolgezinsatz vom Nominierungsgremium empfohlen wird; oder (2) die (sofern keine Empfehlung abgegeben wurde oder im Fall eines Alternativzinssatzes) durch den Unabhängigen Berater als anerkannten und berücksichtigten Industriestandard für "over-the-counter" derivative Transaktionen mit Bezug auf den Referenzsatz, bei denen dieser durch den Nachfolgezinsatz bzw. den Alternativzinssatz ersetzt wurde, bestimmt wird; oder (3) (falls der Unabhängigen Berater bestimmt, dass es keinen anerkannten und berücksichtigten Industriestandard gibt) von dem Unabhängigen Berater als angemessen erachtet wird.

"**Alternativzinssatz**" bezeichnet eine alternative Benchmark oder einen Bildschirmsatz welche der Unabhängige Berater gemäß § 3 (3)(b) als zur Bestimmung von variablen Zinssätzen in der Festgelegten Währung (oder entsprechenden Teilen davon) auf den internationalen Fremdkapitalmärkten marktüblich bestimmt.

"**Benchmark Änderungen**" hat die Bedeutung wie in § 3 (3)(d) festgelegt.

"**Benchmark Ereignis**" bezeichnet: (1) die Nichtveröffentlichung des Referenzsatzes für mindestens fünf (5) Geschäftstage oder das Nichtbestehen des Referenzsatzes; oder (2) eine öffentliche Bekanntmachung des Administrators des Referenzsatzes dahingehend, dass die Veröffentlichung dauerhaft oder auf unbestimmte Zeit eingestellt wird (in Fällen in denen kein Nachfolgeadministrator ernannt worden ist, der die Veröffentlichung vornehmen wird); oder (3) eine öffentliche Bekanntmachung der Aufsichtsbehörde des

Administrators des Referenzsatzes, dass die Veröffentlichung dauerhaft oder auf unbestimmte Zeit eingestellt wird oder bereits wurde; oder (4) eine öffentliche Bekanntmachung der Aufsichtsbehörde des Administrators des Referenzsatzes infolgedessen der Referenzsatz allgemein oder in Bezug auf die Schuldverschreibungen nicht mehr verwendet werden darf; oder (5) den Umstand, dass die Verwendung des Referenzsatzes zur Berechnung des Festgelegten Zinssatzes für die Zahlstellen, die Berechnungsstelle, die Emittentin oder jeden Dritten rechtswidrig geworden ist.

"Unabhängiger Berater" bezeichnet ein von der Emittentin ernanntes unabhängiges Finanzinstitut mit internationalem Ansehen oder einen anderen unabhängigen Finanzberater mit Erfahrung in internationalen Kapitalmärkten wie jeweils von der Emittentin gemäß § 3 (3)(a) bestimmt.

"Nominierungsgremium" bezeichnet in Bezug auf die Benchmark oder einen Bildschirmsatz: (1) die Zentralbank für die Währung in der die Benchmark oder der Bildschirmsatz dargestellt wird oder eine Zentralbank oder andere Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist; oder (2) jede Arbeitsgruppe oder Komitee gefördert durch, geführt oder mitgeführt von oder gebildet von (a) der Zentralbank für die Währung in der die Benchmark oder der Bildschirmsatz dargestellt wird, (b) einer Zentralbank oder anderen Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist, (c) einer Gruppe der zuvor genannten Zentralbanken oder anderer Aufsichtsbehörden oder (d) dem Finanzstabilitätsrat (Financial Stability Board) oder Teilen davon.

"Nachfolgezinssatz" bezeichnet einen Nachfolger oder Ersatz des Referenzsatzes, der formell durch das Nominierungsgremium empfohlen wurde.

[Im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen und Nachrangigen Schuldverschreibungen einfügen:

(h) Eine Anpassung des Referenzsatzes gemäß diesem § 3 (3) im Falle eines Benchmark Ereignisses darf nicht durchgeführt werden, wenn und soweit diese Anpassung dazu führen würde, dass die Emittentin berechtigt wäre, die Schuldverschreibungen aus regulatorischen Gründen gemäß § 5 (3) zurückzuzahlen.]

[Im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen) einfügen:

(h) Eine Anpassung des Referenzsatzes gemäß diesem § 3 (3) im Falle eines Benchmark Ereignisses darf nicht durchgeführt werden, wenn und soweit diese Anpassung dazu führen würde, dass ein MREL Disqualification Event eintritt.

"MREL Disqualification Event" meint zu jedem Zeitpunkt die Feststellung durch die Emittentin, dass die Schuldverschreibungen, ganz oder teilweise (i) nicht als Berücksichtigungsfähige MREL-Instrumente anerkannt werden, oder (ii) sich ihre aufsichtsrechtliche Einstufung so ändert, dass die Schuldverschreibungen wahrscheinlich von den Berücksichtigungsfähigen MREL-Instrumenten ausgeschlossen wären oder sind, wobei jeweils kein MREL Disqualification Event eintreten soll auf der Basis, (i) dass die Restlaufzeit der Schuldverschreibungen weniger beträgt als ein etwaiger Zeitraum gemäß den Anwendbaren MREL-Regeln, und/oder (ii) etwaiger anwendbarer Beschränkungen des zulässigen oder genehmigten Betrages für Berücksichtigungsfähige MREL-Instrumente zur Erfüllung von MREL gemäß den Anwendbaren MREL-Regeln.]

[Falls ein Mindest- und/oder Höchstzinssatz gilt, einfügen:

[(3)|(4)] *[Mindest-] [und] [Höchst-] Zinssatz.*

[Falls ein Mindestzinssatz gilt, einfügen: Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz niedriger ist als **[Mindestzinssatz einfügen]**, so ist der Zinssatz für diese Zinsperiode **[Mindestzinssatz einfügen].]**

[Falls ein Höchstzinssatz gilt, einfügen: Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz höher ist als **[Höchstzinssatz einfügen]**, so ist der Zinssatz für diese Zinsperiode **[Höchstzinssatz einfügen].]**

[(4)|(5)] *Zinsbetrag.* Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Zinssatz zu bestimmen ist, den Zinssatz bestimmen und den auf die Schuldverschreibungen zahlbaren Zinsbetrag in

Bezug auf die festgelegte Stückelung (der "**Zinsbetrag**") für die entsprechende Zinsperiode berechnen. Der Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient (wie nachstehend definiert) auf jede festgelegte Stückelung angewendet werden, wobei der resultierende Betrag auf die kleinste Einheit der festgelegten Währung auf- oder abgerundet wird, wobei 0,5 solcher Einheiten aufgerundet werden.

[(5)|(6)] *Mitteilung von Zinssatz und Zinsbetrag.* Die Berechnungsstelle wird veranlassen, dass der Zinssatz, der Zinsbetrag für die jeweilige Zinsperiode, die jeweilige Zinsperiode und der betreffende Zinszahlungstag der Emittentin und den Gläubigern gemäß § 12 baldmöglichst, aber keinesfalls später als am vierten auf die Berechnung jeweils folgenden [Londoner] [TARGET2] **[zutreffenden anderen Ort einfügen]** Geschäftstag (wie in § 3 (2) definiert) sowie jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, baldmöglichst, aber keinesfalls später als zu Beginn der jeweiligen Zinsperiode mitgeteilt werden. Im Fall einer Verlängerung oder Verkürzung der Zinsperiode können der mitgeteilte Zinsbetrag und Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert sind, sowie den Gläubigern gemäß § 12 mitgeteilt.

[(6)|(7)] *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 3 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Emissionsstelle [, die Zahlstellen] und die Gläubiger bindend.

[(7)|(8)] *Auflaufende Zinsen.* Der Zinslauf der Schuldverschreibungen endet mit Beginn des Tages, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, fallen auf den ausstehenden Nennbetrag der Schuldverschreibungen ab dem Fälligkeitstag (einschließlich) bis zum Tag der tatsächlichen Rückzahlung (ausschließlich) Zinsen zum gesetzlich festgelegten Satz für Verzugszinsen an¹⁰.

[(8)|(9)] *Zinstagequotient.* "**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**"):

[Im Falle von Actual/Actual (ICMA-Regelung 251) einfügen:

- (i) wenn der Zinsberechnungszeitraum (einschließlich des ersten, aber ausschließlich des letzten Tages dieser Periode) gleich lang oder kürzer ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraumes fällt, oder ihr entspricht, die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum (einschließlich des ersten, aber ausschließlich des letzten Tages dieser Periode), geteilt durch das Produkt aus (1) der Anzahl der Tage in der Feststellungsperiode und (2) der Anzahl von Feststellungsterminen in einem Kalenderjahr; oder
- (ii) wenn der Zinsberechnungszeitraum (einschließlich des ersten, aber ausschließlich des letzten Tages dieser Periode) länger ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraumes fällt, die Summe (A) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch das Produkt (1) der Anzahl der Tage in dieser Feststellungsperiode und (2) der Anzahl der Feststellungstermine in einem Kalenderjahr und (B) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die nächste Feststellungsperiode fallen, geteilt durch das Produkt (1) der Anzahl der Tage in dieser Feststellungsperiode und (2) der Anzahl der Feststellungstermine in einem Kalenderjahr.

"**Feststellungsperiode**" ist die Periode ab einem Feststellungstermin (einschließlich desselben) bis zum nächsten Feststellungstermin (ausschließlich desselben).

"**Feststellungstermin**" bezeichnet **[Feststellungstermine einfügen]** in jedem Jahr.]

[Im Fall von Actual/Actual (ISDA) einfügen: (ISDA) die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein

¹⁰ Der gesetzliche Verzugszinssatz beträgt nach deutschem Recht für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Abs. 1, 247 Abs. 1 BGB. Nach österreichischem Recht beträgt der allgemeine gesetzliche Verzugszinssatz für das Jahr 4 Prozentpunkte (§ 1333 iVm § 1000 ABGB), für Geldforderungen zwischen Unternehmern aus unternehmensbezogenen Geschäften für das Jahr 9,2 Prozentpunkte über dem Basiszinssatz (§ 456 UGB) im Fall eines schuldhaften Verzugs, sonst ebenfalls 4 Prozentpunkte.

Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 366 und (B) die tatsächliche Anzahl der nicht in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 365.]

[Im Falle von Actual/365 (Fixed) einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]

[Im Falle von Actual/360 einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.]

[Im Falle von 30/360, 360/360 oder Bond Basis einfügen: die Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360, wobei die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln ist (es sei denn, (A) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraumes weder auf den 30. noch auf den 31. Tag eines Monats fällt, in welchem Fall der diesen Tag enthaltende Monat nicht als ein auf 30 Tage gekürzter Monat zu behandeln ist, oder (B) der letzte Tag des Zinsberechnungszeitraumes fällt auf den letzten Tag des Monats Februar, in welchem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

[Im Falle von 30E/360 oder Eurobond Basis einfügen: die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des ersten oder letzten Tages des Zinsberechnungszeitraumes), es sei denn, dass im Falle einer am Fälligkeitstag endenden Zinsperiode der Fälligkeitstag der letzte Tag des Monats Februar ist, in welchem Fall der Monat Februar als nicht auf einen Monat zu 30 Tagen verlängert gilt.]]

§ 4 ZÄHLUNGEN

(1) (a) *Zahlungen von Kapital.* Zahlungen von Kapital auf die Schuldverschreibungen erfolgen nach Maßgabe des § 4 (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems gegen Vorlage und (außer im Fall von Teilzahlungen) Einreichung der die Schuldverschreibungen zum Zeitpunkt der Zahlung verbriefenden Globalurkunde bei der bezeichneten Geschäftsstelle der Emissionsstelle außerhalb der Vereinigten Staaten.

(b) *Zahlung von Zinsen.* Die Zahlung von Zinsen auf Schuldverschreibungen erfolgt nach Maßgabe von § 4 (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

[Im Fall von Zinszahlungen auf eine vorläufige Globalurkunde einfügen: Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von § 4 (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 (3)(b).]]

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der Festgelegten Währung ist.

(3) *Vereinigte Staaten.* Für die Zwecke des **[im Fall von D Rules Schuldverschreibungen einfügen:** § 1 (3) und des] § 4 (1) bezeichnet "**Vereinigte Staaten**" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und der Northern Mariana Islands).

(4) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(5) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag und ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen. Für diese Zwecke bezeichnet "**Zahltag**" einen Tag (außer einem Samstag oder Sonntag), an dem das Clearing System **[falls die Festgelegte Währung EUR ist, einfügen:** und TARGET2 (Trans-European Automated Realtime Cross Settlement Express Transfer System) zur Abwicklung von Zahlungen in Euro betriebsbereit ist.] **[falls die**

Festgelegte Währung nicht EUR ist, einfügen: und Geschäftsbanken und Devisenmärkte in **[sämtliche relevanten Finanzzentren einfügen]** Zahlungen abwickeln].

(6) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Bedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen; den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen; **[falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzahlen, und Wahl-Rückzahlungsbetrag/beträge (Call) angegeben sind, einfügen:** den Wahl-Rückzahlungsbetrag (Call) der Schuldverschreibungen;] **[falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:** den Wahl-Rückzahlungsbetrag (Put) der Schuldverschreibungen;] sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge]. Bezugnahmen in diesen Bedingungen auf Zinsen auf Schuldverschreibungen sollen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren zusätzlichen Beträge einschließen.

(7) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die jeweiligen Ansprüche der Gläubiger gegen die Emittentin.

§ 5 RÜCKZAHLUNG

(1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am **[im Fall eines festgelegten Fälligkeitstages, Fälligkeitstag einfügen]** **[im Fall eines Rückzahlungsmonats einfügen:** in den **[Rückzahlungsmonat einfügen]** fallenden Zinszahlungstag] (der "**Fälligkeitstag**") zurückgezahlt. Der "**Rückzahlungsbetrag**" in Bezug auf jede Schuldverschreibung entspricht **[[•] Prozent des]** **[dem]** Nennbetrag[s] der Schuldverschreibungen.

(2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können **[Im Fall von Nachrangigen Schuldverschreibungen einfügen:**, bei Erfüllung der Rückzahlungsbedingungen gemäß § 5 [(5))(6)].] **[Im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:**, nach Maßgabe der Anwendbaren MREL-Regeln (wie in § 2 (2) definiert),] insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Emissionsstelle und gemäß § 12 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden, falls die Emittentin als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften der Republik Österreich oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam) am nächstfolgenden Zinszahlungstag (wie in § 3 (1) definiert) zur Zahlung von zusätzlichen Beträgen (wie in § 7 dieser Bedingungen definiert) verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen vernünftiger der Emittentin zur Verfügung stehender Maßnahmen vermieden werden kann.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von zusätzlichen Beträgen nicht mehr wirksam ist.]

Eine solche Kündigung hat gemäß § 12 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

[Im Fall von Nachrangigen Schuldverschreibungen einfügen:

(3) *Außerordentliche Kündigung durch die Emittentin aus regulatorischen Gründen.* Wenn ein Regulatorisches Ereignis eintritt und die Rückzahlungsbedingungen erfüllt sind, können die Schuldverschreibungen, insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin, mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Emissionsstelle und gemäß § 12 gegenüber den Gläubigern vorzeitig

gekündigt und zu ihrem vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden. Eine solche Mitteilung darf nicht später als 90 Tage nach Eintritt eines Regulatorischen Ereignisses erfolgen. Jede derartige Mitteilung ist unwiderruflich, gemäß § 12 bekannt zu geben und muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

Ein "**Regulatorisches Ereignis**" tritt ein, wenn sich die aufsichtsrechtliche Einstufung der Schuldverschreibungen gemäß den Relevanten Regeln ändert, was wahrscheinlich zu ihrem vollständigen oder teilweisen Ausschluss aus den Eigenmitteln oder ihrer Neueinstufung als Eigenmittel niederer Qualität der [Regulatorischen BAWAG-Gruppe auf konsolidierter Basis][und/oder der][Emittentin auf individueller Basis] führen würde oder geführt hat.

"**BWG**" bezeichnet das österreichische Bankwesengesetz in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen des BWG geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen des BWG in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**CDR**" bezeichnet die Delegierte Verordnung (EU) Nr. 241/2014 der Kommission vom 7. Januar 2014 zur Ergänzung der Verordnung (EU) Nr. 575/2013 des Europäischen Parlaments und des Rates im Hinblick auf technische Regulierungsstandards für die Eigenmittelanforderungen an Institute (*Commission Delegated Regulation, CDR*), in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der CDR geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der CDR in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**CRD IV**" bezeichnet die Richtlinie 2013/36/EU des Europäischen Parlaments und des Rates vom 26. Juni 2013 über den Zugang zur Tätigkeit von Kreditinstituten und die Beaufsichtigung von Kreditinstituten und Wertpapierfirmen, zur Änderung der Richtlinie 2002/87/EG und zur Aufhebung der Richtlinien 2006/48/EG und 2006/49/EG (*Capital Requirements Directive IV, CRD IV*), wie in der Republik Österreich umgesetzt und wie geändert oder ersetzt.

"**Regulatorische BAWAG-Gruppe**" meint jederzeit jede Bankengruppe: (i) zu der die Emittentin gehört; und (ii) für welche die Eigenmittelanforderungen gemäß dem Zweiten und Dritten Teil der CRR auf konsolidierter Basis aufgrund von aufsichtlicher Konsolidierung nach Maßgabe des Ersten Teils, Titel 2, Kapitel 2 der CRR anwendbar sind.

"**Relevante Regeln**" meint jederzeit alle Voraussetzungen nach österreichischem Recht oder die in Vorschriften, Anforderungen, Leitlinien oder Richtlinien der Zuständigen Behörde, des Europäischen Parlaments und/oder des Europäischen Rates, die dann in der Republik Österreich gültig sind und für die Regulatorische BAWAG-Gruppe und/oder (gegebenenfalls) die Emittentin anwendbar sind, einschließlich, aber nicht ausschließlich der Bestimmungen des BWG, der CRD IV, der CRR, der CDR and der SSM-Verordnung, jeweils in ihrer jeweils gültigen Fassung, oder an ihre Stelle tretende Gesetze, Verordnung oder Richtlinie.

"**SSM-Verordnung**" bezeichnet die Verordnung (EU) Nr. 1024/2013 des Rates vom 15. Oktober 2013 zur Übertragung besonderer Aufgaben im Zusammenhang mit der Aufsicht über Kreditinstitute auf die Europäische Zentralbank (*Single Supervisory Mechanism Regulation*), in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der SSM-Verordnung geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der SSM-Verordnung in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**Zuständige Behörde**" meint die zuständige Aufsichtsbehörde gemäß Artikel 4 Abs. 1 Nr. 40 CRR und/oder Artikel 9 Abs. 1 SSM-Verordnung, die jeweils für die Beaufsichtigung der Regulatorischen BAWAG-Gruppe und (gegebenenfalls) der Emittentin zuständig ist.]

[Im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:

(3) *Vorzeitige Rückzahlung wegen eines MREL Disqualification Events.*

Im Fall eines MREL Disqualification Event können die Schuldverschreibungen insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Emissionsstelle und gemäß § 12 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden. Eine derartige Kündigung muss innerhalb von 90 Tagen nach Eintritt des MREL Disqualification Event ausgesprochen werden. Die Kündigung ist unwiderruflich, muss den für

die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

Eine Rückzahlung der Schuldverschreibungen muss durch die Anwendbaren MREL Regeln erlaubt sein und ist, sofern erforderlich, durch eine Erlaubnis der Zuständigen Behörde und/oder (gegebenenfalls) der gemäß den Anwendbaren MREL-Regeln zuständigen Aufsichtsbehörde bedingt.

"MREL Disqualification Event" meint zu jedem Zeitpunkt die Feststellung durch die Emittentin, dass die Schuldverschreibungen, ganz oder teilweise (i) nicht als Berücksichtigungsfähige MREL-Instrumente anerkannt werden, oder (ii) sich ihre aufsichtsrechtliche Einstufung so ändert, dass die Schuldverschreibungen wahrscheinlich von den Berücksichtigungsfähigen MREL-Instrumenten ausgeschlossen wären oder sind, wobei jeweils kein MREL Disqualification Event eintreten soll auf der Basis, (i) dass die Restlaufzeit der Schuldverschreibungen weniger beträgt als ein etwaiger Zeitraum gemäß den Anwendbaren MREL-Regeln, und/oder (ii) etwaiger anwendbarer Beschränkungen des zulässigen oder genehmigten Betrages für Berücksichtigungsfähige MREL-Instrumente zur Erfüllung von MREL gemäß den Anwendbaren MREL-Regeln.]

[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen, einfügen:

[(3)|(4)] *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

(a) Die Emittentin kann, nachdem sie gemäß Abs. [(b)|(c)] gekündigt hat, die Schuldverschreibungen [insgesamt oder teilweise][insgesamt, aber nicht teilweise,] an dem/den Wahl-Rückzahlungstag(en) (Call) [zu den Wahl-Rückzahlungsbetrag/beträgen (Call), wie nachstehend angegeben,][zum vorzeitigen Rückzahlungsbetrag (wie unten definiert)] nebst etwaigen bis zum Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

[Bei Geltung eines Mindestrückzahlungsbetrages oder eines erhöhten Rückzahlungsbetrages einfügen: Eine solche Rückzahlung muss in Höhe eines Nennbetrages von [mindestens **[Mindestrückzahlungsbetrag einfügen]**] [**erhöhten Rückzahlungsbetrag einfügen]** erfolgen.

Jede Kündigung nach diesem § 5 [(3)|(4)] soll die Emittentin nach Maßgabe des § 12 unter Einhaltung einer Kündigungsfrist von nicht weniger als 30 Kalendertagen und nicht mehr als 60 Kalendertagen gegenüber den Gläubigern abgeben. Jede solche Kündigung ist widerruflich.

"Wahl-Rückzahlungstag(e) (Call)" ist [jeder|der] [Wahl-Rückzahlungstag (Call) wie nachstehend angegeben][**oder im Fall von Nachrangigen Schuldverschreibungen alternativ:** Zinszahlungstag am [oder nach dem] [**fünften oder späteren einfügen]** Jahrestag der Begebung der Schuldverschreibungen].

[Wahl-Rückzahlungstag(e) (Call)]	[Wahl-Rückzahlungsbetrag/beträge (Call)]
[Wahl-Rückzahlungstag(e) einfügen]	[Wahl-Rückzahlungsbetrag/beträge einfügen]
[_____]	[_____]
[_____]	[_____]

[Im Fall von Nachrangigen Schuldverschreibungen:

(b) Die Emittentin kann die Schuldverschreibungen nur vorbehaltlich der Erfüllung der in § 5 [(5)|(6)] definierten Bedingungen vorzeitig kündigen.]

[Im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen:

(b) Die Emittentin kann die Schuldverschreibungen nur vorbehaltlich der Anwendbaren MREL-Regeln (wie in § 2 (2) definiert) vorzeitig kündigen.]

[Falls der Gläubiger bei Fundierten Bankschuldverschreibungen ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:

(b) Der Emittentin steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Gläubiger in Ausübung seines Wahlrechts nach Abs. (4) dieses § 5 verlangt hat.]

[(b)|(c)] Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 12 bekanntzugeben. Sie beinhaltet die folgenden Angaben:

- (i) die zurückzuzahlende Serie von Schuldverschreibungen;
- (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen;
- (iii) den Wahl-Rückzahlungstag (Call); und
- (iv) den Wahl-Rückzahlungsbetrag (Call), zu dem die Schuldverschreibungen zurückgezahlt werden.

[(c)] Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen in Übereinstimmung mit den Regeln des betreffenden Clearing Systems ausgewählt. **[Falls die Schuldverschreibungen in Form einer NGN begeben werden, einfügen:** Die teilweise Rückzahlung wird in den Registern von CBL und Euroclear nach deren Ermessen entweder als Pool-Faktor oder als Reduzierung des Nennbetrags wiedergegeben.]

[Falls der Gläubiger bei Fundierten Bankschuldverschreibungen ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:

[(3)|(4)] *Vorzeitige Rückzahlung nach Wahl des Gläubigers.*

(a) Die Emittentin hat eine Schuldverschreibung nach Ausübung des entsprechenden Wahlrechts durch den Gläubiger am/an den Wahl-Rückzahlungstag(en) (Put) zum/zu den Wahl-Rückzahlungsbetrag/beträgen (Put), wie nachstehend angegeben nebst etwaigen bis zum Wahl-Rückzahlungstag (Put) (ausschließlich) aufgelaufener Zinsen zurückzuzahlen.

Wahl-Rückzahlungsrat(e) (Put) [[Wahl-Rückzahlungstag(e) einfügen]	Wahl-Rückzahlungsbetrag/beträge (Put) [Wahl-Rückzahlungsbetrag/beträge einfügen]
[_____]	[_____]
[_____]	[_____]

Dem Gläubiger steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung die Emittentin zuvor in Ausübung ihres Wahlrechts nach diesem § 5 verlangt hat.

(b) Um dieses Wahlrecht auszuüben, hat der Gläubiger nicht weniger als **[Mindestkündigungsfrist einfügen]** Tage und nicht mehr als **[Höchstkündigungsfrist einfügen]** Tage vor dem Wahl-Rückzahlungstag (Put), an dem die Rückzahlung gemäß der Ausübungserklärung (wie nachstehend definiert) erfolgen soll, bei der bezeichneten Geschäftsstelle der Emissionsstelle während der normalen Geschäftszeiten eine ordnungsgemäß ausgefüllte Mitteilung zur vorzeitigen Rückzahlung ("**Ausübungserklärung**"), wie sie von der bezeichneten Geschäftsstelle der Emissionsstelle erhältlich ist, zu hinterlegen. Die Ausübung des Wahlrechts kann nicht widerrufen werden.]

[(3)|(4)|(5)] *Vorzeitiger Rückzahlungsbetrag.* Der "**vorzeitige Rückzahlungsbetrag**" einer Schuldverschreibung entspricht dem Rückzahlungsbetrag.

[Im Fall Nachrangiger Schuldverschreibungen einfügen:

[(5)|(6)] Jede Rückzahlung und jeder Rückkauf gemäß § 11 (2) der Schuldverschreibungen und jede Mitteilung diesbezüglich nach § 12 unterliegt den folgenden Bedingungen ("**Rückzahlungsbedingungen**"):

(a) die Emittentin hat von der Zuständigen Behörde die vorherige Erlaubnis zu vorzeitigen Rückzahlung nach diesem § 5 oder für einen Rückkauf gemäß § 11 (2) nach Maßgabe des Artikel 78 CRR erlangt, soweit im betreffenden Zeitpunkt auf die Emittentin anwendbar; eine solche Erlaubnis setzt unter anderem voraus, dass

- (i) die Emittentin die Schuldverschreibungen durch Eigenmittelinstrumente gleicher oder höherer Qualität zu Bedingungen ersetzt, die im Hinblick auf die Ertragsmöglichkeiten der Emittentin nachhaltig sind; und
- (ii) die Emittentin der Zuständigen Behörde hinreichend nachgewiesen hat, dass die Eigenmittel der **[Regulatorischen BAWAG-Gruppe][und/oder (gegebenenfalls) der][Emittentin]** nach einer solchen

vorzeitigen Rückzahlung oder einem Rückkauf die Mindestkapitalanforderungen (einschließlich etwaiger kombinierter Kapitalpufferanforderung) um eine Spanne übertreffen, welche die Zuständige Behörde im betreffenden Zeitpunkt für erforderlich hält; und

(b) zusätzlich, im Falle einer vorzeitigen Rückzahlung gemäß dieses § 5 früher als fünf Jahre nach dem Zeitpunkt der Ausgabe der Schuldverschreibungen

(i) im Falle einer vorzeitigen Rückzahlung aus steuerlichen Gründen nach Maßgabe des § 5 (2), die Emittentin der Zuständigen Behörde hinreichend nachgewiesen hat, dass die geltende steuerliche Behandlung sich wesentlich geändert hat und dies zum Zeitpunkt der Begebung der Schuldverschreibungen nicht vernünftigerweise vorherzusehen war; oder

(ii) im Falle einer vorzeitigen Rückzahlung aus regulatorischen Gründen nach Maßgabe des § 5 (3) die Zuständige Behörde es für ausreichend sicher hält, dass sich die aufsichtsrechtliche Einstufung der Schuldverschreibungen nach den Anwendbaren Regeln ändert und die Emittentin der Zuständigen Behörde hinreichend nachgewiesen hat, dass dies zum Zeitpunkt der Begebung der Schuldverschreibungen nicht vernünftigerweise vorherzusehen war.

Unabhängig von den vorstehenden Bedingungen, wenn die anwendbaren Relevanten Regeln im Zeitpunkt einer vorzeitigen Rückzahlung oder eines Rückkaufs die vorzeitige Rückzahlung oder den Rückkauf nur unter Beachtung einer oder mehrerer alternativer oder zusätzlicher Bedingungen zu den in diesem § 5 [(5)][(6)] niedergelegten Bedingungen erlauben, hat die Emittentin diese anderen Bedingungen und/oder zusätzlichen Bedingungen einzuhalten.

Darüberhinaus wird die Emittentin die Schuldverschreibungen, selbst wenn eine Mitteilung über eine vorzeitige Rückzahlung gemäß § 5 (2), § 5 (3) oder § 5 (4) abgegeben wurde, nur dann vorzeitig am in der Mitteilung genannten Tag zurückzahlen, wenn die dann anwendbaren Bedingungen für eine vorzeitige Rückzahlung nach diesem § 5 [(5)][(6)] am in dieser Mitteilung genannten Rückzahlungstag erfüllt sind.

Zur Klarstellung: Eine etwaige Verweigerung der Erlaubnis durch die Zuständige Behörde nach Maßgabe der Anwendbaren Regeln stellt keine Pflichtverletzung zu irgendeinem Zweck dar.]

§ 6

DIE EMISSIONSSTELLE[,] [UND] [DIE ZAHLSTELLEN] [UND DIE BERECHNUNGSSTELLE]

(1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Emissionsstelle[,] [und] die anfänglich bestellte[n] Zahlstelle[n] [und die anfänglich bestellte Berechnungsstelle] und deren jeweilige bezeichnete Geschäftsstelle lauten wie folgt:

[Falls eine die Schuldverschreibungen anfänglich verbriefende Globalurkunde bei einem anderen Clearing System oder dessen Verwahrer oder gemeinsamen Verwahrer als OeKB CSD eingeliefert werden soll, einfügen:

Emissionsstelle: Citibank Europe plc
1 N Wall Quay, North Dock
Dublin, 1
Irland]

[Falls eine die Schuldverschreibungen anfänglich verbriefende Globalurkunde bei OeKB CSD eingeliefert werden soll, einfügen:

Emissionsstelle: BAWAG P.S.K. Bank für Arbeit und Wirtschaft und
Österreichische Postsparkasse Aktiengesellschaft
Wiedner Gürtel 11
A-1100 Wien
Republik Österreich]

Zahlstelle[n]: **[Zahlstellen und bezeichnete Geschäftsstellen einfügen]**

[Falls die Emissionsstelle als Berechnungsstelle bestellt werden soll, einfügen: Die Emissionsstelle handelt auch als Berechnungsstelle.]

[Falls eine Berechnungsstelle bestellt werden soll, die nicht die Emissionsstelle ist, einfügen: Die Berechnungsstelle und ihre anfänglich bezeichnete Geschäftsstelle lauten:

Berechnungsstelle: **[Namen und bezeichnete Geschäftsstelle einfügen]**

Die Emissionsstelle[,] [und] die Zahlstelle[n] [und die Berechnungsstelle] [behält] [behalten] sich das Recht vor, jederzeit ihre [jeweilige] bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in Deutschland zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Emissionsstelle oder einer Zahlstelle [oder der Berechnungsstelle] zu ändern oder zu beenden und eine andere Emissionsstelle oder zusätzliche oder andere Zahlstellen [oder eine andere Berechnungsstelle] zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) eine Emissionsstelle unterhalten **[im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen: [,] [und]** (ii) solange die Schuldverschreibungen an der **[Name der Börse einfügen]** notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann), wobei es sich um eine Bank mit dem Sitz im Europäischen Wirtschaftsraum ("EWR") zu handeln hat, mit bezeichneter Geschäftsstelle in **[Sitz der Börse einfügen]** und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen] **[im Fall von Zahlungen in US-Dollar einfügen: [,] [und] [(iii)]** falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 4 definiert) aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich der vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in US-Dollar widerrechtlich oder tatsächlich ausgeschlossen werden, eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City unterhalten] **[falls eine Berechnungsstelle bestellt werden soll, einfügen: [,] [und] [(iv)]** eine Berechnungsstelle **[falls die Berechnungsstelle eine bezeichnete Geschäftsstelle an einem vorgeschriebenen Ort zu unterhalten hat, einfügen:** mit bezeichneter Geschäftsstelle in **[vorgeschriebenen Ort einfügen]**] unterhalten]. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 12 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

(3) *Beauftragte der Emittentin.* Die Emissionsstelle[,] [und] die Zahlstelle[n] [und die Berechnungsstelle] [handelt] [handeln] ausschließlich als Beauftragte der Emittentin und [übernimmt] [übernehmen] keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen [ihr] [ihnen] und den Gläubigern begründet.

§ 7 STEUERN

(1) Alle auf die Schuldverschreibungen zahlbaren Kapital- oder Zinsbeträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in der Republik Österreich oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in der Republik Österreich auferlegt oder erhoben werden, es sei denn, dieser Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall wird die Emittentin diejenigen zusätzlichen Beträge (die "**zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen von Kapital und Zinsen entsprechen, die ohne einen solchen Abzug oder Einbehalt von den Gläubigern empfangen worden wären**[im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen und Nachrangigen Schuldverschreibungen einfügen:** wobei zusätzliche Beträge Zinsen, nicht aber Kapital umfassen]; die Verpflichtung zur Zahlung solcher zusätzlichen Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- (a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihm zu leistenden Zahlungen von Kapital oder Zinsen einen Einbehalt oder Abzug vornimmt; oder
- (b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zu der Republik Österreich zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Republik Österreich stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (c) aufgrund der Richtlinie des Europäischen Rats 2003/48/EG oder jeder anderen Richtlinie, die die Schlussfolgerungen des Treffens des ECOFIN-Rates vom 26.- 27. November 2000 betreffend die Besteuerung von Zinserträgen, umsetzt, oder aufgrund einer gesetzlichen Vorschrift, die diese Richtlinie umsetzt oder

befolgt oder erlassen wurde, um der Richtlinie zu entsprechen, von Zahlungen im Sinne der Richtlinie des Europäischen Rates 2003/48/EG einzubehalten oder abzuziehen sind; oder

- (d) von einer auszahlenden Stelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen auszahlenden Stelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können; oder
- (e) wegen einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 12 wirksam wird.

(2) Unbeschadet sonstiger Bestimmungen dieser Emissionsbedingungen, ist die Emittentin zum Einbehalt oder Abzug der Beträge berechtigt, die gemäß §§ 1471 bis 1474 des U.S. Internal Revenue Code (einschließlich dessen Änderungen oder Nachfolgevorschriften), gemäß zwischenstaatlicher Abkommen, gemäß den in einer anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen ("**FATCA Quellensteuer**") erforderlich sind. Die Emittentin ist nicht verpflichtet, zusätzliche Beträge zu zahlen oder Gläubiger in Bezug auf FATCA Quellensteuer schadlos zu halten, die von der Emittentin, einer Zahlstelle oder von einem anderen Beteiligten als Folge davon, dass eine andere Person als die Emittentin oder deren Zahlstelle nicht zum Empfang von Zahlungen ohne FATCA Quellensteuer berechtigt ist, abgezogen oder einbehalten wurden.

[§ 8 VORLEGUNGSFRIST

Die in § 801 Abs. 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.]

[Im Fall von Schuldverschreibungen, die österreichischem Recht unterliegen und für die eine österreichische Emissionsstelle bestellt wurde, ist § 8 VORLEGUNGSFRIST vollständig wie folgt zu ersetzen:

§ 8 VERJÄHRUNG

Die Verpflichtungen der Emittentin, Kapital und Zinsen auf diese Schuldverschreibung zu zahlen, verjähren (i) mit Bezug auf Kapital nach Ablauf von 10 Jahren nach dem Fälligkeitstag für die Zahlung von Kapital und (ii) mit Bezug auf Zinsen nach Ablauf von 3 Jahren nach dem Fälligkeitstag für die entsprechende Zinszahlung.]

§ 9 KÜNDIGUNG

[Im Fall Nicht-Nachrangiger Schuldverschreibungen (außer Fundierter Bankschuldverschreibungen) und Nicht-Nachrangiger Nicht-Präferierter Schuldverschreibungeneinfügen:

(1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibung zu kündigen und deren sofortige Rückzahlung zu ihrem vorzeitigen Rückzahlungsbetrag (wie in § 5 beschrieben), zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls ein Insolvenz- oder Liquidationsverfahren gegen die Emittentin eingeleitet wird, welches nicht binnen 60 Tage nach seiner Einleitung endgültig oder einstweilen eingestellt worden ist, oder falls die Emittentin die Eröffnung eines solchen Verfahrens beantragt.

(2) *Benachrichtigung.* Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß vorstehendem Abs. 1 ist schriftlich in deutscher oder englischer Sprache gegenüber der Emissionsstelle zu erklären und persönlich oder per Einschreiben an deren bezeichnete Geschäftsstelle zu übermitteln. Der Benachrichtigung ist ein Nachweis beizufügen, aus dem sich ergibt, dass der betreffende Gläubiger zum Zeitpunkt der Abgabe der Benachrichtigung Inhaber der betreffenden Schuldverschreibung ist. Der Nachweis kann durch eine Bescheinigung der Depotbank (wie in § 13 (4) definiert) oder auf andere geeignete Weise erbracht werden.]

[Im Fall Nachrangiger Schuldverschreibungen einfügen:

Die Gläubiger haben kein Recht, die Schuldverschreibungen während ihrer Laufzeit zu kündigen.]

[Im Fall Fundierter Bankschuldverschreibungen einfügen:

(1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibung zu kündigen und deren sofortige Rückzahlung zu ihrem vorzeitigen Rückzahlungsbetrag (wie in § 5 beschrieben), zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls die Emittentin Kapital oder Zinsen nicht innerhalb von 30 Tagen nach dem betreffenden Fälligkeitstag zahlt.

(2) *Benachrichtigung.* Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß vorstehendem Abs. 1 ist schriftlich in deutscher oder englischer Sprache gegenüber der Emissionsstelle zu erklären und persönlich oder per Einschreiben an deren bezeichnete Geschäftsstelle zu übermitteln. Der Benachrichtigung ist ein Nachweis beizufügen, aus dem sich ergibt, dass der betreffende Gläubiger zum Zeitpunkt der Abgabe der Benachrichtigung Inhaber der betreffenden Schuldverschreibung ist. Der Nachweis kann durch eine Bescheinigung der Depotbank (wie in § 13 (4) definiert) oder auf andere geeignete Weise erbracht werden.]]

[Im Fall Nachrangiger Schuldverschreibungen, einfügen:

§ 10 ERSETZUNG

[Dieser Paragraph ist absichtlich frei gelassen.]

[Im Fall Nicht-Nachrangiger Schuldverschreibungen (außer Fundierter Bankschuldverschreibungen) und Nicht-Nachrangiger Nicht-Präferierter Schuldverschreibungen einfügen:

§ 10 ERSETZUNG

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger ein mit ihr verbundenes Unternehmen (wie unten definiert) als Hauptschuldnerin für alle Verpflichtungen im Zusammenhang mit diesen Schuldverschreibungen (die "**Nachfolgeschuldnerin**") einzusetzen, sofern:

(a) die Nachfolgeschuldnerin in der Lage ist, sämtliche sich aus oder in dem Zusammenhang mit diesen Schuldverschreibungen ergebenden Zahlungsverpflichtungen ohne die Notwendigkeit eines Einbehalts von irgendwelchen Steuern oder Abgaben an der Quelle zu erfüllen sowie die hierzu erforderlichen Beträge ohne Beschränkungen an die Emissionsstelle übertragen können;

(b) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin aus oder im Zusammenhang mit diesen Schuldverschreibungen übernimmt;

(c) die Nachfolgeschuldnerin sich verpflichtet, jedem Gläubiger alle Steuern, Gebühren oder Abgaben zu erstatten, die ihm in Folge der Ersetzung durch die Nachfolgeschuldnerin auferlegt werden;

[(d) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert, die den Bedingungen des Musters der nicht nachrangigen Garantie der Emittentin hinsichtlich der Nicht-Nachrangigen Schuldverschreibungen, das im Agency Agreement enthalten ist, entsprechen;]

[(d) hinsichtlich der von der Nachfolgeschuldnerin bezüglich der Schuldverschreibungen übernommenen Verpflichtungen der Nachrang zu mit den Bedingungen der Schuldverschreibungen übereinstimmenden Bedingungen begründet wird und (i) die Nachfolgeschuldnerin ein Tochterunternehmen der Emittentin ist, (ii) die Nachfolgeschuldnerin eine Einlage in Höhe eines Betrages, der dem Gesamtnennbetrag der Schuldverschreibungen entspricht, bei der Emittentin vornimmt und zwar zu Bedingungen, die den Emissionsbedingungen (einschließlich hinsichtlich der Nachrangigkeit) entsprechen, und (iii) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert, die den Bedingungen des Musters der nachrangigen Garantie der Emittentin, das im Agency Agreement enthalten ist, entsprechen;]

(e) der Emissionsstelle jeweils eine Bestätigung bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt wird, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden.

Für die Zwecke dieses § 10 bedeutet "**verbundenes Unternehmen**" ein Konzernunternehmen im Sinne von § 15 österreichisches Aktiengesetz.

(2) *Bekanntmachung.* Jede Ersetzung ist gemäß § 12 bekannt zu machen.

(3) *Änderung von Bezugnahmen.* Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat. Des Weiteren gilt im Fall einer Ersetzung folgendes:

[(a)] in § 7 und § 5 Abs. 2 gilt eine alternative Bezugnahme auf die Bundesrepublik Deutschland als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat);

[(b)] in § 10 Abs. 1(c) bis (e) gilt eine alternative Bezugnahme auf die Emittentin in ihrer Eigenschaft als Garantin als aufgenommen (zusätzlich zu der Bezugnahme auf die Nachfolgeschuldnerin).]

Im Fall einer Ersetzung folgt die Nachfolgeschuldnerin der Emittentin als Rechtsnachfolgerin nach, ersetzt diese und darf alle Rechte und Befugnisse der Emittentin aus den Schuldverschreibungen mit der gleichen Wirkung geltend machen, als wenn die Nachfolgeschuldnerin in diesen Emissionsbedingungen als Emittentin genannt worden wäre, und die Emittentin (bzw. die Gesellschaft, die zuvor die Verpflichtungen der Emittentin übernommen hat) wird von ihren Verpflichtungen als Schuldnerin aus den Schuldverschreibungen befreit.

[Im Fall Fundierter Bankschuldverschreibungen einfügen:

§ 10 ERSETZUNG

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger ein mit ihr verbundenes Unternehmen (wie unten definiert) als Hauptschuldnerin für alle Verpflichtungen im Zusammenhang mit diesen Schuldverschreibungen (die "**Nachfolgeschuldnerin**") einzusetzen, sofern:

(a) die Nachfolgeschuldnerin berechtigt ist, Fundierte Bankschuldverschreibungen gemäß dem Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen und gemäß ihrer Satzung zu begeben;

(b) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin aus oder im Zusammenhang mit diesen Schuldverschreibungen übernimmt, einschließlich aller Verpflichtungen im Zusammenhang mit dem Deckungsstock zur Deckung der Schuldverschreibungen in Übereinstimmung mit dem Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen, und sich verpflichtet, die Emissionsbedingungen für noch ausstehende fundierte Bankschuldverschreibungen nicht zu ändern;

(c) die Emittentin und die Nachfolgeschuldnerin alle notwendigen Bewilligungen erhalten haben und in der Lage sind, sämtliche sich aus oder in dem Zusammenhang mit diesen Schuldverschreibungen ergebenden Zahlungsverpflichtungen ohne die Notwendigkeit eines Einbehalts von irgendwelchen Steuern oder Abgaben an der Quelle zu erfüllen sowie die hierzu erforderlichen Beträge ohne Beschränkungen an die Emissionsstelle in der festgelegten Währung übertragen können;

(d) die Nachfolgeschuldnerin sich verpflichtet, jedem Gläubiger alle Steuern, Gebühren oder Abgaben zu erstatten, die ihm in Folge der Ersetzung durch die Nachfolgeschuldnerin auferlegt werden; und

(e) der Emissionsstelle jeweils eine Bestätigung bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt wird, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden.

(2) *Bekanntmachung.* Jede Ersetzung ist gemäß § 12 bekannt zu machen.

(3) *Änderung von Bezugnahmen.* Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat.]

§ 11

BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, RÜCKKAUF UND ENTWERTUNG

(1) Begebung weiterer Schuldverschreibungen. Die Emittentin ist berechtigt, jederzeit **[Im Fall von Fundierten Bankschuldverschreibungen einfügen:** vorbehaltlich der gesetzlichen Deckung (Kautions)] ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Rückkauf.* Die Emittentin ist jederzeit **[Im Fall von Nachrangigen Schuldverschreibungen einfügen:** unter Beachtung der Beschränkungen der Relevanten Regeln (wie in § 5 (3) definiert) und vorbehaltlich der Bedingungen in § 5 [(5))(6)], insbesondere eines Erlaubnisvorbehalts der Zuständigen Behörde]**[Im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:** nach Maßgabe und vorbehaltlich der Anwendbaren MREL-Regeln (wie unter § 2 (2) definiert), insbesondere eines Erlaubnisvorbehalts der Zuständigen Behörde und/oder (gegebenenfalls) der zuständigen Aufsichtsbehörde nach den Anwendbaren MREL-Regeln] berechtigt, (i) Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen und (ii) diese Schuldverschreibungen zu halten, weiterzuverkaufen oder bei der Emissionsstelle zwecks Entwertung einzureichen.] Sofern diese Käufe durch öffentliches Angebot erfolgen, muss dieses Angebot allen Gläubigern gemacht werden.

(3) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§ 12

MITTEILUNGEN

(1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen sind **[auf der Internetseite der Emittentin unter dem Link [•]] [und] [auf der Internetseite der Luxemburger Börse, www.bourse.lu] [in einer führenden Tageszeitung mit allgemeiner Verbreitung in Luxemburg, voraussichtlich [dem Tageblatt (Luxemburg)] [andere Zeitung mit allgemeiner Verbreitung einfügen]]** zu veröffentlichen. Falls eine Veröffentlichung **[auf der Internetseite] [in dieser Zeitung]** nicht möglich ist, werden die Mitteilungen in einer **[anderen]** führenden Tageszeitung mit allgemeiner Verbreitung in Luxemburg veröffentlicht.

[Im Fall von Schuldverschreibungen, die an der Wiener Börse notiert sind, einfügen: Alle die Schuldverschreibungen betreffenden Mitteilungen sind auch in einer führenden Tageszeitung mit allgemeiner Verbreitung in Österreich, voraussichtlich **[dem Amtsblatt zur Wiener Zeitung] [andere Zeitung mit allgemeiner Verbreitung einfügen]** zu veröffentlichen. Falls eine Veröffentlichung in dieser Zeitung nicht möglich ist, werden die Mitteilungen in einer anderen führenden Tageszeitung mit allgemeiner Verbreitung in Österreich veröffentlicht.]

Die Emittentin wird auch sicherstellen, dass Mitteilungen ordnungsgemäß in Übereinstimmung mit den Erfordernissen einer jeden Börse, an der die Schuldverschreibungen notiert sind, erfolgen. Jede derartige Mitteilung gilt am Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen am Tag der ersten solchen Veröffentlichung) als wirksam erfolgt. **[Falls anwendbare Vorschriften die Veröffentlichung zusätzlicher Mitteilungen erfordern, anwendbare Regelungen zur zusätzlichen Veröffentlichung von Mitteilungen einfügen.]**

[Im Fall von Schuldverschreibungen, die an der Official List der Luxemburger Börse oder der Wiener Börse notiert werden, ist folgendes anwendbar:

[(2)] Mitteilungen an das Clearing System.

Die Emittentin ist berechtigt, anstelle der Veröffentlichung nach Abs. 1, eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger zu übermitteln **[im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen:** , vorausgesetzt, die Regeln der Börse, an der die Schuldverschreibungen notiert sind, lassen diese Form der Mitteilung zu]. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.

§ 13

ANWENDBARES RECHT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

(1) *Ausschluss der Anwendbarkeit des Kuratorengesetzes.* Soweit rechtlich zulässig ist die Anwendbarkeit der Bestimmungen des Kuratorengesetzes und des Kuratorenergänzungsgesetzes im Zusammenhang mit den Schuldverschreibungen ausdrücklich ausgeschlossen.

(2) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich **[im Fall Nicht-Nachrangiger Schuldverschreibungen, die keine Fundierten Bankschuldverschreibungen oder Nicht-Nachrangige Nicht-Präferierte Schuldverschreibungen sind, einfügen:** nach [deutschem] [österreichischem] Recht] **[im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:** nach [deutschem] [österreichischem] Recht **[im Fall von deutschem Recht einfügen:** mit Ausnahme der den Nachrang regelnden Bedingungen, welche österreichischem Recht unterliegen]] **[im Fall von Fundierten Bankschuldverschreibungen einfügen:** nach [deutschem] [österreichischem] Recht und entsprechen dem österreichischen Gesetz vom 27. Dezember 1905 betreffend fundierte Bankschuldverschreibungen RGBI. 213/1905 idgF.] **[im Fall von Nachrangigen Schuldverschreibungen einfügen:** nach [deutschem] [österreichischem] Recht, [bis auf die Regelungen im Hinblick auf die Nachrangigkeit, die österreichischem Recht unterliegen]]

(3) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht in Frankfurt am Main.

[Im Fall von Fundierten Bankschuldverschreibungen, Nachrangigen Schuldverschreibungen und Schuldverschreibungen, die österreichischem Recht unterliegen und für die eine österreichische Emissionsstelle bestellt wurde, einfügen: (3a) Gerichtsstand. Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das zuständige Gericht in Wien.

[Im Fall von Angeboten nach Österreich: (3b) Für Klagen von und gegen österreichische Konsumenten sind die im österreichischen Konsumentenschutzgesetz und in der Jurisdiktionsnorm zwingend vorgesehenen Gerichtsstände maßgeblich.]]

(4) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "Depotbank" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land, in dem der Prozess stattfindet, prozessual zulässig ist.

§ 14

SPRACHE

[Falls die Emissionsbedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigelegt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind in englischer Sprache abgefasst. Eine Übersetzung in die deutsche Sprache ist beigefügt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen ausschließlich in deutscher Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefasst.]

OPTION III – Emissionsbedingungen für Schuldverschreibungen mit fester zur variabler Verzinsung

Emissionsbedingungen der Schuldverschreibungen

§ 1

WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN

(1) *Währung; Stückelung.* Diese Serie von Schuldverschreibungen (die "**Schuldverschreibungen**") der **[im Fall von BAWAG als Emittentin von Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) einfügen: BAWAG Group AG][im Fall von BAWAG P.S.K. als Emittentin von Schuldverschreibungen einfügen: BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft]** (die "**Emittentin**") wird in **[Festgelegte Währung einfügen]** (die "**Festgelegte Währung**") im Gesamtnennbetrag von **[Gesamtnennbetrag einfügen]** (in Worten: **[Gesamtnennbetrag in Worten einfügen]**) in einer Stückelung von **[Festgelegte Stückelung einfügen]** (die "**Festgelegte Stückelung**") begeben.

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

[Im Fall von Schuldverschreibungen, die durch eine Dauerglobalurkunde verbrieft sind, einfügen:

(3) *Dauerglobalurkunde.* Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") ohne Zinsscheine verbrieft. Die Dauerglobalurkunde trägt die eigenhändigen Unterschriften zweier vertretungsbefugter Personen der Emittentin und ist von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.]

[Im Fall von Schuldverschreibungen, die anfänglich durch eine vorläufige Globalurkunde verbrieft sind, einfügen:

(3) *Vorläufige Globalurkunde – Austausch.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in der Festgelegten Stückelung, die durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") ohne Zinsscheine verbrieft sind, ausgetauscht. Die vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die eigenhändigen Unterschriften zweier vertretungsbefugter Personen der Emittentin und sind jeweils von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) Die vorläufige Globalurkunde wird an einem Tag (der "**Austauschtag**") gegen eine Dauerglobalurkunde ausgetauscht, der nicht mehr als 180 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegt. Der Austauschtag für einen solchen Austausch soll nicht weniger als 40 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegen. Ein solcher Austausch soll nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Abs. (b) dieses § 1 (3) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) zu liefern.]

(4) *Clearing System.* Die Dauerglobalurkunde wird solange von einem oder im Namen eines Clearing Systems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "**Clearing System**" bedeutet **[bei mehr als einem Clearing System einfügen: jeweils]** folgendes: **[OeKB CSD GmbH ("OeKB CSD")]** **[Clearstream Banking, société anonyme, Luxemburg, ("CBL")]** **[Euroclear Bank SA/NV, als Betreiberin des Euroclear Systems ("Euroclear")]** [,] **[und]** **[anderes Clearing System angeben]**.

[Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden, einfügen:

[Im Fall, dass die Globalurkunde eine NGN ist, einfügen: Die Schuldverschreibungen werden in Form einer New Global Note ("NGN") ausgegeben und von einem Common Safekeeper im Namen beider ICSDs verwahrt.]

[Im Fall von Euroclear und CBL und wenn die Globalurkunde eine EZB-fähige NGN ist, einfügen:

Die Schuldverschreibungen werden in Form einer New Global Note ("NGN") ausgegeben und von einem Common Safekeeper im Namen beider ICSDs verwahrt. Der Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen.

Bei jeder Rückzahlung oder jedem Kauf durch oder für die Emittentin und jeder Entwertung von Schuldverschreibungen, die durch diese [Vorläufige] [Dauer-] Globalurkunde verbrieft werden, werden die Einzelheiten der Rückzahlung oder des Kaufs und der Entwertung von der oder für die Emittentin in den Registern der ICSDs vermerkt. Der Nennbetrag der durch diese [Vorläufige] [Dauer-] Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Nennbetrag der durch die [Vorläufige] [Dauer-] Globalurkunde verbrieften Schuldverschreibungen, und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Nennbetrag der so verbrieften Schuldverschreibungen ist in jedem Zeitpunkt ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD. Für das technische Verfahren der ICSDs im Falle der Ausübung einer Call Option hinsichtlich einer teilweisen Rückzahlung wird der ausstehende Rückzahlungsbetrag entweder als reduzierter Nennbetrag oder als Poolfaktor nach Ermessen der ICSDs in das Register der ICSDs aufgenommen.]]

(5) *Anleihebedingungen.* "**Anleihebedingungen**" bedeutet diese Emissionsbedingungen der Schuldverschreibungen.

(6) *Gläubiger von Schuldverschreibungen.* "**Gläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen treugeberischen oder eigenen Rechts an den Schuldverschreibungen.

[Im Fall von Nicht-Nachrangigen Schuldverschreibungen außer bei Fundierten Bankschuldverschreibungen oder Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:

§ 2 STATUS

(1) Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen gegenwärtigen und zukünftigen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind mit Ausnahme von Verbindlichkeiten, die nach geltenden Rechtsvorschriften vorrangig sind.

(2) Die Schuldverschreibungen sind dazu bestimmt, als Berücksichtigungsfähige MREL-Instrumente qualifizieren.

"**Anwendbare MREL-Regeln**" meint die Gesetze, Vorschriften, Anforderungen, Leitlinien und Richtlinien im Zusammenhang mit den Mindestanforderungen für Eigenmittel und Berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL), wie jeweils anwendbar.

"**Berücksichtigungsfähige MREL-Instrumente**" meint jegliche (direkt oder indirekt begebene) Schuldtitel der Emittentin, die für die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL) nach den Anwendbaren MREL-Regeln qualifizieren.

"**MREL**" meint die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*) nach den Anwendbaren MREL-Regeln.

(3) Kein Gläubiger ist zu irgendeinem Zeitpunkt berechtigt, mit Ansprüchen aus den Schuldverschreibungen gegen Ansprüche der Emittentin aufzurechnen. Den Gläubigern wird für ihre Rechte aus den Schuldverschreibungen weder durch die Emittentin noch durch Dritte irgendeine Sicherheit oder Garantie gestellt; eine solche Sicherheit oder Garantie wird auch zu keinem späteren Zeitpunkt gestellt werden. Nachträglich kann

der Nachrang gemäß diesem § 2 nicht beschränkt sowie die Laufzeit der Schuldverschreibungen und jede anwendbare Kündigungsfrist nicht verkürzt werden.

Hinweis an die Gläubiger der Nicht-Nachrangigen Schuldverschreibungen: In Bezug auf den Status wird auf das für Nicht-Nachrangige Schuldverschreibungen bestehende Risiko einer regulatorischen Verlustzurechnung durch Abschreibung oder Umwandlung von Verbindlichkeiten gemäß dem Bundesgesetz über die Sanierung und Abwicklung von Banken ("BaSAG") hingewiesen, wie näher im Risikofaktor des Basisprospekts vom 18. März 2019 beschrieben wird: "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss."]

[Im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:

§ 2 STATUS

(1) Die Schuldverschreibungen begründen direkte, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, jedoch mit der Maßgabe, dass sie nicht-bevorrechtigte nicht-nachrangige (*non-preferred senior*) Verbindlichkeiten der Emittentin aus Schuldtiteln sind, welche die Voraussetzungen gemäß § 131 Abs. 3 Z 1 bis 3 BaSAG erfüllen. Daher sind im Fall der Insolvenz oder der Liquidation der Emittentin Ansprüche auf den Kapitalbetrag der Schuldverschreibungen: (i) nachrangig gegenüber allen anderen gegenwärtigen oder zukünftigen unbesicherten und nicht nachrangigen Instrumenten oder Verbindlichkeiten der Emittentin, die nicht die Voraussetzungen gemäß § 131 Abs. 3 Z 1 bis 3 BaSAG erfüllen; (ii) gleichrangig: (A) untereinander; und (B) mit allen anderen gegenwärtigen oder zukünftigen nicht-bevorrechtigten nicht-nachrangigen Instrumenten oder Verbindlichkeiten der Emittentin, die die Voraussetzungen gemäß § 131 Abs. 3 Z 1 bis 3 BaSAG erfüllen (ausgenommen nicht nachrangige Instrumente oder Verbindlichkeiten der Emittentin, die vorrangig oder nachrangig gegenüber den Schuldverschreibungen sind oder diesen gegenüber als vorrangig oder nachrangig bezeichnet werden); und (iii) vorrangig gegenüber allen gegenwärtigen oder zukünftigen: (A) Stammaktien oder anderen Instrumenten des harten Kernkapitals (*Common Equity Tier 1*) gemäß Artikel 28 CRR der Emittentin; (B) Instrumenten des zusätzlichen Kernkapitals (*Additional Tier 1*) gemäß Artikel 52 CRR der Emittentin; (C) Instrumenten des Ergänzungskapitals (*Tier 2*) gemäß Artikel 63 CRR der Emittentin; und (D) allen anderen nachrangigen Instrumenten oder Verbindlichkeiten der Emittentin.

"**BaSAG**" bezeichnet das österreichische Sanierungs- und Abwicklungsgesetz in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen des BaSAG geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen des BaSAG in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**CRR**" bezeichnet die Verordnung (EU) Nr. 575/2013 des Europäischen Parlaments und des Rates vom 26. Juni 2013 über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen und zur Änderung der Verordnung (EU) Nr. 648/2012, in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der CRR geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der CRR in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

(2) Die Schuldverschreibungen sind dazu bestimmt, als Berücksichtigungsfähige MREL-Instrumente qualifizieren.

"**Anwendbare MREL-Regeln**" meint die Gesetze, Vorschriften, Anforderungen, Leitlinien und Richtlinien im Zusammenhang mit den Mindestanforderungen für Eigenmittel und Berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL), wie jeweils anwendbar.

"**Berücksichtigungsfähige MREL-Instrumente**" meint jegliche (direkt oder indirekt begebene) Schuldtitel der Emittentin, die für die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL) nach den Anwendbaren MREL-Regeln qualifizieren.

"**MREL**" meint die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*) nach den Anwendbaren MREL-Regeln.

(3) Kein Gläubiger ist zu irgendeinem Zeitpunkt berechtigt, mit Ansprüchen aus den Schuldverschreibungen gegen Ansprüche der Emittentin aufzurechnen. Den Gläubigern wird für ihre Rechte aus den Schuldverschreibungen weder durch die Emittentin noch durch Dritte irgendeine Sicherheit oder Garantie gestellt;

eine solche Sicherheit oder Garantie wird auch zu keinem späteren Zeitpunkt gestellt werden. Nachträglich kann der Nachrang gemäß diesem § 2 nicht beschränkt sowie die Laufzeit der Schuldverschreibungen und jede anwendbare Kündigungsfrist nicht verkürzt werden.

Hinweis an die Gläubiger der Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen: In Bezug auf den Status wird auf das für nicht-vorrangigen Schuldverschreibungen, die nicht nachrangig höhere Risiko einer regulatorischen Verlustzurechnung durch Abschreibung oder Umwandlung von Verbindlichkeiten gemäß dem Bundesgesetz über die Sanierung und Abwicklung von Banken ("BaSAG") hingewiesen, wie sie näher in folgendem Risikofaktor des Basisprospekts vom 18. März 2019 beschrieben wird: "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss."

[Im Fall von Nachrangigen Schuldverschreibungen, einfügen:

§ 2 STATUS

(1) Die Schuldverschreibungen begründen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die (i) untereinander und (ii) mit allen anderen gegenwärtigen oder zukünftigen (x) Tier 2 Instrumenten (wie untenstehend definiert) und (y) gleichrangigen oder ausdrücklich als gleichrangig mit dem Schuldverschreibungen bestimmten Instrumenten oder Verbindlichkeiten; und (iii) mit allen Verbindlichkeiten der Emittentin, die in dieser Weise nachrangig sind, gleichrangig sind. Im Fall der Insolvenz oder der Liquidation der Emittentin dürfen die Forderungen aus den Schuldverschreibungen erst nach (i) den Forderungen der nicht nachrangigen Gläubiger der Emittentin und (ii) allen anderen Instrumenten oder Verbindlichkeiten der Emittentin, die nach nachrangigen Verbindlichkeiten der Emittentin befriedigt werden oder dazu bestimmt sind (mit Ausnahme von Instrumenten oder Verbindlichkeiten der Emittentin, die mit den Schuldverschreibungen gleichrangig oder diesen nachrangig sind oder dazu bestimmt sind), befriedigt werden.

Zur Klarstellung: Gläubiger partizipieren in der Liquidation der Emittentin nicht an etwaigen Rücklagen der Emittentin oder Liquidationsgewinne im Sinne von § 8 Abs. 3 Z 1 des österreichischen Körperschaftssteuergesetzes 1988.

"CRR" bezeichnet die Verordnung (EU) Nr. 575/2013 des Europäischen Parlaments und des Rates vom 26. Juni 2013 über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen und zur Änderung der Verordnung (EU) Nr. 648/2012, in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der CRR geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der CRR in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"Tier 2 Instrument" meint jedes (direkt oder indirekt begebene) Kapitalinstrument oder nachrangige Kreditinstrument, das als Instrument des Ergänzungskapitals (Tier 2) gemäß Artikel 63 CRR qualifiziert, einschließlich jedes Kapitalinstruments und nachrangigen Kreditinstruments, das aufgrund von CRR-Übergangsbestimmungen zu den Instrumenten des Ergänzungskapitals zählt.

(2) Kein Gläubiger ist zu irgendeinem Zeitpunkt berechtigt, mit Ansprüchen aus den Schuldverschreibungen gegen Ansprüche der Emittentin aufzurechnen. Den Gläubigern wird für ihre Rechte aus den Schuldverschreibungen weder durch die Emittentin noch durch Dritte irgendeine Sicherheit oder Garantie gestellt; eine solche Sicherheit oder Garantie wird auch zu keinem späteren Zeitpunkt gestellt werden. Nachträglich kann der Nachrang gemäß diesem § 2 nicht beschränkt sowie die Laufzeit der Schuldverschreibungen und jede anwendbare Kündigungsfrist nicht verkürzt werden.

Hinweis an die Gläubiger der Nachrangigen Schuldverschreibungen:

In Bezug auf den Status wird auf das für nachrangige Schuldverschreibungen höhere Risiko einer regulatorischen Verlustzurechnung durch Abschreibung oder Umwandlung von Verbindlichkeiten gemäß dem Bundesgesetz über die Sanierung und Abwicklung von Banken ("BaSAG") hingewiesen, wie sie näher in folgendem Risikofaktor des Basisprospekts vom 18. März 2019 beschrieben wird: "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss."]

[Im Fall von Fundierten Bankschuldverschreibungen, einfügen:

§ 2 STATUS

(1) Die Schuldverschreibungen begründen nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind. Die Schuldverschreibungen sind gemäß dem Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen RGBI. Nr. 213 idGF (FBSchVG), sowie gemäß Punkt 14 der Satzung der Emittentin durch einen Deckungsstock gesichert.

[Im Fall Fundierter Bankschuldverschreibungen mit hypothekarischen Deckungsstock, einfügen:

(2) In Übereinstimmung mit den Bestimmungen des FBSchVG ist die Emittentin verpflichtet, Vermögenswerte als Kautions für die vorzugsweise Deckung der Ansprüche aus fundierten Bankschuldverschreibungen zu bestellen. Die Schuldverschreibungen werden gemäß § 1 Abs. 9 FBSchVG durch den hypothekarischen Deckungsstock der Emittentin, welcher hauptsächlich die in § 1 Abs. 5 Z 1 und 2 FBSchVG genannten Werte enthält, besichert. Die Höhe der durch die Vermögensobjekte bestellten Deckung muss dem Gesetz betreffend fundierte Bankschuldverschreibungen und der Satzung der Emittentin entsprechen. Die Emittentin muss die Vermögensobjekte, die zur Sicherung der Schuldverschreibungen bestellt werden, einzeln in einem Deckungsregister anführen. Vermögensobjekte gemäß § 1 Abs. 5 Z 2 FBSchVG dürfen in das Deckungsregister erst eingetragen werden, nachdem das Kautionsband in den öffentlichen Büchern eingetragen worden ist.]

[Im Fall Fundierter Bankschuldverschreibungen mit öffentlichem Deckungsstock, einfügen:

(2) In Übereinstimmung mit den Bestimmungen des FBSchVG ist die Emittentin verpflichtet, Vermögenswerte als Kautions für die vorzugsweise Deckung der Ansprüche aus fundierten Bankschuldverschreibungen zu bestellen. Die Schuldverschreibungen werden gemäß § 1 Abs. 9 FBSchVG durch den öffentlichen Deckungsstock der Emittentin, welcher hauptsächlich aus Forderungen gegenüber oder besichert von öffentlichen Schuldner gemäß § 1 Abs. 5 Z 3 und 4 FBSchVG besteht, besichert. Die Höhe der durch die Vermögensobjekte bestellten Deckung muss dem Gesetz betreffend fundierte Bankschuldverschreibungen und der Satzung der Emittentin entsprechen. Die Emittentin muss die Vermögensobjekte, die zur Sicherung der Schuldverschreibungen bestellt werden, einzeln in einem Deckungsregister anführen.]

(3) Im Fall der Insolvenz oder der Liquidation der Emittentin (oder in anderen Fällen, in denen die Emittentin ihren Zahlungsverpflichtungen im Zusammenhang mit den fundierten Schuldverschreibungen in Übereinstimmung mit diesen Emissionsbedingungen nicht nachkommt) werden die Ansprüche der Inhaber von fundierten Schuldverschreibungen aus den Vermögenswerten zur Deckung der Schuldverschreibungen in Übereinstimmung mit dem Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen, der Satzung der Emittentin und diesen Emissionsbedingungen befriedigt.]

§ 3 ZINSEN

(1)(a) *Feste Verzinsung.* Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag vom **[Verzinsungsbeginn]** (einschließlich) bis zum **[entsprechender letzter fester Zinszahlungstag]** (ausschließlich) mit **[Zinssatz]** Prozent *per annum* verzinnt.

Die Zinsen sind nachträglich am **[Festzinstermine]** **[jährlich]** **[halbjährlich]** **[vierteljährlich]** **[monatlich]** zahlbar (jeweils ein "**Fester Zinszahlungstag**"). Die erste Zinszahlung erfolgt am **[erster Zinszahlungstag]** **[im Falle eines ersten langen oder kurzen Kupons ist folgendes anwendbar:** und beläuft sich auf **[anfänglicher Bruchteilszinsbetrag/ anfängliche Bruchteilszinsträge]**].

(b) Zinstagequotient *für den Zeitraum der festen Verzinsung.* "**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung des Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**"):

[Im Fall von Actual/Actual (ICMA Regelung 251) mit jährlichen Zinszahlungen (ausschließlich des Falls von kurzen oder langen Kupons) ist folgendes anwendbar:

die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch die tatsächliche Anzahl von Tagen im jeweiligen Zinsjahr.]

[Im Fall von Actual/Actual (ICMA Regelung 251) mit jährlichen Zinszahlungen (einschließlich des Falls von kurzen Kupons) ist folgendes anwendbar:

die Anzahl von Tagen in dem Zinsberechnungszeitraum, geteilt durch die Anzahl der Tage in der Bezugsperiode, in die der Zinsberechnungszeitraum fällt.]]

[Im Falle von Actual/Actual (ICMA Regelung 251) mit zwei oder mehr gleichbleibenden Zinsperioden (einschließlich des Falls von kurzen Kupons) innerhalb eines Zinsjahres ist folgendes anwendbar:

die Anzahl von Tagen in dem Zinsberechnungszeitraum, geteilt durch das Produkt aus (1) der Anzahl der Tage in der Bezugsperiode in die der Zinsberechnungszeitraum fällt und (2) der Anzahl von Bezugsperioden, die angenommen, dass Zinsen für das gesamte Jahr zu zahlen wären, in ein Kalenderjahr fallen würden.]]

[Im Fall von Actual/Actual (ICMA Regelung 251) und wenn der Zinsberechnungszeitraum länger ist als eine Bezugsperiode (langer Kupon) ist folgendes anwendbar:

die Summe aus:

- (i) der Anzahl von Tagen in dem Zinsberechnungszeitraum, die in die Bezugsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch **[Im Fall von Bezugsperioden, die kürzer sind als ein Jahr, ist folgendes anwendbar:** das Produkt aus (x)] [die] [der] Anzahl der Tage in dieser Bezugsperiode **[Im Fall von Bezugsperioden, die kürzer sind als ein Jahr, ist folgendes anwendbar:** und (y) der Anzahl von Bezugsperioden, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären]; und
- (ii) der Anzahl von Tagen in dem Zinsberechnungszeitraum, die in die nächste Bezugsperiode fallen, geteilt durch **[Im Fall von Bezugsperioden, die kürzer sind als ein Jahr, ist folgendes anwendbar:** das Produkt aus (x)] [die] [der] Anzahl der Tage in dieser Bezugsperiode **[Im Fall von Bezugsperioden, die kürzer sind als ein Jahr, ist folgendes anwendbar:** und (y) der Anzahl von Bezugsperioden, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären]].

[Folgendes ist für alle Optionen von Actual/Actual (ICMA Regelung 251) anwendbar außer der Option Actual/Actual (ICMA Regelung 251) mit jährlichen Zinszahlungen (ausschließlich dem Fall eines ersten oder letzten kurzen oder langen Kupons:

"Bezugsperiode" bezeichnet den Zeitraum ab dem Verzinsungsbeginn (einschließlich bis zum ersten Zinszahlungstag (ausschließlich) oder von jedem Zinszahlungstag (einschließlich) bis zum nächsten Zinszahlungstag (ausschließlich). **[Im Fall eines ersten oder letzten kurzen Zinsberechnungszeitraumes ist folgendes anwendbar:** Zum Zwecke der Bestimmung der maßgeblichen Bezugsperiode gilt der **[Fiktiver Zinszahlungstag]** als Zinszahlungstag.] **[Im Fall eines ersten oder letzten langen Zinsberechnungszeitraumes ist folgendes anwendbar:** Zum Zwecke der Bestimmung der maßgeblichen Bezugsperiode gelten der **[Fiktiver Zinszahlungstag]** als Zinszahlungstage].]

[Im Fall von Actual/Actual (ISDA) einfügen: (ISDA) die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 366 und (B) die tatsächliche Anzahl der nicht in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 365.]]

[Im Fall von Actual/365 (Fixed), ist folgendes anwendbar:

die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]]

[Im Fall von Actual/360, ist folgendes anwendbar

die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.]]

[Im Fall von 30/360, 360/360 oder Bond Basis, ist folgendes anwendbar:

die Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360, wobei die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln ist (es sei denn, (A) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraumes weder auf den 30. noch auf den 31. Tag eines Monats fällt, wobei in diesem Fall der diesen Tag enthaltende Monat nicht als ein auf 30 Tage gekürzter Monat zu behandeln ist, oder (B) der

letzte Tag des Zinsberechnungszeitraumes fällt auf den letzten Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

[Im Fall von 30E/360 oder Eurobond Basis, ist folgendes anwendbar:

die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des ersten oder letzten Tages des Zinsberechnungszeitraumes, es sei denn, dass im Falle einer am Fälligkeitstag endenden Zinsperiode der Fälligkeitstag der letzte Tag des Monats Februar ist, in welchem Fall der Monat Februar als nicht auf einem Monat zu 30 Tagen verlängert gilt).]

(2) *Variable Verzinsung.*

(a) Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag vom **[entsprechender letzter fester Zinszahlungstag]** an (einschließlich) bis zum nächstfolgenden Variablen Zinszahlungstag (ausschließlich) verzinst. Zinsen auf die Schuldverschreibungen sind an jedem Variablen Zinszahlungstag zahlbar.

(b) "Variabler Zinszahlungstag" bedeutet

[Im Fall von festgelegten Zinszahlungstagen ist folgendes anwendbar:

jeder **[festgelegte variable Zinszahlungstage].]**

[Im Fall von festgelegten Zinsperioden ist folgendes anwendbar:

(soweit diese Anleihebedingungen keine abweichenden Bestimmungen vorsehen) jeweils der Tag, der **[Zahl]** **[Wochen]** **[Monate]** **[andere festgelegte Zeiträume]** nach dem vorausgehenden Variablen Zinszahlungstag liegt.]

(c) Fällt ein Variabler Zinszahlungstag auf einen Tag, der kein Geschäftstag (wie nachstehend definiert) ist, so wird der Variable Zinszahlungstag

[Bei Anwendung der Modified Following Business Day Convention ist folgendes anwendbar:

auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Variable Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.]

[Bei Anwendung der FRN Convention ist folgendes anwendbar:

auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall (i) wird der Variable Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen und (ii) ist jeder nachfolgende Variable Zinszahlungstag der jeweils letzte Geschäftstag des Monats, der **[[Zahl] Monate]** **[andere festgelegte Zeiträume]** nach dem vorhergehenden anwendbaren Variablen Zinszahlungstag liegt.]

[Bei Anwendung der Following Business Day Convention ist folgendes anwendbar:

auf den nächstfolgenden Geschäftstag verschoben. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verschiebung zu verlangen.]

[Bei Anwendung der Preceding Business Day Convention ist folgendes anwendbar:

auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.]

(d) In diesem § 3 bezeichnet "Geschäftstag"

[Falls die Festgelegte Währung nicht EUR ist, ist folgendes anwendbar:

einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken und Devisenmärkte in **[sämtliche relevanten Finanzzentren]** Zahlungen abwickeln][.][und]]

[Falls das Clearing System und TARGET offen sein müssen, ist folgendes anwendbar:

einen Tag (außer einem Samstag oder Sonntag), an dem das Clearing System sowie alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer Systems 2 ("TARGET") offen sind, um Zahlungen abzuwickeln.]

[Falls der Angebotssatz für Einlagen in der Festgelegten Währung EURIBOR ist, ist folgendes anwendbar:

(3) *Zinssatz*. Der Zinssatz (der "**Zinssatz**") für jede Zinsperiode (wie nachstehend definiert) ist, sofern nachstehend nichts abweichendes bestimmt und vorbehaltlich § 3 (4), wird der Angebotssatz (ausgedrückt als Prozentsatz *per annum*) für Einlagen in der Festgelegten Währung für die jeweilige Zinsperiode, der auf der Bildschirmseite am Zinsfestlegungstag (wie nachstehend definiert) gegen **[Uhrzeit einfügen] ([maßgebliche Zeitzone einfügen])** angezeigt wird (der "**Referenzsatz**") [multipliziert mit einem Faktor] **[falls Marge, einfügen: [zuzüglich] [abzüglich] der Marge] [wenn Höchstzinssatz einfügen: [Höchstzinssatz]] [wenn Mindestzinssatz einfügen: [Mindestzinssatz]]**, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

"**Bildschirmseite**" bedeutet REUTERS Bildschirmseite "**[EURIBOR01]**" oder jede Nachfolgesseite.

Sollte zu der genannten Zeit die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder kein Angebotssatz angezeigt werden, wird die Berechnungsstelle von den Referenzbanken deren jeweilige Angebotssätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in der Festgelegten Währung für die betreffende Zinsperiode gegenüber führenden Banken im Interbanken-Markt der Euro-Zone um ca. **[Uhrzeit einfügen] Uhr ([maßgebliche Zeitzone einfügen] Ortszeit)** am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Zinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent aufgerundet, wobei 0,0005] aufgerundet wird) dieser Angebotssätze, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Zinssatz für die betreffende Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Angebotssätze ermittelt, die die Referenzbanken bzw. zwei oder mehrere von ihnen der Berechnungsstelle auf deren Anfrage als den jeweiligen Satz nennen, zu dem ihnen um ca. **[Uhrzeit einfügen] Uhr ([maßgebliche Zeitzone einfügen] Ortszeit)** an dem betreffenden Zinsfestlegungstag Einlagen in der Festgelegten Währung für die betreffende Zinsperiode von führenden Banken im Interbanken-Markt in der Euro-Zone angeboten werden; falls weniger als zwei der Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, dann soll der Zinssatz für die betreffende Zinsperiode der Angebotssatz für Einlagen in der Festgelegten Währung für die betreffende Zinsperiode oder das arithmetische Mittel (gerundet wie oben beschrieben) der Angebotssätze für Einlagen in der Festgelegten Währung für die betreffende Zinsperiode sein, den bzw. die eine oder mehrere Banken (die nach Ansicht der Berechnungsstelle und der Emittentin für diesen Zweck geeignet sind) der Berechnungsstelle als Sätze bekannt geben, die sie an dem betreffenden Zinsfestlegungstag gegenüber führenden Banken am Interbanken-Markt in der Euro-Zone nennen (bzw. den diese Banken gegenüber der Berechnungsstelle nennen). Für den Fall, dass der Zinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Zinssatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestlegungstag, an dem diese Angebotssätze angezeigt wurden (wobei jedoch, falls für die relevante Zinsperiode eine andere Marge als für die unmittelbar vorhergehende Zinsperiode gilt, die relevante Marge an die Stelle der Marge für die vorhergehende Zinsperiode tritt).

"**Euro-Zone**" bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die gemäß dem Vertrag über die Gründung der Europäischen Gemeinschaft (unterzeichnet in Rom am 25. März 1957), geändert durch den Vertrag über die Europäische Union (unterzeichnet in Maastricht am 7. Februar 1992), den Amsterdamer Vertrag vom 2. Oktober 1997 und den Vertrag von Lissabon vom 13. Dezember 2007, in seiner jeweiligen Fassung, eine einheitliche Währung eingeführt haben oder jeweils eingeführt haben werden.

[Die "**Marge**" beträgt **[Marge einfügen]** Prozent *per annum*.]

"**Referenzbanken**" bezeichnet **[relevante Zahl einfügen]** führende Swap-Dealer im **[relevantes Finanzzentrum einfügen]** Interbankenmarkt.

"Zinsperiode" bezeichnet den Zeitraum von jedem Variablen Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Variablen Zinszahlungstag (ausschließlich). Wenn der Zinszahlungstag kein Geschäftstag ist, wird die Zinsperiode [gemäß § 3 (1)(c) angepasst] [nicht angepasst].

"Zinsfestlegungstag" bezeichnet den [Anzahl] [TARGET][zutreffenden Ort einfügen] Geschäftstag vor [Beginn][Ende] der jeweiligen Zinsperiode. ["TARGET-Geschäftstag" bezeichnet einen Tag, an dem alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer Systems 2 ("TARGET") offen sind, um Zahlungen abzuwickeln.]

["[zutreffenden Ort einfügen] Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in [zutreffenden Ort einfügen] für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.]

[Falls der Angebotssatz für Einlagen in der Festgelegten Währung LIBOR ist, ist folgendes anwendbar:

(3) *Zinssatz*. Der Zinssatz (der "Zinssatz") für jede Zinsperiode (wie nachstehend definiert) ist, sofern nachstehend nichts abweichendes bestimmt wird der Angebotssatz (ausgedrückt als Prozentsatz *per annum*) für Einlagen in der Festgelegten Währung für die jeweilige Zinsperiode, der auf der Bildschirmseite am Zinsfestlegungstag (wie nachstehend definiert) gegen [Uhrzeit einfügen] ([maßgebliche Zeitzone einfügen]) angezeigt wird [multipliziert mit einem Faktor] [falls Marge, einfügen: [zuzüglich] [abzüglich] der Marge] [wenn Höchstzinssatz einfügen: [Höchstzinssatz]] [wenn Mindestzinssatz einfügen: [Mindestzinssatz]], wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

"Bildschirmseite" bedeutet REUTERS Bildschirmseite "[LIBOR01][LIBOR02]" oder jede Nachfolgeseite.

Sollte zu der genannten Zeit die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder kein Angebotssatz angezeigt werden, wird die Berechnungsstelle von den Referenzbanken deren jeweilige Angebotssätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in der Festgelegten Währung für die betreffende Zinsperiode gegenüber führenden Banken im Londoner Interbanken-Markt um ca. [maßgebliche Uhrzeit einfügen] Uhr ([maßgebliche Zeitzone einfügen] Ortszeit) am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Zinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Hunderttausendstel Prozent, wobei 0,000005 aufgerundet wird) dieser Angebotssätze, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Zinssatz für die betreffende Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Hunderttausendstel Prozent, wobei 0,000005 aufgerundet wird) der Angebotssätze ermittelt, die die Referenzbanken bzw. zwei oder mehrere von ihnen der Berechnungsstelle auf deren Anfrage als den jeweiligen Satz nennen, zu dem ihnen um ca. [maßgebliche Uhrzeit einfügen] Uhr ([maßgebliche Zeitzone einfügen] Ortszeit) an dem betreffenden Zinsfestlegungstag Einlagen in der Festgelegten Währung für die betreffende Zinsperiode von führenden Banken im Londoner Interbanken-Markt angeboten werden; falls weniger als zwei der Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, dann soll der Zinssatz für die betreffende Zinsperiode der Angebotssatz für Einlagen in der Festgelegten Währung für die betreffende Zinsperiode oder das arithmetische Mittel (gerundet wie oben beschrieben) der Angebotssätze für Einlagen in der Festgelegten Währung für die betreffende Zinsperiode sein, den bzw. die eine oder mehrere Banken (die nach Ansicht der Berechnungsstelle und der Emittentin für diesen Zweck geeignet sind) der Berechnungsstelle als Sätze bekannt geben, die sie an dem betreffenden Zinsfestlegungstag gegenüber führenden Banken am Londoner Interbanken-Markt nennen (bzw. den diese Banken gegenüber der Berechnungsstelle nennen). Für den Fall, dass der Zinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Zinssatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestlegungstag, an dem diese Angebotssätze angezeigt wurden (wobei jedoch, falls für die relevante Zinsperiode eine andere Marge als für die unmittelbar vorhergehende Zinsperiode gilt, die relevante Marge an die Stelle der Marge für die vorhergehende Zinsperiode tritt)].

[Die "Marge" beträgt [Marge einfügen] Prozent *per annum*.]

"Referenzbanken" bezeichnet [relevante Zahl einfügen] Großbanken im [relevantes Finanzzentrum einfügen] Interbankenmarkt.

"Zinsperiode" bezeichnet den Zeitraum von jedem Variablen Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Variablen Zinszahlungstag (ausschließlich). Wenn der Zinszahlungstag kein Geschäftstag ist, wird die Zinsperiode [gemäß § 3 (1)(c) angepasst] [nicht angepasst].

"Zinsfestlegungstag" bezeichnet den bezeichnet den [Anzahl] [relevante(s) Finanzzentrum(en)] Geschäftstag vor [Beginn][Ende] der jeweiligen Zinsperiode.

"[relevante(s) Finanzzentrum(en)] Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in [relevante(s) Finanzzentrum(en)] für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.]

[Falls der Zinssatz auf Basis des [relevante Währung einfügen] CMS bestimmt wird, ist folgendes anwendbar:

(3) *Zinssatz*. Der Zinssatz (der "Zinssatz") für die jeweilige Zinsperiode (wie nachfolgend definiert) wird von der Berechnungsstelle (wie in § 6 definiert) gemäß folgender Formel bestimmt:

[Min][Max]([Max][Min]((([•]-Jahres [maßgebliche Währung einfügen] CMS * [Faktor einfügen]) [-] [+] [(•)-Jahres [maßgebliche Währung einfügen] CMS * [Faktor einfügen])) [+] [-] [Marge einfügen]; (([•]-Jahres [maßgebliche Währung einfügen] CMS * [Faktor einfügen]) [-] [+] [(•)-Jahres [maßgebliche Währung einfügen] CMS * [Faktor einfügen])) [+] [-] [Marge einfügen]; ((([•]-Jahres [maßgebliche Währung einfügen] CMS * [Faktor einfügen]) [-] [+] [(•)-Jahres [maßgebliche Währung einfügen] CMS * [Faktor einfügen])) [+] [-] [Marge einfügen])

"[maßgebliche Währung einfügen] CMS" ist, vorbehaltlich § 3 (4), der als Zinssatz *per annum* ausgedrückte Swap-Satz für [maßgebliche Währung einfügen] denominated Swap-Transaktionen mit der oben aufgeführten Formel angegebenen Laufzeit von Jahren, der auf der Bildschirmseite (wie nachfolgend definiert) am Zinsfestlegungstag (wie nachfolgend definiert) unter der Bildüberschrift "[maßgebliche Bildüberschrift einfügen]" und über der Spalte "[Uhrzeit und maßgebliche Zeitzone einfügen]" gegen [Uhrzeit einfügen] ([relevante Zeitzone einfügen]) angezeigt wird (jeder solche [•]-Jahres [maßgebliche Währung einfügen] CMS ein "Referenzsatz"), wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

"Bildschirmseite" bedeutet [Bildschirmseite] oder jede Nachfolgeseite.

Hat die Bildschirmseite dauerhaft aufgehört, den jeweiligen [relevante Währung einfügen] CMS anzugeben, ist diese Quotierung jedoch auf einer anderen von der Berechnungsstelle nach billigem Ermessen ausgewählten Bildschirmseite verfügbar (die "Ersatzbildschirmseite"), wird die Ersatzbildschirmseite zum Zweck der Zinssatzberechnung eingesetzt.

Sollte die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird der jeweils maßgebliche [relevante Währung einfügen] CMS nicht angezeigt (in jedem dieser Fälle zu der genannten Zeit) und ist nach Feststellung der Berechnungsstelle keine Ersatzbildschirmseite verfügbar, wird die Berechnungsstelle von den Referenzbanken das arithmetische Mittel der Geld- und Briefkurse für die festverzinsliche Seite eines Euro Zinsswaps für die maßgebliche Laufzeit in einer Höhe, die repräsentativ für eine einzelne Swap-Transaktion im Markt für Swaps ist (jeweils als Prozentsatz *per annum* ausgedrückt) gegenüber einem anerkannten Dealer in Swaps im Markt für Swaps um ca. [Uhrzeit einfügen] Uhr ([relevante Zeitzone einfügen] Ortszeit) am Zinsfestlegungstag anfordern.

Falls drei oder mehr Referenzbanken der Berechnungsstelle solche Quotierungen nennen, ist der [relevante Währung einfügen] CMS für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet) dieser Quotierungen, wobei die höchste bzw. eine der höchsten Quotierungen bei identischen Quotierungen und die niedrigste Quotierung bzw. eine der niedrigsten Quotierungen bei identischen Quotierungen nicht mitgezählt werden, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls nur zwei oder weniger Referenzbanken der Berechnungsstelle solche Quotierung nennen, so ist der [relevante Währung einfügen] CMS für diese Zinsperiode der Satz, wie er auf der Bildschirmseite an dem letzten Tag vor dem jeweiligen Zinsfestlegungstag, an dem dieser Satz noch angezeigt wurde, angezeigt worden ist.

Die "Marge" beträgt [Marge einfügen] Prozent *per annum*.

"Referenzbanken" bezeichnet [relevante Zahl einfügen] führende Swap-Dealer im Interbankenmarkt der Euro-Zone oder im Londoner Interbankenmarkt.

["TARGET-Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem TARGET2 (Trans-European Automated Real-time Gross Settlement Express Transfer System) Zahlungen abwickelt.]

["[zutreffenden Ort einfügen]-Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in [zutreffenden Ort einfügen] für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.]

"Zinsperiode" bezeichnet den Zeitraum von jedem Variablen Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Variablen Zinszahlungstag (ausschließlich). Wenn der Zinszahlungstag kein Geschäftstag ist, wird die Zinsperiode [gemäß § 3(1)(c) angepasst] [nicht angepasst].

"Zinsfestlegungstag" bezeichnet den [Anzahl] [TARGET][zutreffenden Ort einfügen]-Geschäftstag (wie nachstehend definiert) vor [Beginn][Ende] der jeweiligen Zinsperiode.]

(4) *Wegfall einer Benchmark.*

(a) *Unabhängiger Berater.* Wenn ein Benchmark Ereignis in Bezug auf einen Referenzsatz eintritt und ein Zinssatz (oder Teile davon) für eine Zinsperiode noch anhand dieses Referenzsatzes festgelegt werden muss, dann ernennt die Emittentin unter zumutbaren Bemühungen einen Unabhängigen Berater, der, sobald wie vernünftigerweise möglich, einen Nachfolgezinssatz oder anderenfalls einen Alternativzinssatz (gemäß § 3 (4)(b)) und in beiden Fällen gegebenenfalls eine Anpassungsspanne (gemäß § 3 (4)(c)) festlegt und etwaige Benchmark Änderungen (gemäß § 3 (4)(d)) vornimmt.

Außer im Falle von grober Fahrlässigkeit oder Vorsatz, übernimmt der Unabhängige Berater keinerlei Haftung gegenüber der Emittentin, der Emissionsstelle, den Zahlstellen, der Berechnungsstelle oder den Anleihegläubigern für seine Festlegungen gemäß diesem § 3 (4).

Wenn (A) die Emittentin außerstande ist, einen Unabhängigen Berater zu ernennen; oder (B) der ernannte Unabhängige Berater vor dem betreffenden Zinsfestsetzungstag keinen Nachfolgezinssatz oder anderenfalls keinen Alternativzinssatz gemäß diesem § 3 (4) festlegt, entspricht der Referenzsatz der unmittelbar nachfolgenden Zinsperiode dem Referenzsatz, der zum letzten Zinsfestlegungstag anwendbar war. Falls es keinen ersten Zinszahlungstag gab, ist der Referenzsatz der Referenzsatz, der für die erste Zinsperiode anwendbar war. Zur Klarstellung: Anpassungen gemäß diesem § 3 (4) gelten nur für die unmittelbar nachfolgende Zinsperiode. Jede folgende Zinsperiode unterliegt der weiteren Anwendbarkeit dieses § 3 (4).

(b) *Nachfolgezinssatz oder Alternativzinssatz.* Im Fall, dass der Unabhängige Berater nach billigem Ermessen bestimmt, dass: (A) es einen Nachfolgezinssatz gibt, dann ist dieser Nachfolgezinssatz (vorbehaltlich einer etwaigen Anpassung gemäß § 3 (4)(c)) an Stelle des Referenzsatzes maßgeblich, um den Zinssatz für diese Zinsperiode und alle folgenden Zinsperioden vorbehaltlich der weiteren Anwendbarkeit dieses § 3 (4) zu bestimmen; oder (B) es keinen Nachfolgezinssatz aber einen Alternativzinssatz gibt, dann ist dieser Alternativzinssatz (vorbehaltlich einer etwaigen Anpassung gemäß § 3 (4)(c)) an Stelle des Referenzsatzes maßgeblich, um den Zinssatz für diese Zinsperiode und alle folgenden Zinsperioden vorbehaltlich der weiteren Anwendbarkeit dieses § 3 (4) zu bestimmen.

(c) *Anpassungsspanne.* Wenn der Unabhängige Berater nach billigem Ermessen bestimmt, dass (A) eine Anpassungsspanne auf den Nachfolgezinssatz oder gegebenenfalls den Alternativzinssatz anzuwenden ist und (B) den Umfang, eine Formel oder die Methode zur Bestimmung einer solchen Anpassungsspanne festlegt, dann findet eine solche Anpassungsspanne auf den Nachfolgezinssatz bzw. den Alternativzinssatz Anwendung.

(d) *Benchmark Änderungen.* Wenn ein entsprechender Nachfolgezinssatz, Alternativzinssatz oder eine entsprechende Anpassungsspanne gemäß diesem § 3 (4) festgelegt wird und der Unabhängige Berater nach billigem Ermessen (A) bestimmt, dass Änderungen hinsichtlich dieser Bedingungen notwendig sind, um die ordnungsgemäße Anwendung eines Nachfolgezinssatz, Alternativzinssatz und/oder einer Anpassungsspanne zu gewährleisten (diese Änderungen, die "**Benchmark Änderungen**") und (B) die Bedingungen dieser Benchmark Änderungen bestimmt, dann gelten jene Benchmark Änderungen für die Schuldverschreibungen, vorbehaltlich einer Mitteilung durch die Emittentin gemäß § 3 (3)(e), ab dem in der Mitteilung angegebenen Zeitpunkt.

- (e) *Mitteilungen, etc.* Die Emittentin hat den Nachfolgezinssatz, Alternativzinssatz, eine entsprechende Anpassungsspanne und die Bedingungen von Benchmark Änderungen gemäß diesem § 3 (4) unverzüglich durch der Emissionsstelle, der Berechnungsstelle und den Zahlstellen sowie gemäß § 12 den Anleihegläubigern mitzuteilen. Eine solche Mitteilung ist unwiderruflich und hat den Zeitpunkt, ab dem etwaige Benchmark Änderungen wirksam werden, zu benennen.

Gleichzeitig mit dieser Mitteilung hat die Emittentin der Emissionsstelle einen durch zwei Unterschriftsberechtigte der Emittentin unterzeichneten Nachweis zu übergeben, (A)(x) der bestätigt, dass ein Benchmark Ereignis eingetreten ist, (y) der den Nachfolgezinssatz bzw. den Alternativzinssatz benennt und (z) der eine etwaige Anpassungsspanne und/oder die Bedingungen etwaiger Benchmark Änderungen benennt, und zwar jeweils bestimmt gemäß den Bestimmungen dieses § 3 (4); und (B) der bestätigt, dass die Benchmark Änderungen notwendig sind, um die ordnungsgemäße Anwendung eines solchen Nachfolgezinssatz, Alternativzinssatz und/oder der Anpassungsspanne zu gewährleisten.

Der Nachfolgezinssatz oder Alternativzinssatz, die Anpassungsspanne (sofern zutreffend) und die Benchmark Änderungen (sofern zutreffend) sind in der Form des Nachweises (mit Ausnahme von offensichtlichen Fehlern oder Bösgläubigkeit bei der Festlegung des Nachfolgezinssatzes oder Alternativzinssatzes, der Anpassungsspanne (sofern zutreffend) oder der Bedingungen von Benchmark Änderungen (sofern zutreffend)) bindend für die Emittentin, die Emissionsstelle, die Berechnungsstelle, die Zahlstellen und die Anleihegläubiger.

- (f) *Fortbestehen des Referenzsatzes.* Unbeschadet der Verpflichtungen der Emittentin gemäß § 3 (4)(a), (b), (c) und (d) bleiben der Referenzsatz und die Fallback-Regelungen in der Definition "Bildschirmseite" gemäß § 3 (3) bis zum Eintritt eines Benchmark Ereignisses anwendbar.

- (g) *Definitionen.* Zur Verwendung in § 3 (4):

"**Anpassungsspanne**" bezeichnet entweder die Spanne (positiv oder negativ) oder die Formel oder Methode zur Bestimmung einer solchen Spanne, die nach Bestimmung durch den Unabhängigen Berater auf den Nachfolgezinssatz bzw. den Alternativzinssatz anzuwenden ist, um wirtschaftliche Nachteile oder gegebenenfalls Vorteile der Gläubiger, soweit unter den Umständen sinnvoll umsetzbar, zu reduzieren oder auszuschließen, die durch die Ersetzung des Referenzsatzes durch die Nachfolgezinssatz oder gegebenenfalls den Alternativzinssatz entstehen, und ist die Spanne oder die Formel oder Methode, (1) die im Fall eines Nachfolgezinssatzes formell im Zusammenhang mit der Ersetzung des Referenzsatzes durch den Nachfolgezinssatz vom Nominierungsgremium empfohlen wird; oder (2) die (sofern keine Empfehlung abgegeben wurde oder im Fall eines Alternativzinssatzes) durch den Unabhängigen Berater als anerkannten und berücksichtigten Industriestandard für "over-the-counter" derivative Transaktionen mit Bezug auf den Referenzsatz, bei denen dieser durch den Nachfolgezinssatz bzw. den Alternativzinssatz ersetzt wurde, bestimmt wird; oder (3) (falls der Unabhängigen Berater bestimmt, dass es keinen anerkannten und berücksichtigten Industriestandard gibt) von dem Unabhängigen Berater als angemessen erachtet wird.

"**Alternativzinssatz**" bezeichnet eine alternative Benchmark oder einen Bildschirmsatz welche der Unabhängige Berater gemäß § 3 (4)(b) als zur Bestimmung von variablen Zinssätzen in der Festgelegten Währung (oder entsprechenden Teilen davon) auf den internationalen Fremdkapitalmärkten marktüblich bestimmt.

"**Benchmark Änderungen**" hat die Bedeutung wie in § 3 (4)(d) festgelegt.

"**Benchmark Ereignis**" bezeichnet: (1) die Nichtveröffentlichung des Referenzsatzes für mindestens fünf (5) Geschäftstage oder das Nichtbestehen des Referenzsatzes; oder (2) eine öffentliche Bekanntmachung des Administrators des Referenzsatzes dahingehend, dass die Veröffentlichung dauerhaft oder auf unbestimmte Zeit eingestellt wird (in Fällen in denen kein Nachfolgeadministrator ernannt worden ist, der die Veröffentlichung vornehmen wird); oder (3) eine öffentliche Bekanntmachung der Aufsichtsbehörde des Administrators des Referenzsatzes, dass die Veröffentlichung dauerhaft oder auf unbestimmte Zeit eingestellt wird oder bereits wurde; oder (4) eine öffentliche Bekanntmachung der Aufsichtsbehörde des Administrators des Referenzsatzes infolgedessen der Referenzsatz allgemein oder in Bezug auf die Schuldverschreibungen nicht mehr verwendet werden darf; oder (5) den Umstand, dass die Verwendung des Referenzsatzes zur Berechnung des Festgelegten Zinssatzes für die Zahlstellen, die Berechnungsstelle, die Emittentin oder jeden Dritten rechtswidrig geworden ist.

"**Unabhängiger Berater**" bezeichnet ein von der Emittentin ernanntes unabhängiges Finanzinstitut mit internationalem Ansehen oder einen anderen unabhängigen Finanzberater mit Erfahrung in internationalen Kapitalmärkten, wie jeweils von der Emittentin gemäß § 3 (4)(a) bestimmt.

"**Nominierungsgremium**" bezeichnet in Bezug auf die Benchmark oder einen Bildschirmsatz: (1) die Zentralbank für die Währung in der die Benchmark oder der Bildschirmsatz dargestellt wird oder eine Zentralbank oder andere Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist; oder (2) jede Arbeitsgruppe oder Komitee gefördert durch, geführt oder mitgeführt von oder gebildet von (a) der Zentralbank für die Währung in der die Benchmark oder der Bildschirmsatz dargestellt wird, (b) einer Zentralbank oder anderen Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist, (c) einer Gruppe der zuvor genannten Zentralbanken oder anderer Aufsichtsbehörden oder (d) dem Finanzstabilitätsrat (Financial Stability Board) oder Teilen davon.

"**Nachfolgezinssatz**" bezeichnet einen Nachfolger oder Ersatz des Referenzsatzes, der formell durch das Nominierungsgremium empfohlen wurde.

[Im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen und Nachrangigen Schuldverschreibungen einfügen:

(h) Eine Anpassung des Referenzsatzes gemäß diesem § 3 (4) im Falle eines Benchmark Ereignisses darf nicht durchgeführt werden, wenn und soweit diese Anpassung dazu führen würde, dass die Emittentin berechtigt wäre, die Schuldverschreibungen aus regulatorischen Gründen gemäß § 5 (3) zurückzuzahlen.]

[Im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen) einfügen:

(h) Eine Anpassung des Referenzsatzes gemäß diesem § 3 (4) im Falle eines Benchmark Ereignisses darf nicht durchgeführt werden, wenn und soweit diese Anpassung dazu führen würde, dass ein MREL Disqualification Event eintritt.

"**MREL Disqualification Event**" meint zu jedem Zeitpunkt die Feststellung durch die Emittentin, dass die Schuldverschreibungen, ganz oder teilweise (i) nicht als Berücksichtigungsfähige MREL-Instrumente anerkannt werden, oder (ii) sich ihre aufsichtsrechtliche Einstufung so ändert, dass die Schuldverschreibungen wahrscheinlich von den Berücksichtigungsfähigen MREL-Instrumenten ausgeschlossen wären oder sind, wobei jeweils kein MREL Disqualification Event eintreten soll auf der Basis, (i) dass die Restlaufzeit der Schuldverschreibungen weniger beträgt als ein etwaiger Zeitraum gemäß den Anwendbaren MREL-Regeln, und/oder (ii) etwaiger anwendbarer Beschränkungen des zulässigen oder genehmigten Betrages für Berücksichtigungsfähige MREL-Instrumente zur Erfüllung von MREL gemäß den Anwendbaren MREL-Regeln.]

[Falls ein Mindest- und/oder Höchstzinssatz gilt, einfügen:

[(4)|(5)] [*Mindest-*] [*und*] [*Höchst-*] *Zinssatz*.

[Falls ein Mindestzinssatz gilt, einfügen: Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz niedriger ist als **[Mindestzinssatz einfügen]**, so ist der Zinssatz für diese Zinsperiode **[Mindestzinssatz einfügen]**.]

[Falls ein Höchstzinssatz gilt, einfügen: Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz höher ist als **[Höchstzinssatz einfügen]**, so ist der Zinssatz für diese Zinsperiode **[Höchstzinssatz einfügen]**.]

[(5)|(6)] *Zinsbetrag*. Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Zinssatz zu bestimmen ist, den Zinssatz bestimmen und den auf die Schuldverschreibungen zahlbaren Zinsbetrag in Bezug auf die Festgelegte Stückelung (der "**Zinsbetrag**") für die entsprechende Zinsperiode berechnen. Der Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient (wie nachstehend definiert) auf jede Festgelegte Stückelung angewendet werden, wobei der resultierende Betrag auf die kleinste Einheit der Festgelegten Währung auf- oder abgerundet wird, wobei 0,5 solcher Einheiten aufgerundet werden.

[(6)|(7)] *Mitteilung von Zinssatz und Zinsbetrag*. Die Berechnungsstelle wird veranlassen, dass der Zinssatz, der Zinsbetrag für die jeweilige Zinsperiode, die jeweilige Zinsperiode und der relevante Variable Zinszahlungstag der

Emittentin und den Gläubigern gemäß § 12 baldmöglichst, aber keinesfalls später als am vierten auf die Berechnung jeweils folgenden [Londoner] [TARGET2] [zutreffenden Ort einfügen] Geschäftstag (wie in § 3 (2) definiert) sowie jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, baldmöglichst, aber keinesfalls später als zu Beginn der jeweiligen Zinsperiode mitgeteilt werden. Im Fall einer Verlängerung oder Verkürzung der Zinsperiode können der mitgeteilte Zinsbetrag und Variable Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert sind, sowie den Gläubigern gemäß § 12 mitgeteilt.

[(7)|(8)] *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 3 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Emissionsstelle [, die Zahlstellen] und die Gläubiger bindend.

[(8)|(9)] *Auflaufende Zinsen.* Der Zinslauf der Schuldverschreibungen endet mit Beginn des Tages, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, fallen auf den ausstehenden Nennbetrag der Schuldverschreibungen ab dem Fälligkeitstag (einschließlich) bis zum Tag der tatsächlichen Rückzahlung (ausschließlich) Zinsen zum gesetzlich festgelegten Satz für Verzugszinsen an¹¹.

[(9)|(10)] *Zinstagequotient für den Zeitraum der variablen Verzinsung.* "Zinstagequotient" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "Zinsberechnungszeitraum"):

[Im Fall von Actual/Actual (ICMA Regelung 251) mit jährlichen Zinszahlungen (ausschließlich des Falls von kurzen oder langen Kupons) ist folgendes anwendbar:

die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch die tatsächliche Anzahl von Tagen im jeweiligen Zinsjahr.]

[Im Fall von Actual/Actual (ICMA Regelung 251) mit jährlichen Zinszahlungen (einschließlich des Falls von kurzen Kupons) ist folgendes anwendbar:

die Anzahl von Tagen in dem Zinsberechnungszeitraum, geteilt durch die Anzahl der Tage in der Bezugsperiode, in die der Zinsberechnungszeitraum fällt.]

[Im Falle von Actual/Actual (ICMA Regelung 251) mit zwei oder mehr gleichbleibenden Zinsperioden (einschließlich des Falls von kurzen Kupons) innerhalb eines Zinsjahres ist folgendes anwendbar:

die Anzahl von Tagen in dem Zinsberechnungszeitraum, geteilt durch das Produkt aus (1) der Anzahl der Tage in der Bezugsperiode in die der Zinsberechnungszeitraum fällt und (2) der Anzahl von Bezugsperioden, die angenommen, dass Zinsen für das gesamte Jahr zu zahlen wären, in ein Kalenderjahr fallen würden.]

[Im Fall von Actual/Actual (ICMA Regelung 251) und wenn der Zinsberechnungszeitraum länger ist als eine Bezugsperiode (langer Kupon) ist folgendes anwendbar:

die Summe aus:

- (i) der Anzahl von Tagen in dem Zinsberechnungszeitraum, die in die Bezugsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch **[Im Fall von Bezugsperioden, die kürzer sind als ein Jahr, ist folgendes anwendbar:** das Produkt aus (x)] [die] [der] Anzahl der Tage in dieser Bezugsperiode **[Im Fall von Bezugsperioden, die kürzer sind als ein Jahr, ist folgendes anwendbar:** und (y) der Anzahl von Bezugsperioden, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären]; und

¹¹ Der gesetzliche Verzugszinssatz beträgt nach deutschem Recht für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Abs. 1, 247 Abs. 1 BGB. Nach österreichischem Recht beträgt der allgemeine gesetzliche Verzugszinssatz für das Jahr 4 Prozentpunkte (§ 1333 iVm § 1000 ABGB), für Geldforderungen zwischen Unternehmern aus unternehmensbezogenen Geschäften für das Jahr 9,2 Prozentpunkte über dem Basiszinssatz (§ 456 UGB) im Fall eines schuldhaften Verzugs, sonst ebenfalls 4 Prozentpunkte.

- (ii) der Anzahl von Tagen in dem Zinsberechnungszeitraum, die in die nächste Bezugsperiode fallen, geteilt durch **[Im Fall von Bezugsperioden, die kürzer sind als ein Jahr, ist folgendes anwendbar:** das Produkt aus (x)] [die] [der] Anzahl der Tage in dieser Bezugsperiode **[Im Fall von Bezugsperioden, die kürzer sind als ein Jahr, ist folgendes anwendbar:** und (y) der Anzahl von Bezugsperioden, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären]].

[Folgendes ist für alle Optionen von Actual/Actual (ICMA Regelung 251) anwendbar außer der Option Actual/Actual (ICMA Regelung 251) mit jährlichen Zinszahlungen (ausschließlich dem Fall eines ersten oder letzten kurzen oder langen Kupons):

"**Bezugsperiode**" bezeichnet den Zeitraum ab jedem Variablen Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Variablen Zinszahlungstag (ausschließlich). **[Im Fall eines ersten oder letzten kurzen Zinsberechnungszeitraumes ist folgendes anwendbar:** Zum Zwecke der Bestimmung der maßgeblichen Bezugsperiode gilt der **[Fiktiver Zinszahlungstag]** als Variabler Zinszahlungstag.] **[Im Fall eines ersten oder letzten langen Zinsberechnungszeitraumes ist folgendes anwendbar:** Zum Zwecke der Bestimmung der maßgeblichen Bezugsperiode gelten der **[Fiktiver Zinszahlungstag]** als Variable Zinszahlungstage].]

[Im Fall von Actual/Actual (ISDA) ist folgendes anwendbar:

(ISDA) die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 366 und (B) die tatsächliche Anzahl der nicht in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 365.]

[Im Fall von Actual/365 (Fixed) ist folgendes anwendbar:

die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]

[Im Fall von Actual/360 ist folgendes anwendbar:

die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.]

[Im Fall von 30/360, 360/360 oder Bond Basis ist folgendes anwendbar:

die Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360, wobei die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln ist (es sei denn, (A) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraumes weder auf den 30. noch auf den 31. Tag eines Monats fällt, wobei in diesem Fall der diesen Tag enthaltende Monat nicht als ein auf 30 Tage gekürzter Monat zu behandeln ist, oder (B) der letzte Tag des Zinsberechnungszeitraumes fällt auf den letzten Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

[Im Fall von 30E/360 oder Eurobond Basis ist folgendes anwendbar:

die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des ersten oder letzten Tages des Zinsberechnungszeitraumes, es sei denn, dass im Falle einer am Fälligkeitstag endenden Zinsperiode der Fälligkeitstag der letzte Tag des Monats Februar ist, in welchem Fall der Monat Februar als nicht auf einem Monat zu 30 Tagen verlängert gilt).]

§ 4 ZAHLUNGEN

- (1) (a) *Zahlungen von Kapital.* Zahlungen von Kapital auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden § 4 (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems gegen Vorlage und (außer im Fall von Teilzahlungen) Einreichung der die Schuldverschreibungen zum Zeitpunkt der Zahlung verbrieften Globalurkunde bei der bezeichneten Geschäftsstelle der Emissionsstelle außerhalb der Vereinigten Staaten.
- (b) *Zahlung von Zinsen.* Die Zahlung von Zinsen auf Schuldverschreibungen erfolgt nach Maßgabe von § 4 (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

[Im Fall von Zinszahlungen auf eine vorläufige Globalurkunde einfügen: Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von § 4 (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 (3)(b).]

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der Festgelegten Währung ist.

(3) *Vereinigte Staaten.* Für die Zwecke des **[im Fall von D Rules Schuldverschreibungen einfügen: § 1 (3) und des] § 4 (1)** bezeichnet "**Vereinigte Staaten**" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und der Northern Mariana Islands).

(4) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(5) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag und ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen. Für diese Zwecke bezeichnet "**Zahltag**" einen Tag (außer einem Samstag oder Sonntag), an dem das Clearing System **[falls die Festgelegte Währung EUR ist, einfügen: und TARGET2 (Trans-European Automated Realtime Cross Settlement Express Transfer System) zur Abwicklung von Zahlungen in Euro betriebsbereit ist.] [falls die Festgelegte Währung nicht EUR ist, einfügen: und Geschäftsbanken und Devisenmärkte in [sämtliche relevanten Finanzzentren einfügen] Zahlungen abwickeln].**

(6) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Bedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen; den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen; **[falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzahlen, und Wahl-Rückzahlungsbetrag/beträge (Call) angegeben sind, einfügen: den Wahl-Rückzahlungsbetrag (Call) der Schuldverschreibungen;] [falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen: den Wahl-Rückzahlungsbetrag (Put) der Schuldverschreibungen;]** sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge]. Bezugnahmen in diesen Bedingungen auf Zinsen auf Schuldverschreibungen sollen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren zusätzlichen Beträge einschließen.

(7) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die jeweiligen Ansprüche der Gläubiger gegen die Emittentin.

§ 5 RÜCKZAHLUNG

(1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am **[im Fall eines festgelegten Fälligkeitstages, Fälligkeitstag einfügen] [im Fall eines Rückzahlungsmonats einfügen: in den [Rückzahlungsmonat einfügen] fallenden Zinszahlungstag] (der "Fälligkeitstag")** zurückgezahlt. Der "**Rückzahlungsbetrag**" in Bezug auf jede Schuldverschreibung entspricht **[[●] Prozent des] [dem] Nennbetrag[s]** der Schuldverschreibungen.

(2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können **[Im Fall von Nachrangigen Schuldverschreibungen einfügen:., bei Erfüllung der Rückzahlungsbedingungen gemäß § 5 [(5)|(6)].][Im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:., nach Maßgabe der Anwendbaren MREL-Regeln (wie in § 2 (2) definiert),]** insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Emissionsstelle und gemäß § 12 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden, falls die Emittentin als Folge einer Änderung oder

Ergänzung der Steuer- oder Abgabengesetze und -vorschriften der Republik Österreich oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam) am nächstfolgenden Zinszahlungstag (wie in § 3 (1) definiert) zur Zahlung von zusätzlichen Beträgen (wie in § 7 dieser Bedingungen definiert) verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen vernünftiger der Emittentin zur Verfügung stehender Maßnahmen vermieden werden kann.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von zusätzlichen Beträgen nicht mehr wirksam ist.]

Eine solche Kündigung hat gemäß § 12 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

[Im Fall von Nachrangigen Schuldverschreibungen einfügen:

(3) *Außerordentliche Kündigung durch die Emittentin aus regulatorischen Gründen.* Wenn ein Regulatorisches Ereignis eintritt und die Rückzahlungsbedingungen erfüllt sind, können die Schuldverschreibungen, insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin, mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Emissionsstelle und gemäß § 12 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden. Eine solche Mitteilung darf nicht später als 90 Tage nach Eintritt eines Regulatorischen Ereignisses erfolgen. Jede derartige Mitteilung ist unwiderruflich, gemäß § 12 bekannt zu geben und muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

Ein "**Regulatorisches Ereignis**" tritt ein, wenn sich die aufsichtsrechtliche Einstufung der Schuldverschreibungen gemäß den Relevanten Regeln ändert, was wahrscheinlich zu ihrem vollständigen oder teilweisen Ausschluss aus den Eigenmitteln oder ihrer Neueinstufung als Eigenmittel niederer Qualität der [Regulatorischen BAWAG-Gruppe auf konsolidierter Basis][und/oder der][Emittentin auf individueller Basis] führen würde oder geführt hat.

"**BWG**" bezeichnet das österreichische Bankwesengesetz in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen des BWG geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen des BWG in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**CDR**" bezeichnet die Delegierte Verordnung (EU) Nr. 241/2014 der Kommission vom 7. Januar 2014 zur Ergänzung der Verordnung (EU) Nr. 575/2013 des Europäischen Parlaments und des Rates im Hinblick auf technische Regulierungsstandards für die Eigenmittelanforderungen an Institute (*Commission Delegated Regulation, CDR*), in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der CDR geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der CDR in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**CRD IV**" bezeichnet die Richtlinie 2013/36/EU des Europäischen Parlaments und des Rates vom 26. Juni 2013 über den Zugang zur Tätigkeit von Kreditinstituten und die Beaufsichtigung von Kreditinstituten und Wertpapierfirmen, zur Änderung der Richtlinie 2002/87/EG und zur Aufhebung der Richtlinien 2006/48/EG und 2006/49/EG (*Capital Requirements Directive IV, CRD IV*), wie in der Republik Österreich umgesetzt und wie geändert oder ersetzt.

"**Regulatorische BAWAG-Gruppe**" meint jederzeit jede Bankengruppe: (i) zu der die Emittentin gehört; und (ii) für welche die Eigenmittelanforderungen gemäß dem Zweiten und Dritten Teil der CRR auf konsolidierter Basis aufgrund von aufsichtlicher Konsolidierung nach Maßgabe des Ersten Teils, Titel 2, Kapitel 2 der CRR anwendbar sind.

"**Relevante Regeln**" meint jederzeit alle Voraussetzungen nach österreichischem Recht oder die in Vorschriften, Anforderungen, Leitlinien oder Richtlinien der Zuständigen Behörde, des Europäischen Parlaments und/oder des Europäischen Rates, die dann in der Republik Österreich gültig sind und für die Regulatorische BAWAG-Gruppe und/oder (gegebenenfalls) die Emittentin anwendbar sind, einschließlich, aber nicht ausschließlich der

Bestimmungen des BWG, der CRD IV, der CRR, der CDR and der SSM-Verordnung, jeweils in ihrer jeweils gültigen Fassung, oder an ihre Stelle tretende Gesetze, Verordnung oder Richtlinie.

"**SSM-Verordnung**" bezeichnet die Verordnung (EU) Nr. 1024/2013 des Rates vom 15. Oktober 2013 zur Übertragung besonderer Aufgaben im Zusammenhang mit der Aufsicht über Kreditinstitute auf die Europäische Zentralbank (*Single Supervisory Mechanism Regulation*), in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der SSM-Verordnung geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der SSM-Verordnung in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**Zuständige Behörde**" meint die zuständige Aufsichtsbehörde gemäß Artikel 4 Abs. 1 Nr. 40 CRR und/oder Artikel 9 Abs. 1 SSM-Verordnung, die jeweils für die Beaufsichtigung der Regulatorischen BAWAG-Gruppe und (gegebenenfalls) der Emittentin zuständig ist.]

[Im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:

(3) *Vorzeitige Rückzahlung wegen eines MREL Disqualification Events.*

Im Fall eines MREL Disqualification Event können die Schuldverschreibungen insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Emissionsstelle und gemäß § 12 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden. Eine derartige Kündigung muss innerhalb von 90 Tagen nach Eintritt des MREL Disqualification Event ausgesprochen werden. Die Kündigung ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

Eine Rückzahlung der Schuldverschreibungen muss durch die Anwendbaren MREL Regeln erlaubt sein und ist, sofern erforderlich, durch eine Erlaubnis der Zuständigen Behörde und/oder (gegebenenfalls) der gemäß den Anwendbaren MREL-Regeln zuständigen Aufsichtsbehörde bedingt.

"**MREL Disqualification Event**" meint zu jedem Zeitpunkt die Feststellung durch die Emittentin, dass die Schuldverschreibungen, ganz oder teilweise (i) nicht als Berücksichtigungsfähige MREL-Instrumente anerkannt werden, oder (ii) sich ihre aufsichtsrechtliche Einstufung so ändert, dass die Schuldverschreibungen wahrscheinlich von den Berücksichtigungsfähigen MREL-Instrumenten ausgeschlossen wären oder sind, wobei jeweils kein MREL Disqualification Event eintreten soll auf der Basis, (i) dass die Restlaufzeit der Schuldverschreibungen weniger beträgt als ein etwaiger Zeitraum gemäß den Anwendbaren MREL-Regeln, und/oder (ii) etwaiger anwendbarer Beschränkungen des zulässigen oder genehmigten Betrages für Berücksichtigungsfähige MREL-Instrumente zur Erfüllung von MREL gemäß den Anwendbaren MREL-Regeln.]

[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen, einfügen:

[(3)|(4)] *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

(a) Die Emittentin kann, nachdem sie gemäß Abs. [(b)|(c)] gekündigt hat, die Schuldverschreibungen [insgesamt oder teilweise][insgesamt, aber nicht teilweise,] an dem/den Wahl-Rückzahlungstag(e) (Call) [zu den Wahl-Rückzahlungsbeträgen (Call), wie nachstehend angegeben][zum vorzeitigen Rückzahlungsbetrag (wie unten definiert)], nebst etwaigen bis zum Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

[Bei Geltung eines Mindestrückzahlungsbetrages oder eines erhöhten Rückzahlungsbetrages einfügen: Eine solche Rückzahlung muss in Höhe eines Nennbetrages von [mindestens **[Mindestrückzahlungsbetrag einfügen]**] [erhöhten Rückzahlungsbetrag einfügen] erfolgen.

Jede Kündigung nach diesem § 5 [(3)|(4)] soll die Emittentin nach Maßgabe des § 12 unter Einhaltung einer Kündigungsfrist von nicht weniger als 30 Kalendertagen und nicht mehr als 60 Kalendertagen gegenüber den Gläubigern abgeben. Jede solche Kündigung ist widerruflich.

"**Wahl-Rückzahlungstag(e) (Call)**" ist [jeder|der] [Wahl-Rückzahlungstag (Call) wie nachstehend angegeben][oder im Fall von **Nachrangigen Schuldverschreibungen alternativ:** Fester Zinszahlungstag oder Variabler Zinszahlungstag (je nachdem) am [oder nach dem] **[fünften oder späteren einfügen]** Jahrestag der Begebung der Schuldverschreibungen].

[Wahl-Rückzahlungstag(e) (Call)]
[Wahl-Rückzahlungstag(e) einfügen]
[_____]
[_____]

[Wahl-Rückzahlungsbetrag/beträge (Call)]
[Wahl-Rückzahlungsbetrag/beträge einfügen]
[_____]
[_____]

[Im Fall von Nachrangigen Schuldverschreibungen einfügen:

- (b) Die Emittentin kann die Schuldverschreibungen vorbehaltlich der Erfüllung der in § 5 [(5)|(6)] definierten Bedingungen vorzeitig kündigen.]

[Im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen:

- (b) Die Emittentin kann die Schuldverschreibungen nur vorbehaltlich der Anwendbaren MREL-Regeln (wie in § 2 (2) definiert) vorzeitig kündigen.]

[Falls der Gläubiger bei Fundierten Bankschuldverschreibungen ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:

- (b) Der Emittentin steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Gläubiger in Ausübung seines Wahlrechts nach Abs. (4) dieses § 5 verlangt hat.]

[(b)|(c)] Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 12 bekanntzugeben. Sie beinhaltet die folgenden Angaben:

- (i) die zurückzuzahlende Serie von Schuldverschreibungen;
- (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen;
- (iii) den Wahl-Rückzahlungstag (Call); und
- (iv) den Wahl-Rückzahlungsbetrag (Call), zu dem die Schuldverschreibungen zurückgezahlt werden.

[(c)] Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen in Übereinstimmung mit den Regeln des betreffenden Clearing Systems ausgewählt.

[Falls die Schuldverschreibungen in Form einer NGN begeben werden, einfügen: Die teilweise Rückzahlung wird in den Registern von CBL und Euroclear nach deren Ermessen entweder als Pool-Faktor oder als Reduzierung des Nennbetrags wiedergegeben.]]

[Falls der Gläubiger bei Fundierten Bankschuldverschreibungen ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:

[(3)|(4)] *Vorzeitige Rückzahlung nach Wahl des Gläubigers.*

- (a) Die Emittentin hat eine Schuldverschreibung nach Ausübung des entsprechenden Wahlrechts durch den Gläubiger am/an den Wahl-Rückzahlungstag(en) (Put) zum/zu den Wahl-Rückzahlungsbetrag/beträgen (Put), wie nachstehend angegeben nebst etwaigen bis zum Wahl-Rückzahlungstag (Put) (ausschließlich) aufgelaufener Zinsen zurückzuzahlen.

Wahl-Rückzahlungsrat(e) (Put)
[[Wahl-Rückzahlungstag(e) einfügen]
[_____]
[_____]

Wahl-Rückzahlungsbetrag/beträge (Put)
[Wahl-Rückzahlungsbetrag/beträge einfügen]
[_____]
[_____]

Dem Gläubiger steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung die Emittentin zuvor in Ausübung ihres Wahlrechts nach diesem § 5 verlangt hat.

- (b) Um dieses Wahlrecht auszuüben, hat der Gläubiger nicht weniger als **[Mindestkündigungsfrist einfügen]** Tage und nicht mehr als **[Höchstkündigungsfrist einfügen]** Tage vor dem Wahl-Rückzahlungstag (Put), an

dem die Rückzahlung gemäß der Ausübungserklärung (wie nachstehend definiert) erfolgen soll, bei der bezeichneten Geschäftsstelle der Emissionsstelle während der normalen Geschäftszeiten eine ordnungsgemäß ausgefüllte Mitteilung zur vorzeitigen Rückzahlung ("**Ausübungserklärung**"), wie sie von der bezeichneten Geschäftsstelle der Emissionsstelle erhältlich ist, zu hinterlegen. Die Ausübung des Wahlrechts kann nicht widerrufen werden.]

[(3)](4)](5) *Vorzeitiger Rückzahlungsbetrag.* Der "**vorzeitige Rückzahlungsbetrag**" einer Schuldverschreibung entspricht dem Rückzahlungsbetrag.

[Im Fall Nachrangiger Schuldverschreibungen einfügen:

[(5)](6) Jede Rückzahlung und jeder Rückkauf gemäß § 11 (2) der Schuldverschreibungen und jede Mitteilung diesbezüglich nach § 12 unterliegt den folgenden Bedingungen ("**Rückzahlungsbedingungen**"):

- (a) die Emittentin hat von der Zuständigen Behörde die vorherige Erlaubnis zu vorzeitigen Rückzahlung nach diesem § 5 oder für einen Rückkauf gemäß § 11 (2) nach Maßgabe des Artikel 78 CRR erlangt, soweit im betreffenden Zeitpunkt auf die Emittentin anwendbar; eine solche Erlaubnis setzt unter anderem voraus, dass
 - (i) die Emittentin die Schuldverschreibungen durch Eigenmittelinstrumente gleicher oder höherer Qualität zu Bedingungen ersetzt, die im Hinblick auf die Ertragsmöglichkeiten der Emittentin nachhaltig sind; und
 - (ii) die Emittentin der Zuständigen Behörde hinreichend nachgewiesen hat, dass die Eigenmittel der [Regulatorischen BAWAG-Gruppe][und/oder (gegebenenfalls) der][Emittentin] nach einer solchen vorzeitigen Rückzahlung oder einem Rückkauf die Mindestkapitalanforderungen (einschließlich etwaiger kombinierter Kapitalpufferanforderung) um eine Spanne übertreffen, welche die Zuständige Behörde im betreffenden Zeitpunkt für erforderlich hält; und
- (b) zusätzlich, im Falle einer vorzeitigen Rückzahlung gemäß dieses § 5 früher als fünf Jahre nach dem Zeitpunkt der Ausgabe der Schuldverschreibungen
 - (i) im Falle einer vorzeitigen Rückzahlung aus steuerlichen Gründen nach Maßgabe des § 5 (2), die Emittentin der Zuständigen Behörde hinreichend nachgewiesen hat, dass die geltende steuerliche Behandlung sich wesentlich geändert hat und dies zum Zeitpunkt der Begebung der Schuldverschreibungen nicht vernünftigerweise vorherzusehen war; oder
 - (ii) im Falle einer vorzeitigen Rückzahlung aus regulatorischen Gründen nach Maßgabe des § 5 (3) die Zuständige Behörde es für ausreichend sicher hält, dass sich die aufsichtsrechtliche Einstufung der Schuldverschreibungen nach den Anwendbaren Regeln ändert und die Emittentin der Zuständigen Behörde hinreichend nachgewiesen hat, dass dies zum Zeitpunkt der Begebung der Schuldverschreibungen nicht vernünftigerweise vorherzusehen war.

Unabhängig von den vorstehenden Bedingungen, wenn die anwendbaren Relevanten Regeln im Zeitpunkt einer vorzeitigen Rückzahlung oder eines Rückkaufs die vorzeitige Rückzahlung oder den Rückkauf nur unter Beachtung einer oder mehrerer alternativer oder zusätzlicher Bedingungen zu den in diesem § 5 [(5)](6) niedergelegten Bedingungen erlauben, hat die Emittentin diese anderen Bedingungen und/oder zusätzlichen Bedingungen einzuhalten.

Darüberhinaus wird die Emittentin die Schuldverschreibungen, selbst wenn eine Mitteilung über eine vorzeitige Rückzahlung gemäß § 5 (2), § 5 (3) oder § 5 (4) abgegeben wurde, nur dann vorzeitig am in der Mitteilung genannten Tag zurückzahlen, wenn die dann anwendbaren Bedingungen für eine vorzeitige Rückzahlung nach diesem § 5 [(5)](6) am in dieser Mitteilung genannten Rückzahlungstag erfüllt sind.

Zur Klarstellung: Eine etwaige Verweigerung der Erlaubnis durch die Zuständige Behörde nach Maßgabe der Anwendbaren Regeln stellt keine Pflichtverletzung zu irgendeinem Zweck dar.]

§ 6

DIE EMISSIONSSTELLE[,] [UND] [DIE ZAHLSTELLEN] [UND DIE BERECHNUNGSSTELLE]

(1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Emissionsstelle[,] [und] die anfänglich bestellte[n] Zahlstelle[n] [und die anfänglich bestellte Berechnungsstelle] und deren jeweilige bezeichnete Geschäftsstelle lauten wie folgt:

[Falls eine die Schuldverschreibungen anfänglich verbriefende Globalurkunde bei einem anderen Clearing System oder dessen Verwahrer oder gemeinsamen Verwahrer als OeKB CSD eingeliefert werden soll, einfügen:

Emissionsstelle: Citibank Europe plc
1 N Wall Quay, North Dock
Dublin, 1
Irland]

[Falls eine die Schuldverschreibungen anfänglich verbriefende Globalurkunde bei OeKB CSD eingeliefert werden soll, einfügen:

Emissionsstelle: BAWAG P.S.K. Bank für Arbeit und Wirtschaft und
Österreichische Postsparkasse Aktiengesellschaft
Wiedner Gürtel 11
A-1100 Wien
Republik Österreich]

Zahlstelle[n]: **[Zahlstellen und bezeichnete Geschäftsstellen einfügen]**

[Falls die Emissionsstelle als Berechnungsstelle bestellt werden soll, einfügen: Die Emissionsstelle handelt auch als Berechnungsstelle.]

[Falls eine Berechnungsstelle bestellt werden soll, die nicht die Emissionsstelle ist, einfügen: Die Berechnungsstelle und ihre anfänglich bezeichnete Geschäftsstelle lauten:

Berechnungsstelle: **[Namen und bezeichnete Geschäftsstelle einfügen]]**

Die Emissionsstelle[,] [und] die Zahlstelle[n] [und die Berechnungsstelle] [behält] [behalten] sich das Recht vor, jederzeit ihre [jeweilige] bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in Deutschland zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Emissionsstelle oder einer Zahlstelle [oder der Berechnungsstelle] zu ändern oder zu beenden und eine andere Emissionsstelle oder zusätzliche oder andere Zahlstellen [oder eine andere Berechnungsstelle] zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) eine Emissionsstelle unterhalten **[im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen: [,] [und]** (ii) solange die Schuldverschreibungen an der **[Name der Börse einfügen]** notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann), wobei es sich um eine Bank mit dem Sitz im Europäischen Wirtschaftsraum ("EWR") zu handeln hat, mit bezeichneter Geschäftsstelle in **[Sitz der Börse einfügen]** und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen] **[im Fall von Zahlungen in US-Dollar einfügen: [,] [und] [(iii)]** falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 4 definiert) aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich der vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in US-Dollar widerrechtlich oder tatsächlich ausgeschlossen werden, eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City unterhalten] **[falls eine Berechnungsstelle bestellt werden soll, einfügen: [,] [und] [(iv)]** eine Berechnungsstelle **[falls die Berechnungsstelle eine bezeichnete Geschäftsstelle an einem vorgeschriebenen Ort zu unterhalten hat, einfügen:** mit bezeichneter Geschäftsstelle in **[vorgeschriebenen Ort einfügen]]** unterhalten]. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 12 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

(3) *Beauftragte der Emittentin.* Die Emissionsstelle[,] [und] die Zahlstelle[n] [und die Berechnungsstelle] [handelt] [handeln] ausschließlich als Beauftragte der Emittentin und [übernimmt] [übernehmen] keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen [ihr] [ihnen] und den Gläubigern begründet.

§ 7 STEUERN

(1) Alle auf die Schuldverschreibungen zahlbaren Kapital- oder Zinsbeträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten,

die von oder in der Republik Österreich oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in der Republik Österreich auferlegt oder erhoben werden, es sei denn, dieser Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall wird die Emittentin diejenigen zusätzlichen Beträge (die "**zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen von Kapital und Zinsen entsprechen, die ohne einen solchen Abzug oder Einbehalt von den Gläubigern empfangen worden wären[**im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen und Nachrangigen Schuldverschreibungen einfügen:** wobei zusätzliche Beträge Zinsen, nicht aber Kapital umfassen]; die Verpflichtung zur Zahlung solcher zusätzlichen Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- (a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihm zu leistenden Zahlungen von Kapital oder Zinsen einen Einbehalt oder Abzug vornimmt; oder
- (b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zu der Republik Österreich zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Republik Österreich stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (c) aufgrund (i) Verordnungen oder Richtlinien der Europäischen Union betreffend die Besteuerung von Zinserträgen, oder (ii) internationaler Verträge oder Übereinkommen der Europäischen Union oder der Republik Österreich bezüglich der Besteuerung von Zinserträgen, oder (iii) den gesetzlichen Vorschriften, die derartige Richtlinien, Verordnungen oder Übereinkommen umsetzen, zurückbehalten oder abgezogen werden; oder
- (d) von einer auszahlenden Stelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen auszahlenden Stelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können; oder
- (e) wegen einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 12 wirksam wird.

(2) Unbeschadet sonstiger Bestimmungen dieser Emissionsbedingungen, ist die Emittentin zum Einbehalt oder Abzug der Beträge berechtigt, die gemäß §§ 1471 bis 1474 des U.S. Internal Revenue Code (einschließlich dessen Änderungen oder Nachfolgevorschriften), gemäß zwischenstaatlicher Abkommen, gemäß den in einer anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen ("**FATCA Quellensteuer**") erforderlich sind. Die Emittentin ist nicht verpflichtet, zusätzliche Beträge zu zahlen oder Gläubiger in Bezug auf FATCA Quellensteuer schadlos zu halten, die von der Emittentin, einer Zahlstelle oder von einem anderen Beteiligten als Folge davon, dass eine andere Person als die Emittentin oder deren Zahlstelle nicht zum Empfang von Zahlungen ohne FATCA Quellensteuer berechtigt ist, abgezogen oder einbehalten wurden.

[§ 8 VORLEGUNGSFRIST

Die in § 801 Abs. 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.]

[Im Fall von Schuldverschreibungen, die österreichischem Recht unterliegen und für die eine österreichische Emissionsstelle bestellt wurde, ist § 8 VORLEGUNGSFRIST vollständig wie folgt zu ersetzen:

§ 8 VERJÄHRUNG

Die Verpflichtungen der Emittentin, Kapital und Zinsen auf diese Schuldverschreibung zu zahlen, verjähren (i) mit Bezug auf Kapital nach Ablauf von 10 Jahren nach dem Fälligkeitstag für die Zahlung von Kapital und (ii) mit Bezug auf Zinsen nach Ablauf von 3 Jahren nach dem Fälligkeitstag für die entsprechende Zinszahlung.]

§ 9 KÜNDIGUNG

[Im Fall Nachrangiger Schuldverschreibungen einfügen:

Die Gläubiger haben kein Recht, die Schuldverschreibungen während ihrer Laufzeit zu kündigen.]

[Im Fall Fundierter Bankschuldverschreibungen einfügen:

(1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibung zu kündigen und deren sofortige Rückzahlung zu ihrem vorzeitigen Rückzahlungsbetrag (wie in § 5 beschrieben), zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls die Emittentin Kapital oder Zinsen nicht innerhalb von 30 Tagen nach dem betreffenden Fälligkeitstag zahlt.

(2) *Benachrichtigung.* Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß vorstehendem Abs. 1 ist schriftlich in deutscher oder englischer Sprache gegenüber der Emissionsstelle zu erklären und persönlich oder per Einschreiben an deren bezeichnete Geschäftsstelle zu übermitteln. Der Benachrichtigung ist ein Nachweis beizufügen, aus dem sich ergibt, dass der betreffende Gläubiger zum Zeitpunkt der Abgabe der Benachrichtigung Inhaber der betreffenden Schuldverschreibung ist. Der Nachweis kann durch eine Bescheinigung der Depotbank (wie in § 13 (4) definiert) oder auf andere geeignete Weise erbracht werden.]

[Im Fall Nicht-Nachrangiger Schuldverschreibungen (außer Fundierter Bankschuldverschreibungen) und Nicht-Nachrangiger Nicht-Präferierter Schuldverschreibungen einfügen:

(1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibung zu kündigen und deren sofortige Rückzahlung zu ihrem vorzeitigen Rückzahlungsbetrag (wie in § 5 beschrieben), zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls ein Insolvenz- oder Liquidationsverfahren gegen die Emittentin eingeleitet wird, welches nicht binnen 60 Tage nach seiner Einleitung endgültig oder einstweilen eingestellt worden ist, oder falls die Emittentin die Eröffnung eines solchen Verfahrens beantragt.

(3) *Benachrichtigung.* Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß vorstehendem Abs. 1 ist schriftlich in deutscher oder englischer Sprache gegenüber der Emissionsstelle zu erklären und persönlich oder per Einschreiben an deren bezeichnete Geschäftsstelle zu übermitteln. Der Benachrichtigung ist ein Nachweis beizufügen, aus dem sich ergibt, dass der betreffende Gläubiger zum Zeitpunkt der Abgabe der Benachrichtigung Inhaber der betreffenden Schuldverschreibung ist. Der Nachweis kann durch eine Bescheinigung der Depotbank (wie in § 13 (4) definiert) oder auf andere geeignete Weise erbracht werden.]

[Im Fall Nachrangiger Schuldverschreibungen, einfügen:

§ 10 ERSETZUNG

[Dieser Paragraph ist absichtlich frei gelassen.]

[Im Fall Nicht-Nachrangiger Schuldverschreibungen (außer Fundierter Bankschuldverschreibungen) und Nicht-Nachrangiger Nicht-Präferierter Schuldverschreibungen einfügen:

§ 10 ERSETZUNG

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger ein mit ihr verbundenes Unternehmen (wie unten definiert) als Hauptschuldnerin für alle Verpflichtungen im Zusammenhang mit diesen Schuldverschreibungen (die "**Nachfolgeschuldnerin**") einzusetzen, sofern:

- (a) die Nachfolgeschuldnerin in der Lage ist, sämtliche sich aus oder in dem Zusammenhang mit diesen Schuldverschreibungen ergebenden Zahlungsverpflichtungen ohne die Notwendigkeit eines Einbehalts von irgendwelchen Steuern oder Abgaben an der Quelle zu erfüllen sowie die hierzu erforderlichen Beträge ohne Beschränkungen an die Emissionsstelle übertragen können;
- (b) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin aus oder im Zusammenhang mit diesen Schuldverschreibungen übernimmt;

- (c) die Nachfolgeschuldnerin sich verpflichtet, jedem Gläubiger alle Steuern, Gebühren oder Abgaben zu erstatten, die ihm in Folge der Ersetzung durch die Nachfolgeschuldnerin auferlegt werden;
- [(d) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert, die den Bedingungen des Musters der nicht nachrangigen Garantie der Emittentin hinsichtlich der Nicht-Nachrangigen Schuldverschreibungen, das im Agency Agreement enthalten ist, entsprechen;]
- [(d) hinsichtlich der von der Nachfolgeschuldnerin bezüglich der Schuldverschreibungen übernommenen Verpflichtungen der Nachrang zu mit den Bedingungen der Schuldverschreibungen übereinstimmenden Bedingungen begründet wird und (i) die Nachfolgeschuldnerin ein Tochterunternehmen der Emittentin ist, (ii) die Nachfolgeschuldnerin eine Einlage in Höhe eines Betrages, der dem Gesamtnennbetrag der Schuldverschreibungen entspricht, bei der Emittentin vornimmt und zwar zu Bedingungen, die den Emissionsbedingungen (einschließlich hinsichtlich der Nachrangigkeit) entsprechen, und (iii) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert, die den Bedingungen des Musters der nachrangigen Garantie der Emittentin, das im Agency Agreement enthalten ist, entsprechen;]
- (e) der Emissionsstelle jeweils eine Bestätigung bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt wird, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden.

Für die Zwecke dieses § 10 bedeutet "**verbundenes Unternehmen**" ein Konzernunternehmen im Sinne von § 15 österreichisches Aktiengesetz.

(2) *Bekanntmachung.* Jede Ersetzung ist gemäß § 12 bekannt zu machen.

(3) *Änderung von Bezugnahmen.* Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat. Des Weiteren gilt im Fall einer Ersetzung folgendes:

- [(a)] in § 7 und § 5 Abs. 2 gilt eine alternative Bezugnahme auf die Bundesrepublik Deutschland als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat);
- [(b)] in § 10 Abs. 1 (c) bis (e) gilt eine alternative Bezugnahme auf die Emittentin in ihrer Eigenschaft als Garantin als aufgenommen (zusätzlich zu der Bezugnahme auf die Nachfolgeschuldnerin).]

Im Fall einer Ersetzung folgt die Nachfolgeschuldnerin der Emittentin als Rechtsnachfolgerin nach, ersetzt diese und darf alle Rechte und Befugnisse der Emittentin aus den Schuldverschreibungen mit der gleichen Wirkung geltend machen, als wenn die Nachfolgeschuldnerin in diesen Emissionsbedingungen als Emittentin genannt worden wäre, und die Emittentin (bzw. die Gesellschaft, die zuvor die Verpflichtungen der Emittentin übernommen hat) wird von ihren Verpflichtungen als Schuldnerin aus den Schuldverschreibungen befreit.

[Im Fall Fundierter Bankschuldverschreibungen einfügen:

§ 10 ERSETZUNG

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger ein mit ihr verbundenes Unternehmen (wie unten definiert) als Hauptschuldnerin für alle Verpflichtungen im Zusammenhang mit diesen Schuldverschreibungen (die "**Nachfolgeschuldnerin**") einzusetzen, sofern:

- (a) die Nachfolgeschuldnerin berechtigt ist, Fundierte Bankschuldverschreibungen gemäß dem Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen und gemäß ihrer Satzung zu begeben;
- (b) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin aus oder im Zusammenhang mit diesen Schuldverschreibungen übernimmt, einschließlich aller Verpflichtungen im Zusammenhang mit dem Deckungsstock zur Deckung der Schuldverschreibungen in Übereinstimmung mit dem Gesetz vom 27. Dezember

1905, betreffend fundierte Bankschuldverschreibungen, und sich verpflichtet, die Emissionsbedingungen für noch ausstehende Fundierte Bankschuldverschreibungen nicht zu ändern;

- (c) die Emittentin und die Nachfolgeschuldnerin alle notwendigen Bewilligungen erhalten haben und in der Lage sind, sämtliche sich aus oder in dem Zusammenhang mit diesen Schuldverschreibungen ergebenden Zahlungsverpflichtungen ohne die Notwendigkeit eines Einbehalts von irgendwelchen Steuern oder Abgaben an der Quelle zu erfüllen sowie die hierzu erforderlichen Beträge ohne Beschränkungen an die Emissionsstelle in der Festgelegten Währung übertragen können;
- (d) die Nachfolgeschuldnerin sich verpflichtet, jedem Gläubiger alle Steuern, Gebühren oder Abgaben zu erstatten, die ihm in Folge der Ersetzung durch die Nachfolgeschuldnerin auferlegt werden; und
- (e) der Emissionsstelle jeweils eine Bestätigung bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwältinnen vorgelegt wird, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden.

(2) *Bekanntmachung.* Jede Ersetzung ist gemäß § 12 bekannt zu machen.

(3) *Änderung von Bezugnahmen.* Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat.]

§ 11

BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, RÜCKKAUF UND ENTWERTUNG

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist jederzeit **[Im Fall von Fundierten Bankschuldverschreibungen einfügen:** vorbehaltlich der gesetzlichen Deckung (Kautions)] ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Rückkauf.* Die Emittentin ist jederzeit **[Im Fall von Nachrangigen Schuldverschreibungen einfügen:** unter Beachtung der Beschränkungen der Relevanten Regeln (wie in § 5 (3) definiert) und vorbehaltlich der Bedingungen in § 5 [(5)|(6)], insbesondere eines Erlaubnisvorbehalts der Zuständigen Behörde]**[Im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:** nach Maßgabe und vorbehaltlich der Anwendbaren MREL-Regeln (wie unter § 2 (2) definiert), insbesondere eines Erlaubnisvorbehalts der Zuständigen Behörde und/oder (gegebenenfalls) der zuständigen Aufsichtsbehörde nach den Anwendbaren MREL-Regeln] berechtigt, (i) Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen und (ii) diese Schuldverschreibungen zu halten, weiterzuverkaufen oder bei der Emissionsstelle zwecks Entwertung einzureichen.] Sofern diese Käufe durch öffentliches Angebot erfolgen, muss dieses Angebot allen Gläubigern gemacht werden.

(3) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§ 12

MITTEILUNGEN

(1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen sind [auf der Internetseite der Emittentin unter dem Link [•]] [und] [auf der Internetseite der Luxemburger Börse, www.bourse.lu] [in einer führenden Tageszeitung mit allgemeiner Verbreitung in Luxemburg, voraussichtlich [dem Tageblatt (Luxemburg)] [andere Zeitung mit allgemeiner Verbreitung einfügen] zu veröffentlichen. Falls eine Veröffentlichung [auf der Internetseite] [in dieser Zeitung] nicht möglich ist, werden die Mitteilungen in einer [anderen] führenden Tageszeitung mit allgemeiner Verbreitung in Luxemburg veröffentlicht.]

[Im Fall von Schuldverschreibungen, die an der Wiener Börse notiert sind, einfügen: Alle die Schuldverschreibungen betreffenden Mitteilungen sind auch in einer führenden Tageszeitung mit allgemeiner Verbreitung in Österreich, voraussichtlich [dem Amtsblatt zur Wiener Zeitung] [andere Zeitung mit allgemeiner Verbreitung einfügen] zu veröffentlichen. Falls eine Veröffentlichung in dieser Zeitung nicht möglich ist, werden die Mitteilungen in einer anderen führenden Tageszeitung mit allgemeiner Verbreitung in Österreich veröffentlicht.]

Die Emittentin wird auch sicherstellen, dass Mitteilungen ordnungsgemäß in Übereinstimmung mit den Erfordernissen einer jeden Börse, an der die Schuldverschreibungen notiert sind, erfolgen. Jede derartige Mitteilung gilt am Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen am Tag der ersten solchen Veröffentlichung) als wirksam erfolgt. **[Falls anwendbare Vorschriften die Veröffentlichung zusätzlicher Mitteilungen erfordern, anwendbare Regelungen zur zusätzlichen Veröffentlichung von Mitteilungen einfügen.]**

[Im Fall von Schuldverschreibungen, die an der *Official List* der Luxemburger Börse oder der Wiener Börse notiert werden, ist folgendes anwendbar:

[(2)] *Mitteilungen an das Clearing System.* Soweit die Mitteilung den Zinssatz von variabel verzinslichen Schuldverschreibungen betrifft oder die Regeln der jeweiligen Börse dies sonst zulassen, kann die Emittentin eine Veröffentlichung nach Abs. 1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]

§ 13

ANWENDBARES RECHT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

(1) *Ausschluss der Anwendbarkeit des Kuratorengesetzes.* Soweit rechtlich zulässig ist die Anwendbarkeit der Bestimmungen des Kuratorengesetzes und des Kuratorenergänzungsgesetzes im Zusammenhang mit den Schuldverschreibungen ausdrücklich ausgeschlossen.

(2) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich **[im Fall Nicht-Nachrangiger Schuldverschreibungen, die keine Fundierten Bankschuldverschreibungen oder Nicht-Nachrangige Nicht-Präferierte Schuldverschreibungen sind, einfügen:** nach [deutschem] [österreichischem] Recht] **[im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:** nach [deutschem] [österreichischem] Recht **[im Fall von deutschem Recht einfügen:** mit Ausnahme der den Nachrang regelnden Bedingungen, welche österreichischem Recht unterliegen]] **[im Fall von Fundierten Bankschuldverschreibungen einfügen:** nach [deutschem] [österreichischem] Recht und entsprechen dem österreichischen Gesetz vom 27. Dezember 1905 betreffend fundierte Bankschuldverschreibungen RGBI. 213/1905 idgF.] **[im Fall von Nachrangigen Schuldverschreibungen einfügen:** nach [deutschem] [österreichischem] Recht, [bis auf die Regelungen im Hinblick auf die Nachrangigkeit, die österreichischem Recht unterliegen]].

(3) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht in Frankfurt am Main.

[Im Fall von Fundierten Bankschuldverschreibungen, Nachrangigen Schuldverschreibungen und Schuldverschreibungen, die österreichischem Recht unterliegen und für die eine österreichische Emissionsstelle bestellt wurde, einfügen: (3a) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das zuständige Gericht in Wien.

[Im Fall von Angeboten nach Österreich: (3b) Für Klagen von und gegen österreichische Konsumenten sind die im österreichischen Konsumentenschutzgesetz und in der Jurisdiktionsnorm zwingend vorgesehenen Gerichtsstände maßgeblich.]]

(4) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges

anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land, in dem der Prozess stattfindet, prozessual zulässig ist.

§ 14 SPRACHE

[Falls die Emissionsbedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind in englischer Sprache abgefasst. Eine Übersetzung in die deutsche Sprache ist beigefügt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen ausschließlich in deutscher Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefasst.]

* * *

OPTION IV – Emissionsbedingungen von Nullkupon-Schuldverschreibungen

Emissionsbedingungen der Schuldverschreibungen

§ 1

WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN

(1) *Währung; Stückelung.* Diese Serie von Schuldverschreibungen (die "**Schuldverschreibungen**") der [im Fall von BAWAG als Emittentin von Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) einfügen: BAWAG Group AG][im Fall von BAWAG P.S.K. als Emittentin von Schuldverschreibungen einfügen: BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft] (die "**Emittentin**") wird in [Festgelegte Währung einfügen] (die "**Festgelegte Währung**") im Gesamtnennbetrag von [Gesamtnennbetrag einfügen] (in Worten: [Gesamtnennbetrag in Worten einfügen]) in einer Stückelung von [Festgelegte Stückelung einfügen] (die "**Festgelegte Stückelung**") begeben.

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

[Im Fall von Schuldverschreibungen, die durch eine Dauerglobalurkunde verbrieft sind, einfügen:

(3) *Dauerglobalurkunde.* Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") ohne Zinsscheine verbrieft. Die Dauerglobalurkunde trägt die eigenhändigen Unterschriften zweier vertretungsbefugter Personen der Emittentin und ist von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.]

[Im Fall von Schuldverschreibungen, die anfänglich durch eine vorläufige Globalurkunde verbrieft sind, einfügen:

(3) *Vorläufige Globalurkunde – Austausch.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in der Festgelegten Stückelung, die durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") ohne Zinsscheine verbrieft sind, ausgetauscht. Die vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die eigenhändigen Unterschriften zweier vertretungsbefugter Personen der Emittentin und sind jeweils von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) Die vorläufige Globalurkunde wird an einem Tag (der "**Austauschtag**") gegen eine Dauerglobalurkunde ausgetauscht, der nicht mehr als 180 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegt. Der Austausch für einen solchen Austausch soll nicht weniger als 40 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegen. Ein solcher Austausch soll nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieften Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Abs. (b) dieses § 1 (3) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) zu liefern.]

(4) *Clearing System.* Die Dauerglobalurkunde wird solange von einem oder im Namen eines Clearing Systems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "**Clearing System**" bedeutet [bei mehr als einem Clearing System einfügen: jeweils] folgendes: [OeKB CSD GmbH ("**OeKB CSD**") [Clearstream Banking, société anonyme, Luxemburg, ("**CBL**") [Euroclear Bank SA/NV, als Betreiberin des Euroclear Systems ("**Euroclear**") [.] [und] [anderes Clearing System angeben].

[Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden, einfügen:

[Im Fall, dass die Globalurkunde eine NGN ist, einfügen: Die Schuldverschreibungen werden in Form einer New Global Note ("**NGN**") ausgegeben und von einem Common Safekeeper im Namen beider ICSDs verwahrt.]

[Im Fall von Euroclear und CBL und wenn die Globalurkunde eine EZB-fähige NGN ist, einfügen:

Die Schuldverschreibungen werden in Form einer New Global Note ("**NGN**") ausgegeben und von einem Common Safekeeper im Namen beider ICSDs verwahrt. Der Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen.

Bei jeder Rückzahlung oder jedem Kauf durch oder für die Emittentin und jeder Entwertung von Schuldverschreibungen, die durch diese [Vorläufige] [Dauer-] Globalurkunde verbrieft werden, werden die Einzelheiten der Rückzahlung oder des Kaufs und der Entwertung von der oder für die Emittentin in den Registern der ICSDs vermerkt. Der Nennbetrag der durch diese [Vorläufige] [Dauer-] Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Nennbetrag der durch die [Vorläufige] [Dauer-] Globalurkunde verbrieften Schuldverschreibungen, und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Nennbetrag der so verbrieften Schuldverschreibungen ist in jedem Zeitpunkt ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD. Für das technische Verfahren der ICSDs im Falle der Ausübung einer Call Option hinsichtlich einer teilweisen Rückzahlung wird der ausstehende Rückzahlungsbetrag entweder als reduzierter Nennbetrag oder als Poolfaktor nach Ermessen der ICSDs in das Register der ICSDs aufgenommen.]

(5) *Bedingungen.* "**Anleihebedingungen**" bedeutet diese Emissionsbedingungen der Schuldverschreibungen.

(6) *Gläubiger von Schuldverschreibungen.* "**Gläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen treugeberischen oder eigenen Rechts an den Schuldverschreibungen.

[Im Fall von Nicht-Nachrangigen Schuldverschreibungen außer bei Fundierten Bankschuldverschreibungen oder Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:

**§ 2
STATUS**

(1) Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen gegenwärtigen und zukünftigen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind mit Ausnahme von Verbindlichkeiten, die nach geltenden Rechtsvorschriften vorrangig sind.

(2) Die Schuldverschreibungen sind dazu bestimmt, als Berücksichtigungsfähige MREL-Instrumente qualifizieren.

"**Anwendbare MREL-Regeln**" meint die Gesetze, Vorschriften, Anforderungen, Leitlinien und Richtlinien im Zusammenhang mit den Mindestanforderungen für Eigenmittel und Berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL), wie jeweils anwendbar.

"**Berücksichtigungsfähige MREL-Instrumente**" meint jegliche (direkt oder indirekt begebene) Schuldtitel der Emittentin, die für die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL) nach den Anwendbaren MREL-Regeln qualifizieren.

"**MREL**" meint die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*) nach den Anwendbaren MREL-Regeln.

(3) Kein Gläubiger ist zu irgendeinem Zeitpunkt berechtigt, mit Ansprüchen aus den Schuldverschreibungen gegen Ansprüche der Emittentin aufzurechnen. Den Gläubigern wird für ihre Rechte aus den Schuldverschreibungen weder durch die Emittentin noch durch Dritte irgendeine Sicherheit oder Garantie gestellt; eine solche Sicherheit oder Garantie wird auch zu keinem späteren Zeitpunkt gestellt werden. Nachträglich kann der Nachrang gemäß diesem § 2 nicht beschränkt sowie die Laufzeit der Schuldverschreibungen und jede anwendbare Kündigungsfrist nicht verkürzt werden.

Hinweis an die Gläubiger der Nicht-Nachrangigen Schuldverschreibungen: In Bezug auf den Status wird auf das für Nicht-Nachrangige Schuldverschreibungen bestehende Risiko einer regulatorischen Verlustzurechnung durch Abschreibung oder Umwandlung von Verbindlichkeiten gemäß dem Bundesgesetz über die Sanierung und Abwicklung von Banken ("BaSAG") hingewiesen, wie näher im Risikofaktor des Basisprospekts vom 18. März 2019 beschrieben wird: "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss."]

[Im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:

§ 2 STATUS

(1) Die Schuldverschreibungen begründen direkte, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, jedoch mit der Maßgabe, dass sie nicht-bevorrechtigte nicht-nachrangige (*non-preferred senior*) Verbindlichkeiten der Emittentin aus Schuldtiteln sind, welche die Voraussetzungen gemäß § 131 Abs. 3 Z 1 bis 3 BaSAG erfüllen. Daher sind im Fall der Insolvenz oder der Liquidation der Emittentin Ansprüche auf den Kapitalbetrag der Schuldverschreibungen: (i) nachrangig gegenüber allen anderen gegenwärtigen oder zukünftigen unbesicherten und nicht nachrangigen Instrumenten oder Verbindlichkeiten der Emittentin, die nicht die Voraussetzungen gemäß § 131 Abs. 3 Z 1 bis 3 BaSAG erfüllen; (ii) gleichrangig: (A) untereinander; und (B) mit allen anderen gegenwärtigen oder zukünftigen nicht-bevorrechtigten nicht-nachrangigen Instrumenten oder Verbindlichkeiten der Emittentin, die die Voraussetzungen gemäß § 131 Abs. 3 Z 1 bis 3 BaSAG erfüllen (ausgenommen nicht nachrangige Instrumente oder Verbindlichkeiten der Emittentin, die vorrangig oder nachrangig gegenüber den Schuldverschreibungen sind oder diesen gegenüber als vorrangig oder nachrangig bezeichnet werden); und (iii) vorrangig gegenüber allen gegenwärtigen oder zukünftigen: (A) Stammaktien oder anderen Instrumenten des harten Kernkapitals (*Common Equity Tier 1*) gemäß Artikel 28 CRR der Emittentin; (B) Instrumenten des zusätzlichen Kernkapitals (*Additional Tier 1*) gemäß Artikel 52 CRR der Emittentin; (C) Instrumenten des Ergänzungskapitals (*Tier 2*) gemäß Artikel 63 CRR der Emittentin; und (D) allen anderen nachrangigen Instrumenten oder Verbindlichkeiten der Emittentin.

"**BaSAG**" bezeichnet das österreichische Sanierungs- und Abwicklungsgesetz in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen des BaSAG geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen des BaSAG in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**CRR**" bezeichnet die Verordnung (EU) Nr. 575/2013 des Europäischen Parlaments und des Rates vom 26. Juni 2013 über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen und zur Änderung der Verordnung (EU) Nr. 648/2012, in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der CRR geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der CRR in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

(2) Die Schuldverschreibungen sind dazu bestimmt, als Berücksichtigungsfähige MREL-Instrumente qualifizieren.

"**Anwendbare MREL-Regeln**" meint die Gesetze, Vorschriften, Anforderungen, Leitlinien und Richtlinien im Zusammenhang mit den Mindestanforderungen für Eigenmittel und Berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL), wie jeweils anwendbar.

"**Berücksichtigungsfähige MREL-Instrumente**" meint jegliche (direkt oder indirekt begebene) Schuldtitel der Emittentin, die für die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*, MREL) nach den Anwendbaren MREL-Regeln qualifizieren.

"**MREL**" meint die Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*minimum requirements for own funds and eligible liabilities*) nach den Anwendbaren MREL-Regeln.

(3) Kein Gläubiger ist zu irgendeinem Zeitpunkt berechtigt, mit Ansprüchen aus den Schuldverschreibungen gegen Ansprüche der Emittentin aufzurechnen. Den Gläubigern wird für ihre Rechte aus den Schuldverschreibungen weder durch die Emittentin noch durch Dritte irgendeine Sicherheit oder Garantie gestellt; eine solche Sicherheit oder Garantie wird auch zu keinem späteren Zeitpunkt gestellt werden. Nachträglich kann der Nachrang gemäß diesem § 2 nicht beschränkt sowie die Laufzeit der Schuldverschreibungen und jede anwendbare Kündigungsfrist nicht verkürzt werden.

Hinweis an die Gläubiger der Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen: In Bezug auf den Status wird auf das für nicht-vorrangigen Schuldverschreibungen, die nicht nachrangig höhere Risiko einer regulatorischen Verlustzurechnung durch Abschreibung oder Umwandlung von Verbindlichkeiten gemäß dem Bundesgesetz über die Sanierung und Abwicklung von Banken ("BaSAG") hingewiesen, wie näher im Risikofaktor des Basisprospekts vom 18. März 2019 beschrieben wird: "Resolution tools and powers of the SRB/the FMA as resolution authority under the SRM Regulation/the Austrian Federal Act on the Recovery and Resolution of Banks ("BaSAG"), including the write-down or conversion of equity and debt may severely affect the rights of Noteholders other than Covered Bonds and may result in a total loss."

[Im Fall von Fundierten Bankschuldverschreibungen, einfügen:

§ 2 STATUS

(1) Die Schuldverschreibungen begründen nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind. Die Schuldverschreibungen sind gemäß dem Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen RGBI. Nr. 213 idgF (FBSchVG), sowie gemäß Punkt 14 der Satzung der Emittentin durch einen Deckungsstock gesichert.

[Im Fall Fundierter Bankschuldverschreibungen mit hypothekarischen Deckungsstock, einfügen:

(2) In Übereinstimmung mit den Bestimmungen des FBSchVG ist die Emittentin verpflichtet, Vermögenswerte als Kautionsband für die vorzugsweise Deckung der Ansprüche aus fundierten Bankschuldverschreibungen zu bestellen. Die Schuldverschreibungen werden gemäß § 1 Abs. 9 FBSchVG durch den hypothekarischen Deckungsstock der Emittentin, welcher hauptsächlich die in § 1 Abs. 5 Z 1 und 2 FBSchVG genannten Werte enthält, besichert. Die Höhe der durch die Vermögensobjekte bestellten Deckung muss dem Gesetz betreffend fundierte Bankschuldverschreibungen und der Satzung der Emittentin entsprechen. Die Emittentin muss die Vermögensobjekte, die zur Sicherung der Schuldverschreibungen bestellt werden, einzeln in einem Deckungsregister anführen. Vermögensobjekte gemäß § 1 Abs. 5 Z 2 FBSchVG dürfen in das Deckungsregister erst eingetragen werden, nachdem das Kautionsband in den öffentlichen Büchern eingetragen worden ist.]

[Im Fall Fundierter Bankschuldverschreibungen mit öffentlichem Deckungsstock, einfügen:

(2) In Übereinstimmung mit den Bestimmungen des FBSchVG ist die Emittentin verpflichtet, Vermögenswerte als Kautionsband für die vorzugsweise Deckung der Ansprüche aus fundierten Bankschuldverschreibungen zu bestellen. Die Schuldverschreibungen werden gemäß § 1 Abs. 9 FBSchVG durch den öffentlichen Deckungsstock der Emittentin, welcher hauptsächlich aus Forderungen gegenüber oder besichert von öffentlichen Schuldnern gemäß § 1 Abs. 5 Z 3 und 4 FBSchVG besteht, besichert. Die Höhe der durch die Vermögensobjekte bestellten Deckung muss dem Gesetz betreffend fundierte Bankschuldverschreibungen und der Satzung der Emittentin entsprechen. Die Emittentin muss die Vermögensobjekte, die zur Sicherung der Schuldverschreibungen bestellt werden, einzeln in einem Deckungsregister anführen.]

(3) Im Fall der Insolvenz oder der Liquidation der Emittentin (oder in anderen Fällen, in denen die Emittentin ihren Zahlungsverpflichtungen im Zusammenhang mit den fundierten Schuldverschreibungen in Übereinstimmung mit diesen Emissionsbedingungen nicht nachkommt) werden die Ansprüche der Inhaber von fundierten Schuldverschreibungen aus den Vermögenswerten zur Deckung der Schuldverschreibungen in Übereinstimmung mit dem Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen, der Satzung der Emittentin und diesen Emissionsbedingungen befriedigt.]

§ 3 ZINSEN

(1) *Keine periodischen Zinszahlungen.* Es erfolgen keine periodischen Zinszahlungen auf die Schuldverschreibungen.

(2) *Auflaufende Zinsen.* Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, fallen auf den ausstehenden Nennbetrag der Schuldverschreibungen ab dem Fälligkeitstag (einschließlich) bis zum Tag der tatsächlichen Rückzahlung (ausschließlich) Zinsen zum gesetzlich festgelegten Satz für Verzugszinsen an¹².

§ 4 ZAHLUNGEN

(1) *Zahlungen von Kapital.* Zahlungen von Kapital auf die Schuldverschreibungen erfolgen nach Maßgabe des § 4 (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems gegen Vorlage und (außer im Fall von Teilzahlungen) Einreichung der die Schuldverschreibungen zum Zeitpunkt der Zahlung verbriefenden Globalurkunde bei der bezeichneten Geschäftsstelle der Emissionsstelle außerhalb der Vereinigten Staaten.

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der Festgelegten Währung ist.

(3) *Vereinigte Staaten.* Für die Zwecke des **[im Fall von D Rules Schuldverschreibungen einfügen: § 1 (3) und des] § 4 (1)** bezeichnet "**Vereinigte Staaten**" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des Districts of Columbia) sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und der Northern Mariana Islands).

(4) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(5) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag und ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen. Für diese Zwecke bezeichnet "**Zahltag**" einen Tag (außer einem Samstag oder Sonntag), an dem das Clearing System sowie **[falls die Festgelegte Währung EUR ist, einfügen: und TARGET2 (Trans-European Automated Realtime Cross Settlement Express Transfer System) zur Abwicklung von Zahlungen in Euro betriebsbereit ist.] [falls die Festgelegte Währung nicht EUR ist, einfügen: und Geschäftsbanken und Devisenmärkte in [sämtliche relevanten Finanzzentren einfügen] Zahlungen abwickeln].**

(6) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Bedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen; den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen; **[falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen, und Wahl-Rückzahlungsbetrag/beträge (Call) angegeben sind, einfügen: den Wahl-Rückzahlungsbetrag (Call) der Schuldverschreibungen;] [falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen: den Wahl-Rückzahlungsbetrag (Put) der Schuldverschreibungen;]** den Amortisationsbetrag der Schuldverschreibungen; sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge]. Bezugnahmen in diesen Bedingungen auf Zinsen auf Schuldverschreibungen sollen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren zusätzlichen Beträge einschließen.

(7) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die jeweiligen Ansprüche der Gläubiger gegen die Emittentin.

¹² Der gesetzliche Verzugszinssatz beträgt nach deutschem Recht für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Abs. 1, 247 Abs. 1 BGB. Nach österreichischem Recht beträgt der allgemeine gesetzliche Verzugszinssatz für das Jahr 4 Prozentpunkte (§ 1333 iVm § 1000 ABGB), für Geldforderungen zwischen Unternehmern aus unternehmensbezogenen Geschäften für das Jahr 9,2 Prozentpunkte über dem Basiszinssatz (§ 456 UGB) im Fall eines schuldhaften Verzugs, sonst ebenfalls 4 Prozentpunkte.

§ 5 RÜCKZAHLUNG

(1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am **[im Fall eines festgelegten Fälligkeitstages, Fälligkeitstag einfügen]** (der "**Fälligkeitstag**") zurückgezahlt. Der "**Rückzahlungsbetrag**" in Bezug auf jede Schuldverschreibung entspricht **[[•] Prozent des] [dem] Nennbetrag[s]** der Schuldverschreibungen.

(2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können **[im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:]**, nach Maßgabe der Anwendbaren MREL-Regeln (wie in § 2 (2) definiert),] insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Emissionsstelle und gemäß § 12 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert), falls die Emittentin als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften der Republik Österreich oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam) am nächstfolgenden Zinszahlungstag (wie in § 3 (1) definiert) zur Zahlung von zusätzlichen Beträgen (wie in § 7 dieser Bedingungen definiert) verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen vernünftiger der Emittentin zur Verfügung stehender Maßnahmen vermieden werden kann.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von zusätzlichen Beträgen nicht mehr wirksam ist.

Eine solche Kündigung hat gemäß § 12 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

[Im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:]

(3) *Vorzeitige Rückzahlung wegen eines MREL Disqualification Events.*

Im Fall eines MREL Disqualification Event können die Schuldverschreibungen insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Emissionsstelle und gemäß § 12 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden. Eine derartige Kündigung muss innerhalb von 90 Tagen nach Eintritt des MREL Disqualification Event ausgesprochen werden. Die Kündigung ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

Eine Rückzahlung der Schuldverschreibungen muss durch die Anwendbaren MREL Regeln erlaubt sein und ist, sofern erforderlich, durch eine Erlaubnis der Zuständigen Behörde und/oder (gegebenenfalls) der gemäß den Anwendbaren MREL-Regeln zuständigen Aufsichtsbehörde bedingt.

"**MREL Disqualification Event**" meint zu jedem Zeitpunkt die Feststellung durch die Emittentin, dass die Schuldverschreibungen, ganz oder teilweise (i) nicht als Berücksichtigungsfähige MREL-Instrumente anerkannt werden, oder (ii) sich ihre aufsichtsrechtliche Einstufung so ändert, dass die Schuldverschreibungen wahrscheinlich von den Berücksichtigungsfähigen MREL-Instrumenten ausgeschlossen wären oder sind, wobei jeweils kein MREL Disqualification Event eintreten soll auf der Basis, (i) dass die Restlaufzeit der Schuldverschreibungen weniger beträgt als ein etwaiger Zeitraum gemäß den Anwendbaren MREL-Regeln, und/oder (ii) etwaiger anwendbarer Beschränkungen des zulässigen oder genehmigten Betrages für Berücksichtigungsfähige MREL-Instrumente zur Erfüllung von MREL gemäß den Anwendbaren MREL-Regeln.]

[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen, einfügen:]

[(3)|(4)] *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

- (a) Die Emittentin kann, nachdem sie gemäß Abs. [(b)|(c)] gekündigt hat, die Schuldverschreibungen [insgesamt oder teilweise][insgesamt, aber nicht teilweise,] an dem/den "**Wahl-Rückzahlungstag(en) (Call)**" (wie nachstehend angegeben)[zu den Wahl-Rückzahlungsbeträgen (Call), wie nachstehend angegeben.][zum vorzeitigen Rückzahlungsbetrag (wie unten definiert)] zurückzahlen.

[Bei Geltung eines Mindestrückzahlungsbetrages oder eines erhöhten Rückzahlungsbetrages einfügen: Eine solche Rückzahlung muss in Höhe eines Nennbetrages von [mindestens **[Mindestrückzahlungsbetrag einfügen]]** **[erhöhten Rückzahlungsbetrag einfügen]** erfolgen.

Jede Kündigung nach diesem § 5 [(3)|(4)] soll die Emittentin nach Maßgabe des § 12 unter Einhaltung einer Kündigungsfrist von nicht weniger als 30 Kalendertagen und nicht mehr als 60 Kalendertagen gegenüber den Gläubigern abgeben. Jede solche Kündigung ist widerruflich.

[Wahl-Rückzahlungstag(e) (Call)] [Wahl-Rückzahlungstag(e) einfügen] [_____] [_____]	[Wahl-Rückzahlungsbetrag/beträge (Call)] [Wahl-Rückzahlungsbetrag/beträge einfügen] [_____] [_____]
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[Im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen:

- (b) Die Emittentin kann die Schuldverschreibungen nur vorbehaltlich der Anwendbaren MREL-Regeln (wie in § 2 (2) definiert) vorzeitig kündigen.]

[Falls der Gläubiger bei Fundierten Bankschuldverschreibungen ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:

- (b) Der Emittentin steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Gläubiger in Ausübung seines Wahlrechts nach Abs. 4 dieses § 5 verlangt hat.]

[(b)|(c)] Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 12 bekanntzugeben. Sie beinhaltet die folgenden Angaben:

- (i) die zurückzuzahlende Serie von Schuldverschreibungen;
- (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen;
- (iii) den Wahl-Rückzahlungstag (Call) und
- (iv) den Wahl-Rückzahlungsbetrag (Call), zu dem die Schuldverschreibungen zurückgezahlt werden.

[(c)] Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen in Übereinstimmung mit den Regeln des betreffenden Clearing Systems ausgewählt. **[Falls die Schuldverschreibungen in Form einer NGN begeben werden, einfügen:** Die teilweise Rückzahlung wird in den Registern von CBL und Euroclear nach deren Ermessen entweder als Pool-Faktor oder als Reduzierung des Nennbetrags wiedergegeben.])

[Falls der Gläubiger bei Fundierten Bankschuldverschreibungen ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:

[(3)|(4)] *Vorzeitige Rückzahlung nach Wahl des Gläubigers.*

- (a) Die Emittentin hat eine Schuldverschreibung nach Ausübung des entsprechenden Wahlrechts durch den Gläubiger am/an den Wahl-Rückzahlungstag(en) (Put) zum/zu den Wahl-Rückzahlungsbetrag/beträgen (Put), wie nachstehend angegeben nebst etwaigen bis zum Wahl-Rückzahlungstag (Put) (ausschließlich) aufgelaufener Zinsen zurückzuzahlen.

Wahl-Rückzahlungsrat(e) (Put) [[Wahl-Rückzahlungstag(e) einfügen] [_____]	Wahl-Rückzahlungsbetrag/beträge (Put) [Wahl-Rückzahlungsbetrag/beträge einfügen] [_____]
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[_____]

[_____]]

Dem Gläubiger steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung die Emittentin zuvor in Ausübung ihres Wahlrechts nach diesem § 5 verlangt hat.

- (b) Um dieses Wahlrecht auszuüben, hat der Gläubiger nicht weniger als **[Mindestkündigungsfrist einfügen]** Tage und nicht mehr als **[Höchstkündigungsfrist einfügen]** Tage vor dem Wahl-Rückzahlungstag (Put), an dem die Rückzahlung gemäß der Ausübungserklärung (wie nachstehend definiert) erfolgen soll, bei der bezeichneten Geschäftsstelle der Emissionsstelle während der normalen Geschäftszeiten eine ordnungsgemäß ausgefüllte Mitteilung zur vorzeitigen Rückzahlung ("**Ausübungserklärung**"), wie sie von der bezeichneten Geschäftsstelle der Emissionsstelle erhältlich ist, zu hinterlegen. Die Ausübung des Wahlrechts kann nicht widerrufen werden.].

[[3]](4)(5) Vorzeitiger Rückzahlungsbetrag.

(a) Der "**vorzeitige Rückzahlungsbetrag**" einer Schuldverschreibung entspricht dem Rückzahlungsbetrag.

- (b) **[Falls aufgelaufene Zinsen addiert werden, ist folgendes anwendbar:** Der Amortisationsbetrag der Schuldverschreibung entspricht der Summe aus: (i) **[Referenzpreis]** (der "**Referenzpreis**"), und (ii) dem Produkt aus **[Emissionsrendite in Prozent]** (die "**Emissionsrendite**") und dem Referenzpreis ab dem (und einschließlich) **[Tag der Begebung]** bis zu (aber ausschließlich) dem vorgesehenen Rückzahlungstag oder (je nachdem) dem Tag, an dem die Schuldverschreibungen fällig und rückzahlbar werden, wobei die Emissionsrendite jährlich kapitalisiert wird.]. **Im Fall der Abzinsung ist folgendes anwendbar:** Der Amortisationsbetrag einer Schuldverschreibung entspricht dem Nennbetrag einer Schuldverschreibung abgezinst mit der Emissionsrendite von **[Emissionsrendite einfügen]** ab und dem Fälligkeitsdatum (einschließlich) bis zu dem Tilgungstermin (ausschließlich). Die Berechnung dieses Betrages erfolgt auf der Basis einer jährlichen Kapitalisierung der aufgelaufenen Zinsen.].

(c) Wenn diese Berechnung für einen Zeitraum, der nicht einer ganzen Zahl von Jahren entspricht, durchzuführen ist, hat sie im Fall des nicht vollständigen Jahres (der "**Zinsberechnungszeitraum**") auf der Grundlage des Zinstagequotienten (wie untenstehend definiert) zu erfolgen.

(d) Falls die Emittentin den vorzeitigen Rückzahlungsbetrag bei Fälligkeit nicht zahlt, wird der Amortisationsbetrag einer Schuldverschreibung wie vorstehend beschrieben berechnet.].

[[6]] "Zinstagequotient" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**"):

[Im Falle von Actual/Actual (ICMA-Regelung 251) einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum geteilt durch 365.].

[Im Fall von Actual/Actual (ISDA) einfügen: (ISDA) die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 366 und (B) die tatsächliche Anzahl der nicht in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 365.].

[Im Falle von Actual/365 (Fixed) einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.].

[Im Falle von Actual/360 einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.].

§ 6

DIE EMISSIONSSTELLE[,] [UND] [DIE ZAHLSTELLEN] [UND DIE BERECHNUNGSSTELLE]

(1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Emissionsstelle[,] [und] die anfänglich bestellte[n] Zahlstelle[n] [und die anfänglich bestellte Berechnungsstelle] und deren jeweilige bezeichnete Geschäftsstelle lauten wie folgt:

[Falls eine die Schuldverschreibungen anfänglich verbriefende Globalurkunde bei einem anderen Clearing System oder dessen Verwahrer oder gemeinsamen Verwahrer als OeKB CSD eingeliefert werden soll, einfügen:

Emissionsstelle: Citibank Europe plc
1 N Wall Quay, North Dock
Dublin, 1
Irland]

[Falls eine die Schuldverschreibungen anfänglich verbriefende Globalurkunde bei OeKB CSD eingeliefert werden soll, einfügen:

Emissionsstelle: BAWAG P.S.K. Bank für Arbeit und Wirtschaft und
Österreichische Postsparkasse Aktiengesellschaft
Wiedner Gürtel 11
A-1100 Wien
Republik Österreich]

Zahlstelle[n]: **[Zahlstellen und bezeichnete Geschäftsstellen einfügen]**

[Falls die Emissionsstelle als Berechnungsstelle bestellt werden soll, einfügen: Die Emissionsstelle handelt auch als Berechnungsstelle.]

[Falls eine Berechnungsstelle bestellt werden soll, die nicht die Emissionsstelle ist, einfügen: Die Berechnungsstelle und ihre anfänglich bezeichnete Geschäftsstelle lauten:

Berechnungsstelle: **[Namen und bezeichnete Geschäftsstelle einfügen]]**

Die Emissionsstelle[,] [und] die Zahlstelle[n] [und die Berechnungsstelle] [behält] [behalten] sich das Recht vor, jederzeit ihre [jeweilige] bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in Deutschland zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Emissionsstelle oder einer Zahlstelle [oder der Berechnungsstelle] zu ändern oder zu beenden und eine andere Emissionsstelle oder zusätzliche oder andere Zahlstellen [oder eine andere Berechnungsstelle] zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) eine Emissionsstelle unterhalten **[im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen: [,] [und]** (ii) solange die Schuldverschreibungen an der **[Name der Börse einfügen]** notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann), wobei es sich um eine Bank mit dem Sitz im Europäischen Wirtschaftsraum ("EWR") zu handeln hat, mit bezeichneter Geschäftsstelle in **[Sitz der Börse einfügen]** und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen] **[im Fall von Zahlungen in US-Dollar einfügen: [,] [und] [(iii)]** falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 4 definiert) aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich der vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in US-Dollar widerrechtlich oder tatsächlich ausgeschlossen werden, eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City unterhalten] **[falls eine Berechnungsstelle bestellt werden soll, einfügen: [,] [und] [(iv)]** eine Berechnungsstelle **[falls die Berechnungsstelle eine bezeichnete Geschäftsstelle an einem vorgeschriebenen Ort zu unterhalten hat, einfügen:** mit bezeichneter Geschäftsstelle in **[vorgeschriebenen Ort einfügen]]** unterhalten]. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 12 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

(3) *Beauftragte der Emittentin.* Die Emissionsstelle[,] [und] die Zahlstelle[n] [und die Berechnungsstelle] [handelt] [handeln] ausschließlich als Beauftragte der Emittentin und [übernimmt] [übernehmen] keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen [ihr] [ihnen] und den Gläubigern begründet.

§ 7 STEUERN

(1) Alle auf die Schuldverschreibungen zahlbaren Kapital- oder Zinsbeträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten,

die von oder in der Republik Österreich oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in der Republik Österreich auferlegt oder erhoben werden, es sei denn, dieser Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall wird die Emittentin diejenigen zusätzlichen Beträge (die "**zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen von Kapital und Zinsen entsprechen, die ohne einen solchen Abzug oder Einbehalt von den Gläubigern empfangen worden wären[**im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:** wobei zusätzliche Beträge Zinsen, nicht aber Kapital umfassen]; die Verpflichtung zur Zahlung solcher zusätzlichen Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- (a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihm zu leistenden Zahlungen von Kapital oder Zinsen einen Einbehalt oder Abzug vornimmt; oder
- (b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zu der Republik Österreich zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Republik Österreich stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (c) aufgrund (i) Verordnungen oder Richtlinien der Europäischen Union betreffend die Besteuerung von Zinserträgen, oder (ii) internationaler Verträge oder Übereinkommen der Europäischen Union oder der Republik Österreich bezüglich der Besteuerung von Zinserträgen, oder (iii) den gesetzlichen Vorschriften, die derartige Richtlinien, Verordnungen oder Übereinkommen umsetzen, zurückbehalten oder abgezogen werden; oder
- (d) von einer auszahlenden Stelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen auszahlenden Stelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können; oder
- (e) wegen einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 12 wirksam wird.

(2) Unbeschadet sonstiger Bestimmungen dieser Emissionsbedingungen, ist die Emittentin zum Einbehalt oder Abzug der Beträge berechtigt, die gemäß §§ 1471 bis 1474 des U.S. Internal Revenue Code (einschließlich dessen Änderungen oder Nachfolgevorschriften), gemäß zwischenstaatlicher Abkommen, gemäß den in einer anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen ("**FATCA Quellensteuer**") erforderlich sind. Die Emittentin ist nicht verpflichtet, zusätzliche Beträge zu zahlen oder Gläubiger in Bezug auf FATCA Quellensteuer schadlos zu halten, die von der Emittentin, einer Zahlstelle oder von einem anderen Beteiligten als Folge davon, dass eine andere Person als die Emittentin oder deren Zahlstelle nicht zum Empfang von Zahlungen ohne FATCA Quellensteuer berechtigt ist, abgezogen oder einbehalten wurden.

[§ 8 VORLEGUNGSFRIST

Die in § 801 Abs. 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.]

[Im Fall von Schuldverschreibungen, die österreichischem Recht unterliegen und für die eine österreichische Emissionsstelle bestellt wurde, ist § 8 VORLEGUNGSFRIST vollständig wie folgt zu ersetzen:

§ 8 VERJÄHRUNG

Die Verpflichtungen der Emittentin, Kapital und Zinsen auf diese Schuldverschreibung zu zahlen, verjähren (i) mit Bezug auf Kapital nach Ablauf von 10 Jahren nach dem Fälligkeitstag für die Zahlung von Kapital und (ii) mit Bezug auf Zinsen nach Ablauf von 3 Jahren nach dem Fälligkeitstag für die entsprechende Zinszahlung.]

§ 9 KÜNDIGUNG

[Im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:

(1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibung zu kündigen und deren sofortige Rückzahlung zu ihrem vorzeitigen Rückzahlungsbetrag (wie in § 5 beschrieben), zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls ein Insolvenz- oder Liquidationsverfahren gegen die Emittentin eingeleitet wird, welches nicht binnen 60 Tage nach seiner Einleitung endgültig oder einstweilen eingestellt worden ist, oder falls die Emittentin die Eröffnung eines solchen Verfahrens beantragt.

(2) *Benachrichtigung.* Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß vorstehendem Abs. 1 ist schriftlich in deutscher oder englischer Sprache gegenüber der Emissionsstelle zu erklären und persönlich oder per Einschreiben an deren bezeichnete Geschäftsstelle zu übermitteln. Der Benachrichtigung ist ein Nachweis beizufügen, aus dem sich ergibt, dass der betreffende Gläubiger zum Zeitpunkt der Abgabe der Benachrichtigung Inhaber der betreffenden Schuldverschreibung ist. Der Nachweis kann durch eine Bescheinigung der Depotbank (wie in § 13 (4) definiert) oder auf andere geeignete Weise erbracht werden.]

[Im Fall Fundierter Bankschuldverschreibungen einfügen:

(1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibung zu kündigen und deren sofortige Rückzahlung zu ihrem vorzeitigen Rückzahlungsbetrag (wie in § 5 beschrieben), zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls die Emittentin Kapital oder Zinsen nicht innerhalb von 30 Tagen nach dem betreffenden Fälligkeitstag zahlt.

(2) *Benachrichtigung.* Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß vorstehendem Abs. 1 ist schriftlich in deutscher oder englischer Sprache gegenüber der Emissionsstelle zu erklären und persönlich oder per Einschreiben an deren bezeichnete Geschäftsstelle zu übermitteln. Der Benachrichtigung ist ein Nachweis beizufügen, aus dem sich ergibt, dass der betreffende Gläubiger zum Zeitpunkt der Abgabe der Benachrichtigung Inhaber der betreffenden Schuldverschreibung ist. Der Nachweis kann durch eine Bescheinigung der Depotbank (wie in § 13 (4) definiert) oder auf andere geeignete Weise erbracht werden.]

[Im Fall Nicht-Nachrangiger Schuldverschreibungen (außer Fundierter Bankschuldverschreibungen) und Nicht-Nachrangiger Nicht-Präferierter Schuldverschreibungen einfügen:

§ 10 ERSETZUNG

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger ein mit ihr verbundenes Unternehmen (wie unten definiert) als Hauptschuldnerin für alle Verpflichtungen im Zusammenhang mit diesen Schuldverschreibungen (die "**Nachfolgeschuldnerin**") einzusetzen, sofern:

(a) die Nachfolgeschuldnerin in der Lage ist, sämtliche sich aus oder in dem Zusammenhang mit diesen Schuldverschreibungen ergebenden Zahlungsverpflichtungen ohne die Notwendigkeit eines Einbehalts von irgendwelchen Steuern oder Abgaben an der Quelle zu erfüllen sowie die hierzu erforderlichen Beträge ohne Beschränkungen an den die Emissionsstelle übertragen können;

(b) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin aus oder im Zusammenhang mit diesen Schuldverschreibungen übernimmt;

(c) die Nachfolgeschuldnerin sich verpflichtet, jedem Gläubiger alle Steuern, Gebühren oder Abgaben zu erstatten, die ihm in Folge der Ersetzung durch die Nachfolgeschuldnerin auferlegt werden;

[(d) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert, die den Bedingungen des Musters der nicht nachrangigen Garantie der Emittentin hinsichtlich der Nicht-Nachrangigen Schuldverschreibungen, das im Agency Agreement enthalten ist, entsprechen;]

[(d) hinsichtlich der von der Nachfolgeschuldnerin bezüglich der Schuldverschreibungen übernommenen Verpflichtungen der Nachrang zu mit den Bedingungen der Schuldverschreibungen übereinstimmenden

Bedingungen begründet wird und (i) die Nachfolgeschuldnerin ein Tochterunternehmen der Emittentin ist, (ii) die Nachfolgeschuldnerin eine Einlage in Höhe eines Betrages, der dem Gesamtnennbetrag der Schuldverschreibungen entspricht, bei der Emittentin vornimmt und zwar zu Bedingungen, die den Emissionsbedingungen (einschließlich hinsichtlich der Nachrangigkeit) entsprechen, und (iii) die Emittentin unwiderruflich und unbeding gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert, die den Bedingungen des Musters der nachrangigen Garantie der Emittentin, das im Agency Agreement enthalten ist, entsprechen;]

(e) der Emissionsstelle jeweils eine Bestätigung bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt wird, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (e) erfüllt wurden.

Für die Zwecke dieses § 10 bedeutet "**verbundenes Unternehmen**" ein Konzernunternehmen im Sinne von § 15 österreichisches Aktiengesetz.

(2) *Bekanntmachung.* Jede Ersetzung ist gemäß § 12 bekannt zu machen.

(3) *Änderung von Bezugnahmen.* Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat. Des Weiteren gilt im Fall einer Ersetzung folgendes:

[(a)] in § 7 und § 5 Abs. 2 gilt eine alternative Bezugnahme auf die Bundesrepublik Deutschland als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat);

[(b)] in § 10 Abs. 1(c) bis (e) gilt eine alternative Bezugnahme auf die Emittentin in ihrer Eigenschaft als Garantin als aufgenommen (zusätzlich zu der Bezugnahme auf die Nachfolgeschuldnerin).]

Im Fall einer Ersetzung folgt die Nachfolgeschuldnerin der Emittentin als Rechtsnachfolgerin nach, ersetzt diese und darf alle Rechte und Befugnisse der Emittentin aus den Schuldverschreibungen mit der gleichen Wirkung geltend machen, als wenn die Nachfolgeschuldnerin in diesen Emissionsbedingungen als Emittentin genannt worden wäre, und die Emittentin (bzw. die Gesellschaft, die zuvor die Verpflichtungen der Emittentin übernommen hat) wird von ihren Verpflichtungen als Schuldnerin aus den Schuldverschreibungen befreit.

[Im Fall Fundierter Bankschuldverschreibungen einfügen:

§ 10 ERSETZUNG

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger ein mit ihr verbundenes Unternehmen (wie unten definiert) als Hauptschuldnerin für alle Verpflichtungen im Zusammenhang mit diesen Schuldverschreibungen (die "**Nachfolgeschuldnerin**") einzusetzen, sofern:

(a) die Nachfolgeschuldnerin berechtigt ist, Fundierte Bankschuldverschreibungen gemäß dem Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen und gemäß ihrer Satzung zu begeben;

(b) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin aus oder im Zusammenhang mit diesen Schuldverschreibungen übernimmt, einschließlich aller Verpflichtungen im Zusammenhang mit dem Deckungsstock zur Deckung der Schuldverschreibungen in Übereinstimmung mit dem Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen, und sich verpflichtet, die Emissionsbedingungen für noch ausstehende Fundierte Bankschuldverschreibungen nicht zu ändern;

(c) die Emittentin und die Nachfolgeschuldnerin alle notwendigen Bewilligungen erhalten haben und in der Lage sind, sämtliche sich aus oder in dem Zusammenhang mit diesen Schuldverschreibungen ergebenden Zahlungsverpflichtungen ohne die Notwendigkeit eines Einbehalts von irgendwelchen Steuern oder Abgaben an der Quelle zu erfüllen sowie die hierzu erforderlichen Beträge ohne Beschränkungen an den die Emissionsstelle in der Festgelegten Währung übertragen können;

- (d) die Nachfolgeschuldnerin sich verpflichtet, jedem Gläubiger alle Steuern, Gebühren oder Abgaben zu erstatten, die ihm in Folge der Ersetzung durch die Nachfolgeschuldnerin auferlegt werden; und
- (e) der Emissionsstelle jeweils eine Bestätigung bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt wird, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden.

(2) *Bekanntmachung.* Jede Ersetzung ist gemäß § 12 bekannt zu machen.

(3) *Änderung von Bezugnahmen.* Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat.]

§ 11

BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, RÜCKKAUF UND ENTWERTUNG

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit **[Im Fall von Fundierten Bankschuldverschreibungen einfügen:** vorbehaltlich der gesetzlichen Deckung (Kaution)] ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Rückkauf.* Die Emittentin ist jederzeit **[im Fall von Nicht-Nachrangigen Schuldverschreibungen (außer Fundierten Bankschuldverschreibungen) und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:** nach Maßgabe und vorbehaltlich der Anwendbaren MREL-Regeln (wie unter § 2 (2) definiert), insbesondere eines Erlaubnisvorbehalts der zuständigen Behörde und/oder (gegebenenfalls) der zuständigen Aufsichtsbehörde nach den Anwendbaren MREL-Regeln] berechtigt, (i) Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen und (ii) diese Schuldverschreibungen zu halten, weiterzuverkaufen oder bei der Emissionsstelle zwecks Entwertung einzureichen. Sofern diese Käufe durch öffentliches Angebot erfolgen, muss dieses Angebot allen Gläubigern gemacht werden.

(3) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§ 12

MITTEILUNGEN

(1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen sind [auf der Internetseite der Emittentin unter dem Link [•]] [und] [auf der Internetseite der Luxemburger Börse, www.bourse.lu] [in einer führenden Tageszeitung mit allgemeiner Verbreitung in Luxemburg, voraussichtlich [dem Tageblatt (Luxemburg)] [andere Zeitung mit allgemeiner Verbreitung einfügen] zu veröffentlichen. Falls eine Veröffentlichung [auf der Internetseite] [in dieser Zeitung] nicht möglich ist, werden die Mitteilungen in einer [anderen] führenden Tageszeitung mit allgemeiner Verbreitung in Luxemburg veröffentlicht.]

[Im Fall von Schuldverschreibungen, die an der Wiener Börse notiert sind, einfügen: Alle die Schuldverschreibungen betreffenden Mitteilungen sind auch in einer führenden Tageszeitung mit allgemeiner Verbreitung in Österreich, voraussichtlich [dem Amtsblatt zur Wiener Zeitung] [andere Zeitung mit allgemeiner Verbreitung einfügen] zu veröffentlichen. Falls eine Veröffentlichung in dieser Zeitung nicht möglich ist, werden die Mitteilungen in einer anderen führenden Tageszeitung mit allgemeiner Verbreitung in Österreich veröffentlicht.]

Die Emittentin wird auch sicherstellen, dass Mitteilungen ordnungsgemäß in Übereinstimmung mit den Erfordernissen einer jeden Börse, an der die Schuldverschreibungen notiert sind, erfolgen. Jede derartige Mitteilung gilt am Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen am Tag der ersten solchen Veröffentlichung) als wirksam erfolgt. **[Falls anwendbare Vorschriften die Veröffentlichung zusätzlicher Mitteilungen erfordern, anwendbare Regelungen zur zusätzlichen Veröffentlichung von Mitteilungen einfügen.]**

[Im Fall von Schuldverschreibungen, die an der Official List der Luxemburger Börse oder der Wiener Börse notiert werden, ist folgendes anwendbar:

[(2)] Mitteilungen an das Clearing System.

Die Emittentin ist berechtigt, anstelle der Veröffentlichung nach Abs. 1, eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger zu übermitteln **[im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen:]**, vorausgesetzt, die Regeln der Börse, an der die Schuldverschreibungen notiert sind, lassen diese Form der Mitteilung zu]. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.

§ 13

ANWENDBARES RECHT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

(1) *Ausschluss der Anwendbarkeit des Kuratorengesetzes.* Soweit rechtlich zulässig ist die Anwendbarkeit der Bestimmungen des Kuratorengesetzes und des Kuratorenergänzungsgesetzes im Zusammenhang mit den Schuldverschreibungen ausdrücklich ausgeschlossen.

(2) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich **[im Fall Nicht-Nachrangiger Schuldverschreibungen, die keine Fundierten Bankschuldverschreibungen oder Nicht-Nachrangige Nicht-Präferierte Schuldverschreibungen sind, einfügen:]** nach [deutschem] [österreichischem] Recht **[im Fall von Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen einfügen:]** nach [deutschem] [österreichischem] Recht **[im Fall von deutschem Recht einfügen:]** mit Ausnahme der den Nachrang regelnden Bedingungen, welche österreichischem Recht unterliegen]] **[im Fall von Fundierten Bankschuldverschreibungen einfügen:]** nach [deutschem] [österreichischem] Recht und entsprechen dem österreichischen Gesetz vom 27. Dezember 1905 betreffend fundierte Bankschuldverschreibungen RGBI. 213/1905 idgF.]

(3) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht in Frankfurt am Main.

[Im Fall von Fundierten Bankschuldverschreibungen und Schuldverschreibungen, die österreichischem Recht unterliegen und für die eine österreichische Emissionsstelle bestellt wurde, einfügen:] (3a) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das zuständige Gericht in Wien.

[Im Fall von Angeboten nach Österreich:] (3b) Für Klagen von und gegen österreichische Konsumenten sind die im österreichischen Konsumentenschutzgesetz und in der Jurisdiktionsnorm zwingend vorgesehenen Gerichtsstände maßgeblich.]]

(4) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land, in dem der Prozess stattfindet, prozessual zulässig ist.

§ 14

SPRACHE

[Falls die Emissionsbedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefasst sind, einfügen:]

Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind in englischer Sprache abgefasst. Eine Übersetzung in die deutsche Sprache ist beigefügt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen ausschließlich in deutscher Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefasst.]

* * *

9 FORM OF FINAL TERMS

¹³**[MiFID II Product Governance** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties[,][and] professional clients [and retail clients], each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); [and ●] **[EITHER:** and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] **[OR:** (ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,][and] portfolio management[,][and] [non-advised sales] [and pure execution services][,], subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer[']s['] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[']s['] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].]

¹⁴**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

In case of Notes listed on the Luxembourg Stock Exchange or publicly offered in the Grand Duchy of Luxembourg, the Final Terms will be displayed on the website of the Luxembourg Stock Exchange (www.bourse.lu). In case of Notes listed on any other stock exchange or publicly offered in one or more member states of the European Economic Area other than the Grand Duchy of Luxembourg, the Final Terms will be available free of charge during normal business hours at the registered office of the Issuer.

¹³ Include this legend if parties have determined a target market.

Diese Erklärung einfügen, wenn die Parteien einen Zielmarkt bestimmt haben.

¹⁴ Include this legend if "Applicable" is specified in Part II. A. of the Final Terms regarding item "Prohibition of Sales to EEA Retail Investors".

Diese Erklärung einfügen, wenn "Anwendbar" im Teil II. A. der Endgültigen Bedingungen im Hinblick auf den Punkt "Verbot des Verkaufs an EWR Privatanleger" ausgewählt wurde.

FORM OF FINAL TERMS

(MUSTER – ENDGÜLTIGE BEDINGUNGEN)

[BAWAG Group AG][BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft]

[Date]
[Datum]

Final Terms Endgültige Bedingungen

[Title of relevant Series of Notes]
[Bezeichnung der betreffenden Serie der Schuldverschreibungen]

issued pursuant to the
begeben aufgrund des

EUR 10,000,000,000
Debt Issuance Programme

of
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BAWAG Group AG and BAWAG P.S.K. Bank für Arbeit und Wirtschaft und
Österreichische Postsparkasse Aktiengesellschaft

*BAWAG Group AG and BAWAG P.S.K. Bank für Arbeit und Wirtschaft und
Österreichische Postsparkasse Aktiengesellschaft*

dated 18 March 2019
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Issue Price: [] per cent.
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Issue Date: []¹⁵
Tag der Begebung: []

Series No.: [], Tranche: []
Serien Nr.: [], Tranche: []

Important Notice

These Final Terms have been prepared for the purpose of Article 5(4) of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010, and must be read in conjunction with the Debt Issuance Programme Prospectus pertaining to the Programme dated 18 March 2019 (the "**Base Prospectus**") [and the supplement(s) dated [●]]. The Base Prospectus and any supplement thereto are available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and copies may be obtained from [BAWAG Group AG][BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft]. Full information is only available on the basis of the combination of the Base Prospectus, any

¹⁵ The Issue Date is the date of payment and settlement of the Notes. In the case of free delivery, the Settlement Date is the delivery date.

Der Tag der Begebung ist der Tag, an dem die Schuldverschreibungen begeben und bezahlt werden. Bei freier Lieferung ist der Tag der Begebung der Tag der Lieferung.

supplement and these Final Terms. [A summary of the individual issue of Notes is annexed to these Final Terms.]¹⁶

¹⁶ Only applicable in case of specified denomination of less than EUR 100,000.
Nur anwendbar falls der festgelegte Nennbetrag geringer als EUR 100.000 ist.

Wichtiger Hinweis

Diese Endgültigen Bedingungen wurden für die Zwecke des Artikels 5 Abs. 4 der Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom 4. November 2003, in der durch die Richtlinie 2010/73/EU des Europäischen Parlaments und des Rates vom 24. November 2010 geänderten Fassung, abgefasst und sind in Verbindung mit dem Debt Issuance Programme Prospekt vom 18. März 2019 über das Programm (der "**Basisprospekt**") [und [dem Nachtrag][den Nachträgen] dazu vom [●]] zu lesen. Der Prospekt sowie etwaige Nachträge können in elektronischer Form auf der Internetseite der Luxemburger Börse (www.bourse.lu) und der Internetseite der [BAWAG Group AG (www.bawaggroup.com)][BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft (www.bawagpsk.com)] eingesehen werden. Kopien sind erhältlich bei [BAWAG Group AG][BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft]. Vollständige Informationen sind nur verfügbar, wenn die Endgültigen Bedingungen, der Prospekt, etwaige Nachträge dazu zusammengefasst werden. [Eine Zusammenfassung der einzelnen Emission der Schuldverschreibungen ist diesen Endgültigen Bedingungen angefügt.]¹⁷

Part I: Terms and Conditions **Teil I: Emissionsbedingungen**

[A. In the case the options applicable to the relevant Tranche of Notes are to be determined by replicating the relevant provisions set forth in the Base Prospectus as Option I, Option II, Option III or Option IV including certain further options contained therein, respectively, and completing the relevant placeholders, insert:¹⁸

A. Falls die für die betreffende Tranche von Schuldverschreibungen geltenden Optionen durch Wiederholung der betreffenden im Prospekt als Option I, Option II, Option III oder Option IV aufgeführten Angaben (einschließlich der jeweils enthaltenen bestimmten weiteren Optionen) und Vervollständigung der betreffenden Leerstellen bestimmt werden, einfügen:

The Conditions applicable to the Notes (the "**Conditions**") and the [German] [English] language translation thereof, are as set out below.

*Die für die Schuldverschreibungen geltenden Bedingungen (die "**Bedingungen**") sowie die deutschsprachige[englischsprachige] Übersetzung sind wie nachfolgend aufgeführt.*

[in the case of Notes with fixed interest rates or fixed resettable interest rates replicate here relevant provisions of Option I including relevant further options contained therein, and complete relevant placeholders]

[im Fall von Schuldverschreibungen mit fester Verzinsung oder fester und neu festsetzbarer fester Verzinsung hier betreffende Angaben der Option I (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Leerstellen vervollständigen]

[in the case of Notes with floating interest rates replicate here relevant provisions of Option II including relevant further options contained therein, and complete relevant placeholders]

[im Fall von Schuldverschreibungen mit variabler Verzinsung hier betreffende Angaben der Option II (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Leerstellen vervollständigen]

[in the case of Notes with fixed to floating interest rates replicate here relevant provisions of Option III including relevant further options contained therein, and complete relevant placeholders]

¹⁷ Only applicable in case of specified denomination of less than EUR 100,000.

Nur anwendbar falls der festgelegte Nennbetrag geringer als EUR 100.000 ist.

¹⁸ To be determined in consultation with the respective Issuer. It is anticipated that this type of documenting the Conditions will be required where the Notes are to be publicly offered, in whole or in part, or to be initially distributed, in whole or in part, to non-qualified investors. Delete all references to B. Part I of the Final Terms including numbered paragraphs and subparagraphs of the Terms and Conditions.

In Abstimmung mit der jeweiligen Emittentin festzulegen. Es ist vorgesehen, dass diese Form der Dokumentation der Bedingungen erforderlich ist, wenn die Schuldverschreibungen insgesamt oder teilweise anfänglich an nicht qualifizierte Anleger verkauft oder öffentlich angeboten werden. Alle Bezugnahmen auf B. Teil I der Endgültigen Bedingungen einschließlich der Paragraphen und Absätze der Emissionsbedingungen entfernen.

[im Fall von Schuldverschreibungen mit fester zur variabler Verzinsung hier betreffende Angaben der Option III (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Leerstellen vervollständigen]

[in the case of Zero Coupon Notes replicate here relevant provisions of Option IV including relevant further options contained therein, and complete relevant placeholders]

[im Fall von Nullkupon-Schuldverschreibungen hier betreffende Angaben der Option IV (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Leerstellen vervollständigen]

[B. In the case the options applicable to the relevant Tranche of Notes are to be determined by referring to the relevant provisions set forth in the Base Prospectus as Option I, Option II, Option III or Option IV including certain further options contained therein, respectively, insert:

B. Falls die für die betreffende Tranche von Schuldverschreibungen geltenden Optionen, die durch Verweisung auf die betreffenden im Prospekt als Option I, Option II, Option III oder Option IV aufgeführten Angaben (einschließlich der jeweils enthaltenen bestimmten weiteren Optionen) bestimmt werden, einfügen:

This Part I. of the Final Terms is to be read in conjunction with the set of Terms and Conditions that apply to [Notes] [with fixed interest rates] [with fixed resettable interest rates] [with floating interest rates] [fixed to floating interest rates] [Zero Coupon Notes] (the "Terms and Conditions") set forth in the Base Prospectus as [Option I] [Option II] [Option III] [Option IV]. Capitalised terms not otherwise defined herein shall have the meanings specified in the set of Terms and Conditions.

Dieser Teil I. der Endgültigen Bedingungen ist in Verbindung mit dem Satz der Emissionsbedingungen, der auf [Schuldverschreibungen] [mit fester Verzinsung] [mit fester und neu festsetzbarer fester Verzinsung] [mit variabler Verzinsung] [mit fester zu variabler Verzinsung] [Nullkupon-Schuldverschreibungen] Anwendung findet (die "Emissionsbedingungen"), zu lesen, die als [Option I] [Option II] [Option III] [Option IV] im Prospekt enthalten ist. Begriffe, die in dem Satz der Emissionsbedingungen definiert sind, haben, falls die Endgültigen Bedingungen nicht etwas anderes bestimmen, dieselbe Bedeutung, wenn sie in diesen Endgültigen Bedingungen verwendet werden.

All references in this part of the Final Terms to numbered Articles and subparagraphs are to Articles and subparagraphs of the Terms and Conditions.

Bezugnahmen in diesem Teil der Endgültigen Bedingungen auf Paragraphen und Absätze beziehen sich auf die Paragraphen und Absätze der Emissionsbedingungen.

All provisions in the Terms and Conditions corresponding to items in the Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the terms and conditions applicable to the Notes (the "Conditions").

Sämtliche Bestimmungen der Emissionsbedingungen, die sich auf Variablen dieser Endgültigen Bedingungen beziehen und die weder angekreuzt noch ausgefüllt werden oder die gestrichen werden, gelten als in den auf die Schuldverschreibungen anwendbaren Emissionsbedingungen (die "Bedingungen") gestrichen.]

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS (§ 1) WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN (§ 1)

Currency and Denomination Währung und Stückelung

Specified Currency <i>Festgelegte Währung</i>	[]
Aggregate Principal Amount <i>Gesamtnennbetrag</i>	[]

Specified Denomination¹⁹
Festgelegte Stückelung

[]

Bearer Notes

Inhaberschuldverschreibungen

- Bearer Notes
Inhaberschuldverschreibungen

Global Note
Globalurkunde

- C Rules**
C Rules

Permanent Global Note
Dauerglobalurkunde

- D Rules**
D Rules

Temporary Global Note exchangeable for
Vorläufige Globalurkunde austauschbar gegen

- Permanent Global Note
Dauerglobalurkunden

- Neither D Rules nor C Rules**²⁰
Weder D Rules noch C Rules

Permanent Global Note
Dauerglobalurkunde

ECB-eligible Security²¹
EZB-fähige Sicherheit

[Yes/No]
[Ja/Nein]

NGN
NGN

[Yes/No]
[Ja/Nein]

Clearing System
Clearingsystem

¹⁹ The minimum denomination of the Notes issued will be EUR 1,000 or an amount in any other currency, which is at least equivalent on the issue date.

Die Mindeststückelung der Schuldverschreibungen, die begeben werden, ist EUR 1.000 oder ein am Tag der Begebung diesem Betrag entsprechender Betrag in einer anderen Währung.

²⁰ Applicable only if Notes have an initial maturity of one year or less.

Nur anwendbar bei Schuldverschreibungen mit einer ursprünglichen Laufzeit von einem Jahr oder weniger.

²¹ Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of Eurosystem eligibility criteria.][Include this text if "yes" selected in which case the Notes must be issued in NGN form.]

Die Auswahl "ja" zeigt lediglich die Absicht an, die Schuldverschreibungen nach der Emission bei einem der ICSDs als common safekeeper zu hinterlegen. Es bedeutet jedoch nicht zwangsläufig, dass die Schuldverschreibungen deshalb als geeignete Sicherheit im Sinne der Eurosystem Monetary Richtlinien und Intraday Kreditoperationen von Eurosystem eingestuft werden, weder vom Tag der Emission noch zu irgendeinem Zeitpunkt ihrer Laufzeit. Die Einstufung der Geeignetheit hängt allein von der Erfüllung der Eurosystem Eignungskriterien ab.][Text bitte einfügen, wenn "Ja" gewählt wurde, in diesem Fall müssen die Schuldverschreibungen als NGN emittiert werden.]

- OeKB CSD GmbH
Strauchgasse 1-3, 1010 Vienna, Austria
- Clearstream Banking, société anonyme, Luxembourg
42 Avenue JF Kennedy, L-1855 Luxembourg
- Euroclear Bank SA/NV, as Operator of the Euroclear System
Euroclear Bank SA/NV, als Betreiberin des Euroclear System
1 Boulevard du Roi Albert II, B-1210 Brussels
- Other (specify)
Sonstige (angeben)
- Fiscal Agent
- Other (specify)
sonstige (angeben)

[insert name and address]
[Name und Anschrift einfügen]

[insert name and address]
[Name und Anschrift einfügen]

STATUS (§ 2)
STATUS (§ 2)

- Unsubordinated Notes, which are not Covered Bonds or Senior Non-Preferred Notes
Nicht-Nachrangige Schuldverschreibungen, außer Fundierte Bankschuldverschreibungen und Nicht-Nachrangigen Nicht-Präferierten Schuldverschreibungen
- Senior Non-Preferred Notes
Nicht-Nachrangige Nicht-Präferierte Schuldverschreibungen sind
- Subordinated Notes²²
Nachrangige Schuldverschreibungen
- Covered Bonds covered by a mortgage-backed pool of assets
Fundierte Bankschuldverschreibungen mit hypothekarischem Deckungsstock
- Covered Bonds covered by a public sector cover pool
Fundierte Bankschuldverschreibungen mit öffentlichem Deckungsstock

INTEREST (§ 3)
ZINSEN (§ 3)

- Fixed Rate Notes or Fixed Resettable Notes (Option I)**²³
***Festverzinsliche Schuldverschreibungen oder
Festverzinsliche Schuldverschreibungen mit neu
festsetzbarer Verzinsung (Option I)***

Rate of Interest and Interest Payment Dates
Zinssatz und Zinszahlungstage

²² Not applicable for Covered Bonds.
Nicht anwendbar bei Fundierten Bankschuldverschreibungen.

²³ If not applicable, the following items may be deleted.
Falls nicht anwendbar, können die folgenden Angaben gelöscht werden.

Initial Interest Rate <i>Erster Zinssatz</i>	[] per cent. <i>per annum</i> [] % <i>per annum</i>
Interest Commencement Date <i>Verzinsungsbeginn</i>	[]
Fixed Interest Date(s) <i>Festzinstermine</i>	[]
First Interest Payment Date <i>Erster Zinszahlungstag</i>	[]
Initial Broken Amount(s) (for the Specified Denomination) <i>Anfängliche(r) Bruchteilzinsbetrag(-beträge)</i> <i>(für die Festgelegte Stückelung)</i>	[]
Fixed Interest Date preceding the Maturity Date <i>Festzinstermine, die dem Fälligkeitstag vorangehen</i>	[]
Final Broken Amount(s) (per Specified Denomination) <i>Abschließende(r) Bruchteilzinsbetrag(-beträge) (für jede</i> <i>Festgelegte Stückelung)</i>	[]
Determination Date <i>Feststellungstermin</i>	[] in each year [] <i>in jedem Jahr</i>

Reset Date
Zinsänderungstag

Reset Interest Date <i>Zinsanpassungstag</i>	[]
Reset Interest Rate <i>Festgelegter Zinssatz</i>	[]
Term of the Reference Rate <i>Laufzeit des Referenzsatzes</i>	[insert relevant term] years [relevanten Zeitraum einfügen] Jahre
Margin <i>Marge</i>	[]
Reset Screen Page <i>Zinsänderungs-Homepage</i>	[]
Number of days <i>Anzahl der Tage</i>	[]
Time of the determination of the Reference Rate <i>Uhrzeit der Bestimmung des Referenzsatzes</i>	[insert relevant time] ([insert relevant financial center] time) [relevante Uhrzeit einfügen] Uhr ([relevantes Finanzzentrum einfügen] Ortszeit)

Reset Reference Banks
Zinsänderungs-Referenzbanksatz

[insert relevant number] leading swap
dealers in the [insert financial center]
interbank market [of the Euro-Zone or
the London interbank market]
[maßgebliche Anzahl einfügen] führende
Swap-Dealer im [Finanzzentrum
einfügen] Interbankenmarkt [der Euro-
Zone oder London]

Time of the determination of the Reset Reference Bank Rate
Uhrzeit der Bestimmung des Zinsänderungs-
Referenzbanksatzes

[insert relevant time] ([insert relevant
financial center] time)
[maßgebliche Uhrzeit einfügen] Uhr
([maßgebliches Finanzzentrum]
Ortszeit)

Term of the fixed leg of the fixed-for-floating interest rate swap
for determining the Swap Rate Quotation
Laufzeit des festverzinslichen Teil des fest-für-variabel
Zinsswaps für die Bestimmung der Swap-Satz-Angebotssätze

[insert number of years] years
[maßgebliche Laufzeit einfügen] Jahre

Basis of the floating leg of the fixed-for-floating interest rate
swap for determining the Swap Rate Quotation
Basis des variabel verzinslichen Teil des fest-für-variabel
Zinsswaps für die Bestimmung der Swap-Satz-Angebotssätze

[insert number of months] EURIBOR |
[insert relevant number, term and
relevant reference interest rate]
[maßgebliche Anzahl von Monaten
einfügen] EURIBOR | [maßgebliche
Zahl, Laufzeit und Bezeichnung des
relevanten Referenzzinssatzes einfügen]

- Floating Rate Notes (Option II)²⁴**
Variabel verzinsliche Schuldverschreibungen (Option II)

Interest Payment Dates
Zinszahlungstage

Interest Commencement Date []
Verzinsungsbeginn

Specified Interest Payment Dates []
Festgelegte Zinszahlungstage

Specified Interest Period(s) []
Festgelegte Zinsperiode(n) [weeks/months/other – specify]
[]
[Wochen/Monate/andere – angeben]

Determination Date [] in each year
Feststellungstermin [] in jedem Jahr

Business Day Convention
Geschäftstagskonvention

- Modified Following Business Day Convention
Modifizierte-Folgender-Geschäftstag-Konvention

²⁴ If not applicable, the following items may be deleted.
Falls nicht anwendbar, können die folgenden Angaben gelöscht werden.

FRN Convention (specify period(s)) []
 [months/other – specify]
 FRN Konvention (Zeitraum angeben) []
 [Monate/andere – angeben]

- Following Business Day Convention
 Folgender-Geschäftstag-Konvention
- Preceding Business Day Convention
 Vorangegangener-Geschäftstag-Konvention
- adjusted
 angepasst
- unadjusted
 nicht angepasst

Relevant Financial Centres []
Relevante Finanzzentren

Reference Rate
Referenzsatz

- Screen Rate Determination
 Bildschirmfeststellung
- EURIBOR
 EURIBOR

Screen Page []
 Bildschirmseite

- LIBOR
 LIBOR
- Screen Page []
 Bildschirmseite

- Notes with an Interest Rate linked to CMS
 Schuldverschreibungen mit einem Zinssatz bezogen auf den CMS
 [insert relevant number of years]-year [insert relevant currency] CMS
 [maßgebliche Anzahl von Jahren einfügen]-Jahre [maßgebliche Währung einfügen] CMS

Screen Page []
 Bildschirmseite

- Other (specify) []
 Sonstige (angeben)

Screen Page []
 Bildschirmseite

Time of the determination of the Reference Rate [insert relevant time] ([insert relevant time zone] time)
 Uhrzeit der Bestimmung des Referenzsatzes
 [maßgebliche Uhrzeit einfügen] Uhr
 ([maßgebliche Zeitzone einfügen] Ortszeit)

Fixed to Floating Rate Notes (Option III)²⁵
Fest- zu Variabel verzinsliche Schuldverschreibungen
(Option III)

Rate of Interest [] per cent. *per annum*
Zinssatz []% *per annum*

from (and including) []
to [] (but excluding)
vom (einschließlich) []
bis [] (ausschließlich)

Interest Commencement Date []
Verzinsungsbeginn

Fixed Interest Payment Date(s) []
Feste(r) Zinszahlungstag(e)

First Interest Payment Date []
Erster Zinszahlungstag

Initial Broken Amount(s) (for the Specified Denomination) []
Anfängliche(r) Bruchteilzinsbetrag(-beträge) (für die Festgelegte
Stückelung)

Variable Interest Payment Date(s) []
Variable(r) Zinszahlungstag(e)

Specified Interest Period(s) []
Festgelegte Zinsperiode(n) [weeks/months/other – specify]
[]
[Wochen/Monate/andere –
angeben]

Business Day Convention
Geschäftstagkonvention

Modified Following Business Day Convention
Modifizierte folgender Geschäftstag-Konvention

FRN Convention (specify period(s)) []
FRN Konvention (Zeitraum angeben) [months/other – specify]
[]
[Monate/andere – angeben]

Following Business Day Convention
Folgender Geschäftstag-Konvention

Preceding Business Day Convention
Vorangegangener Geschäftstag-Konvention

Business Day
Geschäftstag

Relevant financial centre(s) []
Relevante(s) Finanzzentrum(en)

²⁵ If not applicable, the following items may be deleted.
Falls nicht anwendbar, können die folgenden Angaben gelöscht werden.

- TARGET
TARGET

**Reference Rate
Referenzsatz**

- EURIBOR

EURIBOR

Interest Determination Date second TARGET Business Day [prior to commencement] [prior to end] of Interest Period
Zinsfestlegungstag zweiter TARGET Geschäftstag vor [Beginn] [Ende] der jeweiligen Zinsperiode

Screen Page
Bildschirmseite

[]

- LIBOR

LIBOR

Interest Determination Date [first] [second] [relevant financial centre(s)] Business Day [prior to commencement][prior to the end] of Interest Period
Zinsfestlegungstag [erster] [zweiter] [relevante(s)] Finanzzentrum(en) Geschäftstag [vor Beginn][vor Ende] der jeweiligen Zinsperiode

Screen Page
Bildschirmseite

[]

- Notes with an Interest Rate linked to CMS
Schuldverschreibungen mit einem Zinssatz bezogen auf den CMS

[insert relevant number of years]-year [insert relevant currency] CMS
[maßgebliche Anzahl von Jahren einfügen]-Jahre [maßgebliche Währung einfügen] CMS

Screen Page
Bildschirmseite

[]

Time of the determination of the Reference Rate
Uhrzeit der Bestimmung des Referenzsatzes

[insert relevant time] ([insert relevant time zone] time)
[maßgebliche Uhrzeit einfügen] Uhr ([maßgebliche Zeitzone einfügen] Ortszeit)

Reference Banks
Referenzbanken

[insert number] leading [banks | swap dealers] in the [Euro-Zone | insert relevant financial center] inter bank market
[Anzahl einfügen] [Großbanken | Swap-Dealer] im [relevantes Finanzzentrum einfügen | Euro-Zone] Interbankenmarkt

Time of the determination of offered quotations
Uhrzeit der Bestimmung der Angebotssätze

[insert relevant time] ([insert relevant
time zone] time)

[maßgebliche Uhrzeit einfügen] Uhr
([maßgebliche Zeitzone einfügen]
Ortszeit)

Margin
Marge

[] per cent. *per annum*
[]% *per annum*

plus
plus

minus
minus

Factor
Faktor

[]

Interest Determination Date²⁶
Zinsfestlegungstag

[relevant Financial Centre(s)] Business Day [prior to
commencement][prior to end] of Interest Period
[relevante(s) Finanzzentrum(en)] Geschäftstag [vor
Beginn][vor Ende] der jeweiligen Zinsperiode

[number]

[Anzahl]

Minimum and Maximum Rate of Interest
Mindest- und Höchstzinssatz

Minimum Rate of Interest
Mindestzinssatz

[] per cent. *per annum*
[]% *per annum*

Maximum Rate of Interest
Höchstzinssatz

[] per cent. *per annum*
[]% *per annum*

Zero Coupon Notes (Option IV)²⁷
Nullkupon-Schuldverschreibungen (Option IV)

Day Count Fraction²⁸
Zinstagequotient

Actual/Actual (ICMA Rule 251)

Determination Date(s)

Feststellungstag(e)

[insert Determination Date(s)]
in each year
[Feststellungstag(e) einfügen]
eines jeden Jahres

²⁶ Not to be specified in the case of Notes linked to EURIBOR.

Nicht im Fall von Schuldverschreibungen anzugeben, die an den EURIBOR gebunden sind.

²⁷ If not applicable, the following items may be deleted.

Falls nicht anwendbar, können die folgenden Angaben gelöscht werden.

²⁸ Complete for all Notes.

Für alle Schuldverschreibungen auszufüllen.

In the case of Fixed to Floating Rate Notes, the Day Count Fraction has to be specified for each of the fixed and the variable interest rate.

Im Fall von fest- zu variabel verzinslichen Schuldverschreibungen ist der Zinstagequotient sowohl für den festverzinslichen als auch den variabel verzinslichen Zeitraum anzugeben.

- Actual/Actual (ISDA)
- Actual/365 (Fixed)
- Actual/360
- 30/360 or 360/360 (Bond Basis)
- 30E/360 (Eurobond Basis)

PAYMENTS (§ 4)
ZAHLUNGEN (§ 4)

Payment Business Day
Zahlungstag

Relevant Financial Centre(s) (specify all) []
Relevante Finanzzentren (alle angeben)

REDEMPTION (§ 5)
RÜCKZAHLUNG (§ 5)

Final Redemption
Rückzahlung bei Endfälligkeit

Maturity Date²⁹ []
Fälligkeitstag

Redemption Month []
Rückzahlungsmonat

Final Redemption Amount
Rückzahlungsbetrag

- Principal amount
Nennbetrag
- Per Specified Denomination []
Jeweilige Festgelegte Stückelung

Early Redemption
Vorzeitige Rückzahlung

Early Redemption at the Option of the Issuer³⁰ [Yes/No]
Vorzeitige Rückzahlung nach Wahl der Emittentin [Ja/Nein]

Scope of early redemption at the option of the Issuer:
Umfang der vorzeitigen Rückzahlung nach Wahl der Emittentin:

- in whole or in part
insgesamt oder teilweise

²⁹ In the case Subordinated Notes, the period to Maturity must be at least 5 years.

Im Falle von Nachrangigen Schuldverschreibungen muss der Zeitraum bis zum Fälligkeitstag mindestens 5 Jahre betragen.

³⁰ Subordinated Notes: may only be redeemed after a minimum term of five years, unless redemption is made for taxation reasons, and redemption will be subject to replacement of the amount of Notes to be redeemed by acquiring capital of at least equivalent own funds quality and documenting this acquisition.

Nachrangige Schuldverschreibungen: dürfen erst nach Ablauf von fünf Jahren gekündigt werden, es sei denn, die Kündigung erfolgt aus Steuergründen. Die Rückzahlung darf nur dann erfolgen, wenn der Nennbetrag der so zurückgezählten Schuldverschreibungen zuvor durch die Beschaffung von Kapital zumindest gleicher Eigenmittelqualität ersetzt wurde.

<input type="checkbox"/>	in whole, but not in part <i>insgesamt, aber nicht teilweise</i>	
	Minimum Redemption Amount <i>Mindestrückzahlungsbetrag</i>	[]
	Higher Redemption Amount <i>Höherer Rückzahlungsbetrag</i>	[]
	Call Redemption Date(s) <i>Wahlrückzahlungstag(e) (Call)</i>	[]
	Redemption amount: <i>Rückzahlungsbetrag:</i>	
<input type="checkbox"/>	Call Redemption Amount(s) <i>Wahlrückzahlungsbetrag/-beträge (Call)</i>	[]
<input type="checkbox"/>	Early Redemption Amount <i>Vorzeitiger Rückzahlungsbetrag</i>	
	Minimum Notice to Noteholders ³¹ <i>Mindestkündigungsfrist</i>	[]
	Maximum Notice to Noteholders <i>Höchstkündigungsfrist</i>	[]
	Early Redemption at the Option of a Noteholder³²³³ <i>Vorzeitige Rückzahlung nach Wahl des Gläubigers</i>	[Yes/No] [Ja/Nein]
	Put Redemption Date(s) <i>Wahlrückzahlungstag(e) (Put)</i>	[]
	Put Redemption Amount(s) <i>Wahlrückzahlungsbetrag/-beträge (Put)</i>	[]
	Minimum Notice to Issuer ³⁴ <i>Mindestkündigungsfrist</i>	[] days [] Tage
	Maximum Notice to Issuer (never more than 60 days) <i>Höchstkündigungsfrist (nie mehr als 60 Tage)</i>	[] days [] Tage
	Formula for calculation of redemption amount <i>Formel zur Berechnung des Rückzahlungsbetrages</i>	[]

Early Redemption Amount³⁵
Vorzeitiger Rückzahlungsbetrag

³¹ Euroclear and Clearstream require a minimum notice period of 5 business days.

Euroclear und Clearstream verlangen eine Mindestkündigungsfrist von 5 Geschäftstagen.

³² Not to be completed for Pfandbriefe, Senior Non-Preferred Notes and Subordinated Notes.

Nicht auszufüllen für Pfandbriefe, Nicht-Nachrangige Nicht-Präferierte Schuldverschreibungen und Nachrangige Schuldverschreibungen.

³³ Subordinated Notes may only be redeemed by the holder after a term of five years.

Nachrangige Schuldverschreibungen können erst nach Ablauf von fünf Jahren durch den Gläubiger gekündigt werden.

³⁴ Euroclear and Clearstream require a minimum notice period of fifteen business days.

Euroclear und Clearstream verlangen eine Mindestkündigungsfrist von fünfzehn Geschäftstagen.

³⁵ Not to be completed for Pfandbriefe.

- **Zero Coupon Notes**
Nullkupon-Schuldverschreibungen
- Accrued interest being added
Aufgelaufene Zinsen werden addiert
- Reference Price []
Referenzpreis []
- Amortisation Yield []
Emissionsrendite []
- Issue Date []
Tag der Begebung []
- Unaccrued interest being deducted
Abzinsung
- Amortisation Yield []
Emissionsrendite []

Scope of supervision § 5 (3) and § 5 [(5)|(6)]³⁶

Umfang der Beaufsichtigung § 5 (3) und § 5 [(5)|(6)]

Regulatory Event (§ 5 (3)) relates to exclusion of own funds or reclassification as a lower quality form of own funds:

Regulatorisches Ereignis (§ 5 (3)) bezieht sich auf einen Ausschluss aus den Eigenmitteln oder ihrer Neueinstufung als Eigenmittel niederer Qualität der:

- on a consolidated basis of the BAWAG Regulatory Group
Regulatorischen BAWAG-Gruppe auf konsolidierter Basis
- on an individual basis of the Issuer
Emittentin auf individueller Basis
- on a consolidated basis of the BAWAG Regulatory Group and/or on an individual basis of the Issuer
Regulatorischen BAWAG-Gruppe auf konsolidierter Basis und/oder Emittentin auf individueller Basis

Own funds (§ 5 [(5)|(6)] (a)(ii)) relate to:

Eigenmittel (§ 5 [(5)|(6)] (a)(ii)) beziehen sich auf:

- BAWAG Regulatory Group
Regulatorische BAWAG-Gruppe
- Issuer
Emittentin

Nicht auszufüllen für Pfandbriefe.

³⁶ Only applicable in the case of Subordinated Notes.

Nur im Fall von Nachrangigen Schuldverschreibungen anzuwenden.

- BAWAG Regulatory Group and/or (as the case may be) the Issuer

Regulatorische BAWAG-Gruppe und/oder (gegebenenfalls) die Emittentin

**FISCAL AGENT [,] [AND] [PAYING AGENTS] [AND CALCULATION AGENT] (§ 6)
DIE EMISSIONSSTELLE[,] [UND] [DIE ZAHLSTELLEN] [UND DIE BERECHNUNGSSTELLE] (§ 6)**

**Fiscal Agent
Emissionsstelle**

- Citibank Europe plc³⁷
- BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft

**Paying Agent(s)
Zahlstelle(n)**

- BAWAG P.S.K.
Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft
- Other Paying Agent(s)/specified office(s) []
Andere Zahlstelle(n)/bezeichnete Geschäftsstelle(n)

**Calculation Agent
Berechnungsstelle**

Calculation Agent/specified office³⁸ []
Berechnungsstelle/bezeichnete Geschäftsstelle

Required location of Calculation Agent (specify) []
Vorgeschriebener Ort für Berechnungsstelle (angeben)

**NOTICES (§12)
MITTEILUNGEN (§12)**

**Place and medium of publication
Ort und Medium der Bekanntmachung**

- [Website of the Luxembourg Stock Exchange (www.bourse.lu)][and][Tageblatt][other newspaper]
[Webseite der Luxemburger Börse (www.bourse.lu)][und][Tageblatt][andere Tageszeitung]
- Publication in Austria [Applicable][Not Applicable]
Bekanntmachung in Österreich [Anwendbar][Nicht anwendbar]

³⁷ Citibank Europe plc, is the Fiscal Agent if the Global Note is initially to be deposited with a Clearing System other than OeKB CSD, or with a depository or common depository of any Clearing System other than OeKB CSD. BAWAG P.S.K. is the Fiscal Agent if the Global Note is initially to be deposited with OeKB CSD.

Citibank Europe plc ist die Emissionsstelle, falls die Globalurkunde anfänglich bei einem anderen Clearing System oder dessen Verwahrer oder gemeinsamen Verwahrer als der OeKB CSD eingeliefert werden soll. BAWAG P.S.K. ist die Emissionsstelle, falls die Globalurkunde anfänglich bei der OeKB CSD eingeliefert werden soll.

³⁸ Not to be completed if Fiscal Agent is to be appointed as Calculation Agent.
Nicht auszufüllen, falls Fiscal Agent als Berechnungsstelle bestellt werden soll.

[Amtsblatt zur Wiener Zeitung][other newspaper]
[Amtsblatt zur Wiener Zeitung][andere Tageszeitung]

- Clearing System
Clearing System
- Other (specify) []
sonstige (angeben)

APPLICABLE LAW³⁹ (§ 13)
ANWENDBARES RECHT (§ 13)

[German law] [Austrian law]
[Deutsches Recht]
[Österreichisches Recht]

LANGUAGE⁴⁰ (§ 14)
SPRACHE (§ 14)

- German only
ausschließlich Deutsch
- English only
ausschließlich Englisch
- English and German (English binding)
Englisch und Deutsch (englischer Text maßgeblich)
- German and English (German binding)
Deutsch und Englisch (deutscher Text maßgeblich)

³⁹ In case the Notes are governed by German law, their conditions relating to the subordination pursuant to their respective § 2 (Status) will be governed by Austrian law.

Soweit die Schuldverschreibungen deutschem Recht unterliegen, unterliegt ihre Nachrangklausel gemäß ihrem jeweiligen § 2 (Status) österreichischem Recht.

⁴⁰ It is anticipated that, subject to any stock exchange or legal requirements applicable from time to time, and unless otherwise agreed, in the case of Notes in bearer form sold and distributed on a syndicated basis, German will be the controlling language. In the case of Notes in bearer form publicly offered, in whole or in part, in the Austria, or distributed, in whole or in part, to non-professional investors in Austria, German will be the controlling language. If, in the event of such offer to the public or distribution to non-professional investors, however, English is chosen as the controlling language, a German language translation of the Conditions will be available from the principal office of the Issuer.

Es wird erwartet, dass vorbehaltlich geltender Börsen- oder anderer Bestimmungen und soweit nicht anders vereinbart, die deutsche Sprache für Inhaberschuldverschreibungen maßgeblich sein wird, die auf syndizierter Basis verkauft und vertrieben werden. Falls Inhaberschuldverschreibungen insgesamt oder teilweise öffentlich zum Verkauf in der Österreich angeboten oder an nicht berufsmäßige oder gewerbliche Investoren in der Bundesrepublik Deutschland verkauft werden, wird die deutsche Sprache maßgeblich sein. Falls bei einem solchen öffentlichen Verkaufsangebot oder Verkauf an nicht berufsmäßige oder gewerbliche Investoren die englische Sprache als maßgeblich bestimmt wird, wird eine deutschsprachige Übersetzung der Bedingungen bei der Hauptgeschäftsstelle der Emittentin erhältlich sein.

PART II – ADDITIONAL INFORMATION⁴¹
Teil II.: ZUSÄTZLICHE INFORMATIONEN

A. Essential information
Grundlegende Angaben

Interests of Natural and Legal Persons involved in the issue/offer
Interessen von Seiten natürlicher und juristischer Personen, die an der Emission/dem Angebot beteiligt sind

- So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer, except that certain Dealers and their affiliates may be customers of, and borrowers from the Issuer and its affiliates. In addition, certain Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

Nach Kenntnis der Emittentin bestehen bei den an der Emission beteiligten Personen keine Interessen, die für das Angebot bedeutsam sind, außer, dass bestimmte Platzeure und mit ihnen verbundene Unternehmen Kunden von und Kreditnehmer der Emittentin und mit ihr verbundener Unternehmen sein können. Außerdem sind bestimmte Platzeure an Investment Banking Transaktionen und/oder Commercial Banking Transaktionen mit der Emittentin beteiligt, oder könnten sich in Zukunft daran beteiligen, und könnten im gewöhnlichen Geschäftsverkehr Dienstleistungen für die Emittentin und mit ihr verbundene Unternehmen erbringen.

- Other interest (specify)
Andere Interessen (angeben)

[Specify details]
[Einzelheiten einfügen]

Reasons for the offer and use of proceeds⁴²
Gründe für das Angebot und Verwendung der Erträge

[Specify details]
[Einzelheiten einfügen]

Estimated net proceeds⁴³
Geschätzter Nettobetrag der Erträge

[]

⁴¹ There is no obligation to complete Part II of the Final Terms in its entirety in case of Notes with a Specified Denomination of at least EUR 100,000 or its equivalent in any other currency, provided that such Notes will not be listed on any regulated market within the European Economic Area. To be completed in consultation with the Issuer.

Es besteht keine Verpflichtung, Teil II der Endgültigen Bedingungen bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 100.000 oder dem Gegenwert in einer anderen Währung vollständig auszufüllen, sofern diese Schuldverschreibungen nicht an einem geregelten Markt innerhalb des Europäischen Wirtschaftsraums zum Handel zugelassen werden. In Absprache mit der Emittentin auszufüllen.

⁴² If reasons for the offer are different from general financing purposes BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft include those reasons here. Not to be completed in case of Notes with a Specified Denomination of at least EUR 100,000.

Sofern die Gründe für das Angebot nicht in allgemeinen Finanzierungszwecken der BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft bestehen, sind die Gründe hier anzugeben. Nicht auszufüllen bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 100.000.

Estimated total expenses of the issue
Geschätzte Gesamtkosten der Emission

[]

Eurosystem eligibility⁴⁴
EZB-Fähigkeit

Intended to be held in a manner which would allow
Eurosystem eligibility
Soll in EZB-fähiger Weise gehalten werden

[Yes][No][Not applicable]

[Ja][Nein][Nicht anwendbar]

[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper, and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] / [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[Ja. Es ist zu beachten, dass die Bestimmung "Ja" lediglich bedeutet, dass die Schuldverschreibungen nach Begebung bei einer der ICSDs als gemeinsamer Verwahrer hinterlegt werden sollen, und es bedeutet nicht notwendigerweise, dass die Schuldverschreibungen als geeignete Sicherheit im Sinne der Währungspolitik des Eurosystems und der taggleichen Überziehungen (intra-day credit operations) des Eurosystem entweder nach Begebung oder zu einem Zeitpunkt während ihrer Existenz anerkannt werden. Eine solche Anerkennung wird vom Urteil der EZB abhängen, dass die Eurosystemfähigkeitskriterien erfüllt werden.] / [Nein. Während die Bestimmung am Tag dieser Endgültigen Bedingungen mit "Nein" festgelegt wurde, sollten die Eurosystemfähigkeitskriterien für die Zukunft derart

⁴³ If proceeds are intended for more than one principal use will need to split up and present in order of priority.

Sofern die Erträge für verschiedene wichtige Verwendungszwecke bestimmt sind, sind diese aufzuschlüsseln und nach der Priorität der Verwendungszwecke darzustellen.

⁴⁴ Select "Yes" if the Notes are in NGN form and are to be kept in custody by an ICSD as common safekeeper. Select "No" if the Notes are in NGN form and are to be kept in custody by the common service provider as common safekeeper. Select "Not applicable" if the Notes are in CGN form.

"Ja" wählen, falls die Schuldverschreibungen in Form einer NGN begeben und von einem ICSD als common safekeeper gehalten werden sollen. "Nein" wählen, falls die Schuldverschreibungen in Form einer NGN begeben und vom common service provider als common safekeeper gehalten werden sollen. "Nicht anwendbar" wählen, falls die Schuldverschreibungen in Form einer CGN begeben werden.

geändert werden, dass die Schuldverschreibungen fähig sind diese einzuhalten. Die Schuldverschreibungen sollen dann bei einer der ICSDs als gemeinsamer Verwahrer hinterlegt werden. Es ist zu beachten, dass die Schuldverschreibungen als geeignete Sicherheit im Sinne der Währungspolitik des Eurosystems und der taggleichen Überziehungen (intra-day credit operations) des Eurosystem entweder nach Begebung oder zu einem Zeitpunkt während ihrer Existenz anerkannt werden. Eine solche Anerkennung wird vom Urteil der EZB abhängen, dass die Eurosystemfähigkeitskriterien erfüllt werden.]

Prohibition of Sales to EEA Retail Investors

Verbot des Verkaufs an EWR Kleinanleger

Prohibition of Sales to EEA Retail Investors

Verbot des Verkaufs an EWR Kleinanleger

[Applicable][Not Applicable]
[Anwendbar][Nicht anwendbar]

B. Information concerning the securities to be offered /admitted to trading

Informationen über die anzubietenden bzw. zum Handel zuzulassenden Wertpapiere

Securities Identification Numbers

Wertpapier-Kenn-Nummern

Common Code <i>Common Code</i>	[]
ISIN Code <i>ISIN Code</i>	[]
German Securities Code <i>Wertpapier-Kenn-Nummer (WKN)</i>	[]
Any other securities number <i>Sonstige Wertpapierkennnummer</i>	[]

Historic Interest Rates and further performance as well as volatility⁴⁵

Zinssätze der Vergangenheit und künftige Entwicklungen sowie ihre Volatilität

Details of historic [EURIBOR][LIBOR][[insert relevant currency][CMS]][Swap] rates and the further performance as well as their volatility can be obtained from

Reuters [EURIBOR01][LIBOR01]
[]

Einzelheiten zu vergangenen [EURIBOR][LIBOR][[relevante Währung einfügen][CMS]][Swap] Sätzen und Informationen über künftige Entwicklungen sowie ihre Volatilität können abgerufen werden unter

[Reuters][EURIBOR01][LIBOR01]
[]

Yield⁴⁶ []
Rendite

⁴⁵ Only applicable for Floating Rate Notes. Not required for Notes with a Specified Denomination of at least EUR 100,000.

Nur bei variabel verzinslichen Schuldverschreibungen anwendbar. Nicht anwendbar auf Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 100.000.

⁴⁶ Only applicable for Fixed Rate Notes.

C. Terms and conditions of the offer⁴⁷ Bedingungen und Konditionen des Angebots	[Not applicable] [Nicht anwendbar]
C.1 Conditions, offer statistics, expected timetable and action required to apply for the offer Angebotsstatistiken, erwarteter Zeitplan und erforderliche Maßnahmen für die Antragstellung	
Conditions to which the offer is subject <i>Bedingungen, denen das Angebot unterliegt</i>	[Specify details] [Einzelheiten einfügen]
Total amount of the offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer <i>Gesamtsumme der Emission/des Angebots wenn die Summe nicht feststeht, Beschreibung der Vereinbarungen und des Zeitpunkts für die Ankündigung des endgültigen Angebotsbetrags an das Publikum</i>	[Specify details] [Einzelheiten einfügen]
Time period, including any possible amendments, during which the offer will be open and description of the application process <i>Frist – einschließlich etwaiger Änderungen – während der das Angebot vorliegt und Beschreibung des Prozesses für die Umsetzung des Angebots</i>	[Specify details] [Einzelheiten einfügen]
A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants <i>Beschreibung der Möglichkeit zur Reduzierung der Zeichnungen und der Art und Weise der Erstattung des zu viel gezahlten Betrags an die Zeichner</i>	[Specify details] [Einzelheiten einfügen]
Details of the minimum and/or maximum amount of application (whether in number of notes or aggregate amount to invest) <i>Einzelheiten zum Mindest- und/oder Höchstbetrag der Zeichnung entweder in Form der Anzahl der Schuldverschreibungen oder des aggregierten zu investierenden Betrags)</i>	[Specify details] [Einzelheiten einfügen]
Method and time limits for paying up the notes and for delivery of the notes <i>Methode und Fristen für die Bedienung der Wertpapiere und ihre Lieferung</i>	[Specify details] [Einzelheiten einfügen]
Manner and date in which results of the offer are to be made public <i>Art und Weise und Termin, auf die bzw. an dem die Ergebnisse des Angebots offen zu legen sind</i>	[Specify details] [Einzelheiten einfügen]
The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised. <i>Verfahren für die Ausübung eines etwaigen Vorzugsrechts, die Marktfähigkeit der Zeichnungsrechte und die Behandlung der nicht ausgeübten Zeichnungsrechte</i>	[Specify details] [Einzelheiten einfügen]

Nur für festverzinsliche Schuldverschreibungen anwendbar.

⁴⁷ Complete with respect to an offer to the public of Notes with a Specified Denomination of less than EUR 100,000 except for the total amount, which must be specified for each issue of notes.

Bei öffentlichem Angebot von Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 100.000 auszufüllen mit Ausnahme der Gesamtsumme, die bei jeder Emission von Schuldverschreibungen angegeben werden muss.

C.2 Plan of distribution and allotment⁴⁸

Plan für die Aufteilung der Wertpapiere und deren Zuteilung

If the Offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate such tranche

[Specify details]

Erfolgt das Angebot gleichzeitig auf den Märkten zwei oder mehrerer Ländern und wurde/ wird eine bestimmte Tranche einigen dieser Märkte vorbehalten, Angabe dieser Tranche

[Einzelheiten einfügen]

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made

[Specify details]

Verfahren zur Meldung des den Zeichnern zugeteilten Betrags und Angabe, ob eine Aufnahme des Handels vor dem Meldeverfahren möglich ist

[Einzelheiten einfügen]

C.3 Pricing⁴⁹

Kursfeststellung

Expected price at which the Notes will be offered

[Not applicable] [Issue Price]

[Specify details]

Preis zu dem die Schuldverschreibungen voraussichtlich angeboten werden

[Nicht anwendbar]

[Ausgabepreis]

[Einzelheiten einfügen]

Amount of expenses and taxes charged to the subscriber / purchaser
Kosten/Steuern, die dem Zeichner/Käufer in Rechnung gestellt werden

[Not applicable][Specify details]

[Nicht anwendbar]

[Einzelheiten einfügen]

C.4 Placing and underwriting⁵⁰

Platzierung und Emission

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer or the offeror, or the placers in the various countries where the offer takes place

[]

Name und Anschrift des Koordinator/der Koordinatoren des globalen Angebots oder einzelner Teile des Angebots – sofern der Emittentin oder dem Anbieter bekannt – in den einzelnen Ländern des Angebots

Method of distribution

Vertriebsmethode

Non-syndicated
Nicht syndiziert

Syndicated
Syndiziert

Subscription Agreement

Übernahmevertrag

Date of Subscription Agreement
Datum des Übernahmevertrages

[]

⁴⁸ Complete with respect to an offer to the public of Notes with a Specified Denomination of less than EUR 100,000.
Bei öffentlichem Angebot von Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 100.000 auszufüllen.

⁴⁹ Complete with respect to an offer to the public of Notes with a Specified Denomination of less than EUR 100,000.
Bei öffentlichem Angebot von Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 100.000 auszufüllen.

⁵⁰ Complete with respect to an offer to the public of Notes with a Specified Denomination of less than EUR 100,000.
Bei öffentlichem Angebot von Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 100.000 auszufüllen.

General features of the Subscription Agreement []
Hauptmerkmale des Übernahmevertrages

Management Details including form of commitment⁵¹
Einzelheiten bezüglich des Bankenkonsortiums einschließlich der Art der Übernahme

Dealer / Management Group (specify) []
Platzeur / Bankenkonsortium (angeben)

Firm commitment []
Feste Zusage

No firm commitment / best efforts arrangements []
Ohne feste Zusage / zu den bestmöglichen Bedingungen

Commissions⁵²
Provisionen

Management/Underwriting Commission (specify) []
Management- und Übernahmeprovision (angeben)

Selling Concession (specify) []
Verkaufsprovision (angeben)

Stabilising Dealer(s)/Manager(s) [None] [Specify details]
Kursstabilisierende(r) Platzeur(e)/Manager [Keiner] [Einzelheiten einfügen]

C.5 Public Offer Jurisdictions⁵³
Jurisdiktionen für öffentliches Angebot

Public Offer Jurisdiction(s) [Not applicable]
[Specify relevant Member State(s)
– which must be jurisdiction(s)
where the Base Prospectus and
any supplements have been
passported]
Jurisdiktionen, in denen ein öffentliches Angebot stattfindet [Nicht anwendbar] [Relevante(n)
Mitgliedstaat(en) einfügen –
dieser muss eine/diese müssen
Jurisdiktion(en) sein, in die der
Prospekt und etwaige Nachträge
notifiziert wurden]

D. Listing and admission to trading [Yes/No]
Börsenzulassung und Notierungsaufnahme [Ja/Nein]

Regulated Market and Official List of the Luxembourg Stock Exchange
Regulierter Markt und amtliches Kursblatt der Luxemburger Wertpapierbörse

Official Market ("Amtlicher Handel") at the Vienna Stock Exchange
Amtlicher Handel bei der Wiener Börse AG

⁵¹ Not required for Notes with a Specified Denomination of at least EUR 100,000.
Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 100.000.

⁵² To be completed in consultation with the Issuer.
In Abstimmung mit der Emittentin auszuführen.

⁵³ Complete with respect to an offer of Notes to the public.
Bei öffentlichem Angebot von Schuldverschreibungen auszufüllen.

- Third Market ("*Dritter Markt*") at the Vienna Stock Exchange
Dritter Markt der Wiener Börse AG
- Other stock exchanges []
Andere Wertpapierbörsen

Date of admission []
Datum der Zulassung

Estimate of the total expenses related to admission to trading⁵⁴ []
Geschätzte Gesamtkosten für die Zulassung zum Handel

All regulated markets or equivalent markets on which, to the knowledge of the Issuer, notes of the same class of the notes to be offered or admitted to trading are already admitted to trading⁵⁵ []
Angabe sämtlicher regulierter oder gleichwertiger Märkte, auf denen nach Kenntnis der Emittentin Schuldverschreibungen der gleichen Wertpapierkategorie, die zum Handel angeboten oder zugelassen werden sollen, bereits zum Handel zugelassen sind

- Regulated Market of the Luxembourg Stock Exchange []
Regulierter Markt der Luxemburger Wertpapierbörse
- Regulated Market and Official List of the Luxembourg Stock Exchange
Regulierter Markt und amtliches Kursblatt der Luxemburger Wertpapierbörse
- Official Market ("*Amtlicher Handel*") at the Vienna Stock Exchange
Amtlicher Handel bei der Wiener Börse AG
- Third Market ("*Dritter Markt*") at the Vienna Stock Exchange
Dritter Markt der Wiener Börse AG
- Other stock exchanges []
Andere Wertpapierbörsen

Issue Price [] per cent.
Ausgabepreis []%

Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment [Not applicable] [Specify details]
Name und Anschrift der Institute, die aufgrund einer festen Zusage als Intermediäre im Sekundärhandel tätig sind und Liquidität mittels Geld- und Briefkursen erwirtschaften, und Beschreibung der Hauptbedingungen der Zusagevereinbarung [Nicht anwendbar]
[Einzelheiten einfügen]

⁵⁴ Not required for Notes with a Specified Denomination of less than EUR 100,000.
Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 100.000.

⁵⁵ In case of a fungible issue, need to indicate that the original notes are already admitted to trading. Not required for Notes with a Specified Denomination of at least EUR 100,000.
Im Falle einer Aufstockung, die mit einer vorangegangenen Emission fungibel ist, ist die Angabe erforderlich, dass die ursprünglichen Schuldverschreibungen bereits zum Handel zugelassen sind. Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 100.000.

E. Additional Information
Zusätzliche Informationen

Rating⁵⁶
Rating

[]

[insert relevant rating agency [Moody's Deutschland GmbH. ("**Moody's**") [Fitch Ratings Ltd. ("**Fitch**")]] and specify whether the relevant rating agency is established in the European Community and is registered or has applied for registration pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, amended by Regulation (EC) No 513/2011 of the European Parliament and of the Council of 11 March 2011, (the "**CRA Regulation**".) The European Securities and Markets Authority ("**ESMA**") publishes on its website (www.esma.europa.eu/page/List-registered-and-certified-CRAs) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

*[Name[n] der jeweiligen Ratingagentur[en] [Moody's Deutschland GmbH. ("**Moody's**") [Fitch Ratings Ltd. ("**Fitch**")]] und Einzelheiten einfügen, ob die jeweilige Ratingagentur ihren Sitz in der Europäischen Gemeinschaft hat und gemäß Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 über Ratingagenturen, geändert durch Verordnung (EU) Nr. 513/2011 des Europäischen Parlaments und des Rates vom 11. Mai 2011, (die "**Ratingagentur-Verordnung**") registriert ist oder die Registrierung beantragt hat.] Die Europäische Wertpapier und Marktaufsichtsbehörde ("**ESMA**") veröffentlicht auf ihrer Webseite (www.esma.europa.eu/page/List-registered-and-certified-CRAs) ein Verzeichnis der nach der Ratingagentur-Verordnung registrierten Ratingagenturen. Dieses Verzeichnis wird innerhalb von fünf Werktagen nach Annahme eines Beschlusses gemäß Artikel 16, 17 oder 20 der Ratingagentur-Verordnung aktualisiert. Die Europäische Kommission veröffentlicht das aktualisierte Verzeichnis im Amtsblatt der Europäischen Union innerhalb von 30 Tagen nach der Aktualisierung.*

F. Consent to use the Base Prospectus
Einwilligung zur Nutzung des Prospekts

[Not applicable][Each Dealer and/or each further financial intermediary subsequently reselling or finally placing Notes – if and to the extent this is so expressed below – is entitled to use the Base Prospectus in [the Federal Republic of Germany] [,] [and] [Luxembourg] [,] [and] [the Republic of Austria] for the subsequent resale or final placement of the relevant Notes during the offer period from [●] and until [●].] [Such consent is also subject to and given under the conditions [●].]

[Nicht anwendbar][Jeder Finanzintermediär, der Schuldverschreibungen nachfolgend weiter verkauft oder endgültig platziert, ist – wenn und soweit dies unten erklärt wird – berechtigt, den Prospekt für den späteren Weiterverkauf oder die endgültige Platzierung der Schuldverschreibungen in [der Bundesrepublik Deutschland] [,] [und] [Luxemburg] [,] [und] [der Republik Österreich] während der Angebotsfrist vom [●] bis [●] zu verwenden.] [Ferner erfolgt diese Zustimmung vorbehaltlich [●].]

[BAWAG Group AG][BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft]

(as Issuer)
(als Emittentin)]

[●]

[Issue Specific Summary]
[Emissionsspezifische Zusammenfassung]

⁵⁶ Do not complete, if the Notes are not rated on an individual basis. In case of Notes with a Specified Denomination of less than EUR 100,000, need to include a brief explanation of the meaning of the ratings if this has been previously published by the rating provider. *Nicht auszufüllen, wenn kein Einzelrating für die Schuldverschreibungen vorliegt. Bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 100.000, kurze Erläuterung der Bedeutung des Ratings wenn dieses unlängst von der Ratingagentur erstellt wurde.*

10 GENERAL DESCRIPTION OF BAWAG AS ISSUER

10.1 Information about BAWAG

10.1.1 General information

BAWAG's legal name is "BAWAG Group AG". It is registered in the Austrian Companies Register (*Firmenbuch*, the "**Companies Register**") under registration number FN 269842 b as a stock corporation formed and operated under Austrian law with unlimited duration. Its business address is Wiedner Gürtel 11, A-1100 Vienna, Austria. BAWAG is the holding company of BAWAG Group. BAWAG's Legal Entity Identifier (LEI) is 529900S9YO2JHTIIDG38.

BAWAG Group's business is primarily conducted by its operating subsidiaries, in particular by BAWAG P.S.K., with its subsidiaries easybank, start:bausparkasse Austria, Wohnbaubank, IMMO-BANK, start:bausparkasse Germany and Südwestbank.

BAWAG may be reached at its business address as well as by phone (+43 (0) 599 05) or by e-mail under office@bawaggroup.com.

10.1.2 Corporate history and development

BAWAG was first registered in the Companies Register on 16 November 2005 as Pa-Zweiundfünfzigste WTP Beteiligungsverwaltungs GmbH, a limited liability company under Austrian law. In December 2006, BAWAG was acquired by Raquert Holding B.V., a Dutch limited liability company which held 100% of the share capital until January 2007. In January 2007, Raquert Holding B.V. transferred its 100% participation in BAWAG to Promontoria Sacher Holding, B.V. ("**PSH**"). On 8 May 2007, PSH as the BAWAG's sole shareholder resolved to increase the BAWAG's share capital by € 99,965,000 to € 100,000,000. The entire capital increase was subscribed by PSH. The capital increase became effective on 17 May 2007. Since then, the share capital of BAWAG has not changed. On 14 September 2007, PSH as the BAWAG's sole shareholder resolved to change the BAWAG's name to BAWAG Holding GmbH, with the change becoming effective on 5 October 2007.

In August 2017, BAWAG was transformed into a stock corporation established under Austrian law (*Aktiengesellschaft*) for an indefinite period of time. In the course of this transformation, BAWAG's name was changed to BAWAG Group AG. Both the transformation and the name change became effective on 19 August 2017. Since 25 October 2017, BAWAG is listed on the Official Market (Amtlicher Handel) of the Vienna Stock Exchange.

10.1.3 Statutory purpose

The purpose of BAWAG according to its articles of association 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 (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; and (c) the provision of management services of any kind with respect to participations in companies and business of the BAWAG Group as well as contracts and other business relationships of the BAWAG Group with domestic and foreign contract partners.

BAWAG is entitled to enter into any transactions and to take all steps which are in connection with or appear to be directly or indirectly suitable to promote its purpose. BAWAG may establish branches and subsidiaries within Austria and abroad. BAWAG may undertake all legal transactions that could be useful in achieving or promoting the purposes of BAWAG.

BAWAG may limit the actual scope of its activities to one or several parts of its corporate purpose.

BAWAG is not entitled to engage directly in business activities that require a license pursuant to the Austrian Banking Act, the Austrian Securities Supervision Act, the Austrian Insurance Supervision Act or any other license that must be obtained prior to BAWAG's registration in the commercial register; activities reserved for Public Accountants and Tax Advisors are also excluded.

10.1.4 Statutory auditors

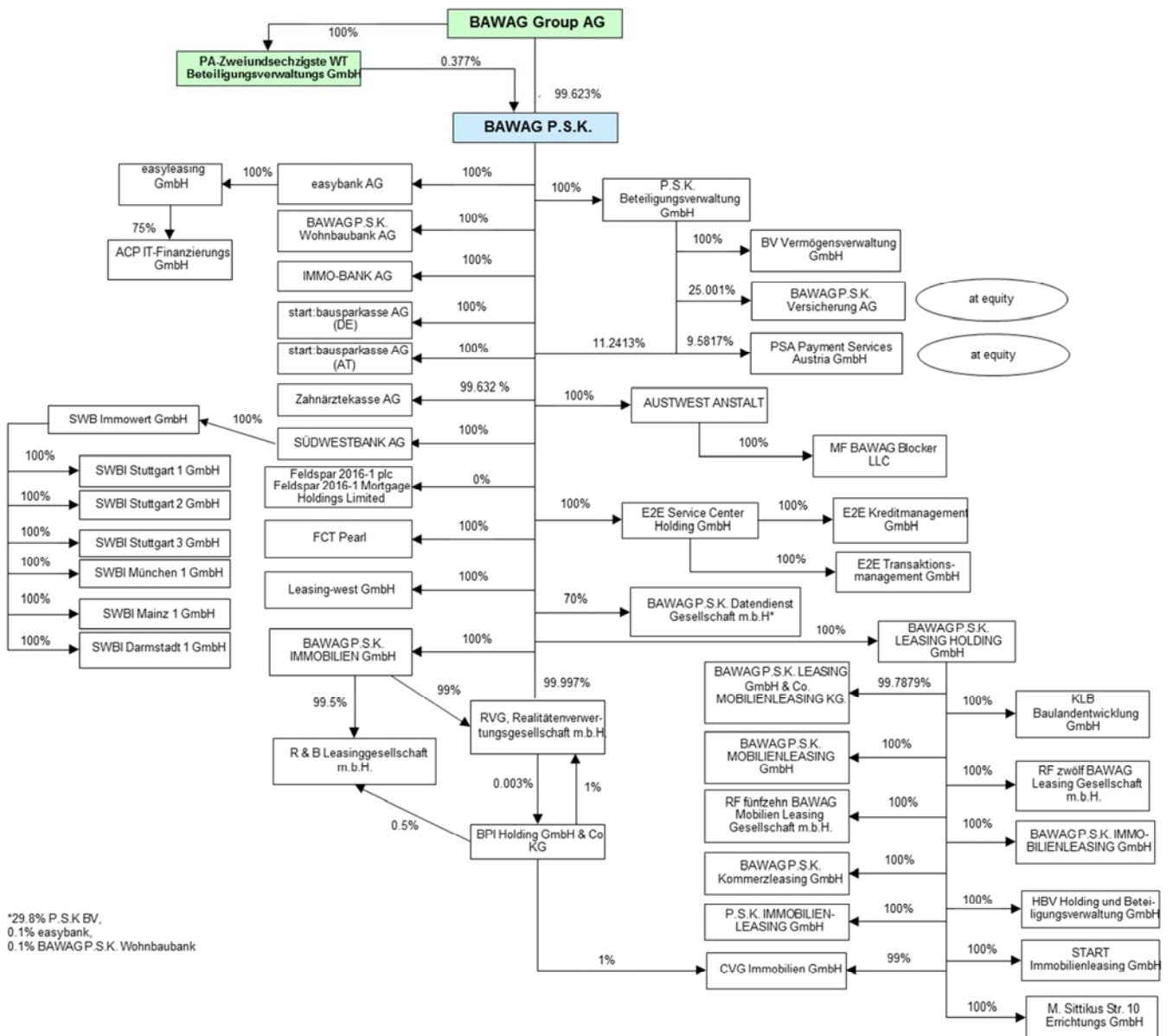
The independent auditor of BAWAG is KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Porzellangasse 51, 1090 Vienna, Austria ("KPMG"), a member of the Austrian Chamber of Auditors (*Kammer der Wirtschaftstreuhänder*). KPMG audited the German-language originals of the Audited Consolidated Annual Financial Statements as of and for the financial years ended 31 December 2018 and 2017, prepared in accordance with IFRS as adopted by the EU. In each case, KPMG issued an unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk*).

10.1.5 Any recent events particular to the Issuer that are to a material extent relevant for the evaluation of its solvency.

BAWAG is not aware of any recent events particular to BAWAG Group (i.e. occurring after the most recent published audited consolidated annual financial statements of the Issuer as of and for the financial year ended 31 December 2018) that are to a material extent relevant to the evaluation of its solvency.

10.2 Structure of BAWAG Group

The following chart provides an overview of all fully consolidated direct and indirect subsidiaries of BAWAG (unless marked as consolidated "at equity") as of the date of this Base Prospectus in accordance with the IFRS accounting framework:



Source: Company information.

The following table lists all of BAWAG's fully consolidated subsidiaries and associates accounted for using the equity method in its IFRS financial statements as of the date of this Base Prospectus:

List of consolidated subsidiaries

Banks	
BAWAG P.S.K. AG, Vienna	100.00%
BAWAG P.S.K. Wohnbaubank Aktiengesellschaft, Vienna	100.00%
easybank AG, Vienna	100.00%
IMMO-BANK Aktiengesellschaft, Vienna	100.00%
start:bausparkasse AG, Vienna	100.00%
start:bausparkasse AG, Hamburg (formerly: DEUTSCHER RING Bausparkasse AG)	100.00%
SÜDWESTBANK AG, Stuttgart	100.00%
Real estate	
BAWAG P.S.K. IMMOBILIEN GmbH, Vienna.....	100.00%
BPI Holding GmbH & Co KG., Vienna	100.00%
R & B Leasinggesellschaft m.b.H., Vienna	100.00%
RVG Realitätenverwertungsgesellschaft m.b.H., Vienna.....	100.00%
SWB Immowert GmbH, Stuttgart	100.00%
SWBI Stuttgart 1 GmbH, Stuttgart	100.00%
SWBI Stuttgart 2 GmbH, Stuttgart	100.00%
SWBI Stuttgart 3 GmbH, Stuttgart	100.00%
SWBI München 1 GmbH, Stuttgart	100.00%
SWBI Mainz 1 GmbH, Stuttgart	100.00%
SWBI Darmstadt 1 GmbH, Stuttgart	100.00%
Leasing	
ACP IT-Finanzierungs GmbH, Vienna	75.00%
BAWAG P.S.K. IMMOBILIENLEASING GmbH, Vienna	100.00%
BAWAG P.S.K. Kommerzleasing GmbH, Vienna	100.00%
BAWAG P.S.K. LEASING GmbH & Co. MOBILIENLEASING KG., Vienna	100.00%
BAWAG P.S.K. LEASING Holding GmbH, Vienna (formerly: BAWAG P.S.K. LEASING GmbH)	100.00%
BAWAG P.S.K. MOBILIENLEASING GmbH, Vienna	100.00%
CVG Immobilien GmbH, Vienna	100.00%
easyleasing GmbH, Vienna (formerly: VB Leasing Finanzierungsgesellschaft m.b.H.)	100.00%
HBV Holding und Beteiligungsverwaltung GmbH, Vienna.....	100.00%
KLB Baulandentwicklung GmbH, Vienna.....	100.00%
Leasing-west GmbH, Kiefersfelden	100.00%
P.S.K. IMMOBILIENLEASING GmbH, Vienna	100.00%
RF zwölf BAWAG Leasing Gesellschaft m.b.H., Vienna	100.00%
START Immobilienleasing GmbH, Vienna.....	100.00%
Other non credit institutions	
BAWAG P.S.K. Versicherung Aktiengesellschaft, Vienna.....	25.00% ¹⁾
BV Vermögensverwaltung GmbH, Vienna	100.00%
E2E Kreditmanagement GmbH, Vienna	100.00%
E2E Service Center Holding GmbH, Vienna.....	100.00%
E2E Transaktionsmanagement GmbH, Vienna	100.00%
FCT Pearl, Pantin	100.00%
Feldspar 2016-1 Mortgage Holding Limited, London ²⁾	0.00%
Feldspar 2016-1 PLC, London ²⁾	0.00%
M. Sittikus Str. 10 Errichtungs GmbH, Vienna	100.00%
Pa-Zweiundsechzigste WT Beteiligungsverwaltungs GmbH, Vienna.....	100.00%
PSA Payment Services Austria GmbH, Vienna	20.82% ¹⁾
Auswest Anstalt, Triesen	100.00%
BAWAG P.S.K. Datendienst Gesellschaft m.b.H, Vienna.....	100.00%
MF BAWAG Blocker LLC, Delaware.....	100.00%
P.S.K. Beteiligungsverwaltung GmbH, Vienna	100.00%
RF fünfzehn BAWAG Mobilien-Leasing Gesellschaft m.b.H., Vienna	100.00%
Zahnärztekasse AG, Wädenswil.....	100.00%

¹⁾ These subsidiaries are consolidated using the equity method.

²⁾ These entities are vehicles which BAWAG Group uses to conduct certain operations aimed at ensuring its funding and refinancing. BAWAG Group does not hold any of the shares in these entities. However, due to contractual arrangements it exercises complete control over these entities' operations. Therefore, in accordance with IFRS 10, BAWAG Group must consolidate these entities.

Source: Company information.

Dependencies from other entities within BAWAG Group

BAWAG Group is dependent on valuations of and dividends from its subsidiaries. BAWAG Group is further dependent from outsourced operations, in particular in the areas of back-office activities as well as IT.

10.3 Trend information

10.3.1 Statement of no material adverse change

There have been no material adverse changes in the prospects of BAWAG Group since 31 December 2018.

10.3.2 Recent developments and outlook

Recent acquisitions and activities of BAWAG Group

On 1 March 2019, BAWAG P.S.K. announced the successful closing of the purchase of Zahnärztekasse AG, one of the long-term established market leaders in the Swiss dental factoring market, located in Wädenswil, Switzerland.

Re-segmentation

In its meeting in December 2018, the supervisory board of BAWAG Group AG approved an adjustment of the operating business segments and steering approach of BAWAG Group AG which will also have an impact on the segment reporting. The segments "DACH Corporates & Public Sector", "International Business", the corporate business from "Südwestbank" and the MidCaps (currently in the segment "BAWAG P.S.K. Retail") will be merged into one new segment "Corporates & Public". The segments "BAWAG P.S.K. Retail", "easygroup" and the retail business of "Südwestbank" will be merged into one new segment "Retail & SME". Based on BAWAG Group's financial figures as of 31 December 2018, the profits before tax contributions of Südwestbank would be split roughly 50/50 between the new segments "Retail & SME" and "Corporates & Public". The segments "Treasury Services & Markets" and "Corporate Center" will stay unchanged. The new segmentation will become effective with January 2019 hence will be reported from the first quarter 2019 onwards. Previous year's figures will be adjusted retrospectively. In BAWAG Group's business mix, the segment "Retail & SME" would contribute 68% to profits before tax, 74% to Core Revenues, 55% to assets and 76% to funding, all based on BAWAG Group's financial figures as of 31 December 2018 and in relation to the totals for the segments "Retail & SME" and "Corporates & Public".

Proposal to repurchase and cancel own shares

On 14 March 2019, the Management Board of BAWAG Group AG decided to propose to the general meeting to pass a resolution enabling BAWAG Group AG to repurchase own shares for the purpose of cancelling such shares. The Management Board plans to exercise such resolution in a total consideration of up to €400 million. However, no actual repurchase and cancellation of own shares has been announced so far. Any actual repurchase and cancellation of own shares by BAWAG Group AG will depend on (i) competent regulatory authorities having granted their approval, (ii) the general meeting of BAWAG Group AG passing the proposed resolutions and (iii) the Management Board determining, with the approval of the Supervisory Board and within the limits of the approvals of competent regulatory authorities and the general meeting, the timing, volume and manner of such share repurchase and cancellation. Any actual repurchase and cancellation of own shares would lead to a corresponding decrease of BAWAG Group AG's (and BAWAG Regulatory Group's) CET 1 capital and, on the basis of its risk-weighted assets as of 31 December 2018, its CET 1 capital ratio.

Economic Developments

Macro trends

Economic developments continued to be solid in Austria throughout 2018. Austria's real gross domestic product growth stood at around 2.7% and Germany's at around 1.5% (sources: Austrian Institute of Economic Research, Press release, 30 January 2019; International Monetary Fund, World Economic Outlook Update, January 2019). In

Austria, growth was driven by increasing investment activity, solid growth in private consumption and a recovery in demand for Austrian exports. Corporates as well as private households continued to prove financially sound.

Market developments

The Austrian lending market saw solid loan demand by private households in 2018. The outstanding volume of loans increased in line with real estate prices. Growing investments by Austrian corporations led to increasing loan demand. The overall balance sheet of the Austrian banking sector increased driven by growth in customer assets and customer liabilities.

Outlook

Economic outlook

Based on the performance of BAWAG Group over previous years and the positive development of profits before tax (in particular driven by an increase of net interest income) in 2018, BAWAG Group continues to aim for further growth in the coming years.

The recently signed acquisitions of EOS Health Honorarmanagement AG, Zahnärztekasse AG and BFL Leasing GmbH, and the closed acquisition of start:bausparkasse AG, Hamburg, Federal Republic of Germany, will contribute to the expected growth. Moreover, BAWAG Group will invest in organic growth and pursue earnings-accretive M&A opportunities whose expected return profiles are consistent with the BAWAG Group targets.

Maintaining a strong focus on cost efficiency, BAWAG Group targets a Cost-Income Ratio of below 43% in 2019 and below 40% in 2020. Over the period 2019–2020, BAWAG Group aims to maintain its RoTE (@12% CET 1) in a range of 15% to 20% and maintain a CET 1 ratio (fully loaded) between 12% and 13%.

It should be noted that BAWAG Group's targets do not constitute forecasts or projections, and in no event BAWAG Group may be held responsible if the targets referred to herein are not met. Even if future results of BAWAG Group meet the targets expressed herein, they may not be indicative of the results of any succeeding periods.

CRD V / CRR II / BRRD II / SRM Regulation II reform package

On 23 November 2016, and following a broader review of the rules currently in place, the European Commission published a proposal to change the CRD IV (Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC), the CRR (Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012) and the BRRD (Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms) and the SRM Regulation (Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010) (the proposed amended acts "**CRD V**", "**CRR II**", "**BRRD II**" and "**SRM II**", respectively). The proposed changes include, *inter alia*, pillar 2 add-ons, liquidity requirements, a binding leverage ratio and a minimum net stable fund ratio. After negotiations between the Council of the European Union, the European Parliament and the European Commission, the Council of the European Union published compromise texts of CRD V, CRR II, BRRD II and SRM II on 14 February 2019 (ref. 6929/19). Adoption of the proposals is expected by mid-2019. BAWAG Group expects only a de minimis impact from the implementation of CRD V, CRR II and BRRD II.

MREL and capital structure

BAWAG Group expects to receive MREL requirements for BAWAG Regulatory Group in the second quarter of 2019.

In accordance with BAWAG Group's "safe and secure" strategy (see "12.3.4 Safe and secure" below) and to optimize its capital structure within the regulatory requirements, BAWAG Group intends to fill its tier 2 capital bucket up to 2% by issuing tier 2 instruments and to issue senior non-preferred instruments in a volume of approximately € 1 bn., depending on MREL requirements set for BAWAG Regulatory Group.

"Brexit"

By 29 March 2019, the United Kingdom will withdraw from the European Union, unless the withdrawal is postponed or rescinded. BAWAG P.S.K. operates a branch in the United Kingdom. According to BAWAG Group's latest information, a transitional regime may be in place for credit institutions carrying-out cross border activities in the United Kingdom. BAWAG Group is assessing the impact of "Brexit" on its business in the United Kingdom and expects that a so-called "hard Brexit", e.g., without a withdrawal agreement between the EU and the United Kingdom, would have only minor organizational impact on BAWAG P.S.K.'s branch in the United Kingdom.

10.3.3 Profit forecasts or estimates

Not applicable. This Base Prospectus does not contain profit forecasts or estimates

10.4 Administrative, management and supervisory bodies

In accordance with Austrian law, a stock corporation (*Aktiengesellschaft*), such as BAWAG, has a two-tier board structure comprising of the management board ("**Management Board**") and the supervisory board ("**Supervisory Board**"). The Management Board is responsible for the executive management and represents the company vis-à-vis third parties. The Supervisory Board is responsible for supervising the management and internal controls of the company. Members of the Management Board are appointed by the Supervisory Board. Members of the Supervisory Board are elected by the shareholders' meeting or delegated by shareholders afforded such a delegation right in the Articles of Association. Under Austrian co-determination rules, a stock corporation's works council has the right to delegate one works council representative to the Supervisory Board for every two shareholders' representatives at the Supervisory Board. The corporate bodies of the company are bound in particular by the Articles of Association, the rules of procedure for the Management Board (*Geschäftsordnung für den Vorstand*), the rules of procedure for the Supervisory Board (*Geschäftsordnung für den Aufsichtsrat*) (each as adopted by the Supervisory Board) and the Austrian Corporate Governance Code.

The following is a summary of the most important provisions of the BAWAG's corporate legal framework.

10.4.1 Members of the administrative, management and supervisory bodies of the Company

The members of BAWAG's Management Board and Supervisory Board may be contacted at BAWAG's business address at Wiedner Gürtel 11, A-1100 Vienna, Austria.

10.4.1.1 Current members of the Management Board

The following table lists the positions of the members of the Management Board of BAWAG, the year they were first appointed and the expiration of their current term:

<u>Name</u>	<u>Position</u>	<u>Year first appointed</u>	<u>End of Current Term</u>
Anas Abuzaakouk	Chief Executive Officer	2017	2021
Enver Sirucic.....	Chief Financial Officer	2017	2021
Stefan Barth.....	Chief Risk Officer	2017	2021
David O'Leary	Head of BAWAG P.S.K. Retail	2017	2021
Andrew Wise.....	Chief Investment Officer	2017	2021
Sat Shah	Chief Executive Officer easygroup	2017	2021

Source: Company information.

10.4.1.2 Current members of the Supervisory Board

The following table lists the positions of the current members of the Supervisory Board of BAWAG and in each case the year they were first appointed as members of the Supervisory Board of BAWAG and the expiration of their current term, to the extent applicable:

Name	Position	Year first appointed	End of Current Term
Pieter Korteweg	Chairperson ¹⁾	2017	n/a
Christopher Brody	First Deputy Chairperson	2017	2023
Egbert Fleischer	Second Deputy Chairperson	2017	2023
Frederick Haddad	Member ²⁾	2017	n/a
Kim Fennebresque.....	Member	2017	2023
Adam Rosmarin	Member	2017	2023
Beatrix Pröll.....	Member ³⁾	2017	n/a
Verena Spitz	Member ³⁾	2017	n/a
Ingrid Streibel-Zarfl	Member ³⁾	2017	n/a

¹⁾ Delegated by the Cerberus Shareholders (cf. "10.4.2.2 Administrative, management and supervisory bodies' potential conflicts of interest" and "10.5 Major shareholders").

²⁾ Delegated by the GoldenTree Shareholders (cf. "10.4.2.2 Administrative, management and supervisory bodies' potential conflicts of interest" and "10.5 Major shareholders").

³⁾ Works council representative.

Source: Company information.

10.4.2 Certain information on the members of the Management Board and the Supervisory Board; conflict of interest

10.4.2.1 Activities performed outside BAWAG Group

The following tables set forth the principal activities performed by the members of the Management Board and Supervisory Board of BAWAG outside BAWAG Group where these are significant with respect to BAWAG.

Members of the Management Board

Name	Name of the company	Activity performed
Enver Sirucic.....	Verband österreichischer Banken und Bankiers Einlagensicherung AUSTRIA Ges.m.b.H.	member of the management board member of the supervisory board
Stefan Barth.....	Österreichische Bankwissenschaftliche Gesellschaft	member of the management board
David O'Leary.....	Amundi Austria GmbH	member of the supervisory board

Members of the Supervisory Board

Name	Name of the company	Activity performed
Pieter Korteweg	AerCap Holdings N.V.	non-executive chairman of the board of directors
	Cerberus Global Investment Advisors LLC	vice chairman and senior advisor
	Cerberus Global Investments B.V.	chairman
Christopher Brody	Stillwater LLC	chief executive officer
	eMagin Corporation	member of the board of directors
	Caicos Resorts Limited	member of the supervisory board
	C.R. Hotel Limited	member of the supervisory board
Egbert Fleischer.....	Wiener Börse AG	member of the supervisory board
	CEESEG Aktiengesellschaft	member of the supervisory board
Frederick Haddad	ABANA	director
	GoldenTree Asset Management LP	partner, executive committee member and portfolio manager
Kim Fennebresque.....	Ally Financial Inc.	member of the board of directors
	Bluelinx Holdings	non-executive chairman of the board of directors

Name	Name of the company	Activity performed
	Albertsons Companies Inc.	member of the board of directors
	Sonus Networks, Inc.	member of the board of directors

10.4.2.2 Administrative, management and supervisory bodies' potential conflicts of interest

On the date of this Base Prospectus, the Supervisory Board of BAWAG comprises the same persons as the Supervisory board of BAWAG P.S.K. Although the participation in BAWAG P.S.K. is BAWAG's only holding, the interests of BAWAG and the interests of BAWAG P.S.K. may not always be fully aligned.

Other than set out below there are no arrangements or understandings with major shareholders of BAWAG, or with other persons, pursuant to which any member of BAWAG's Management Board or Supervisory Board was appointed a member of such corporate body.

The Risk and Credit Committee of BAWAG P.S.K. approved a mortgage loan in the amount of €750,000 to Mr. Stefan Barth and his wife on 17 November 2015 at standard employee terms and conditions; as of 31 December 2018, approximately €210.000,00 were drawn under the loan.

Mr. Pieter Korteweg, who is chairman of the Supervisory Board and the member of the Supervisory Board delegated by the Cerberus Shareholders (see "10.5 Major shareholders"), is also chairman of Cerberus Global Advisors LLC, in which role he oversees the Cerberus businesses in the Netherlands, sources transactions and provides consulting advice relating to Cerberus portfolio investments, including BAWAG Group. Furthermore, Mr. Frederick Haddad, who is the member of the Supervisory Board delegated by the GoldenTree Shareholders (see "10.5 Major shareholders"), is a partner, executive committee member and portfolio manager of GoldenTree Asset Management LP, in which role he oversees and manages certain GoldenTree portfolio investments, including BAWAG Group. The interests of BAWAG and BAWAG Group on the one hand and the interests of (i) the Cerberus Shareholders and Cerberus Global Advisors LLC and (ii) the GoldenTree Shareholders and GoldenTree Asset Management LP, respectively, on the other hand are not necessarily always aligned and may conflict in certain circumstances. It should be noted, however, that Supervisory Board members must not act in their own interests or in the interests of persons or enterprises with whom they have close relationship if those interests conflict with those of the enterprise or serves to attract businesses opportunities to such members that would otherwise have gone to the enterprise.

Except as described in this section, there are, to the best knowledge of BAWAG, no potential conflicts of interest of any members of the Management Board or the Supervisory Board.

There are no family ties between the members of the Management Board and the Supervisory Board. Except as described in this section, neither BAWAG nor any of its subsidiaries has granted a loan that is still outstanding to any members of the Supervisory Board or the Management Board.

10.5 Major shareholders

Major shareholders of BAWAG are several funds and accounts under management of the investors Cerberus (the "**Cerberus Shareholders**") and GoldenTree (the "**GoldenTree Shareholders**"), respectively holding 34.99% and 25.7%, of the BAWAG's total number of outstanding shares as at 31 December 2018 based on the most recent major shareholder notifications. The Cerberus Shareholders and the BAWAG as well as the GoldenTree Shareholders and BAWAG entered into two separate deconsolidation agreements (*Entherrschungsverträge*, each a "**Deconsolidation Agreement**"). In essence, under the Deconsolidation Agreements, the Cerberus Shareholders and the GoldenTree Shareholders undertake *vis-à-vis* BAWAG to a level of self-restraint regarding the use of their voting rights in BAWAG in order to ensure that they will not be able to carry a vote on their own in respect to the election and dismissal of supervisory board members, any vote of non-confidence (*Misstrauensvotum*) and management matters (*Geschäftsführungsmaßnahmen*) that are brought before the shareholders' meeting of BAWAG.

The following table shows BAWAG's major shareholders as at the date of this Base Prospectus:

Major Shareholders	Shareholding in %
Cerberus Shareholders	34.99*
<i>Promontoria Holding 212 B.V.</i>	12.87
<i>Promontoria Holding 213 B.V.</i>	11.05
<i>Promontoria Holding 215 B.V.</i>	11.08
GoldenTree Shareholders	25.7
<i>GoldenTree HoldCo Lux 1 S.à r.l.</i>	6.3
<i>GoldenTree HoldCo Lux 2 S.à r.l.</i>	5.6
<i>GoldenTree HoldCo Lux 3 S.à r.l.</i>	4.8
<i>GoldenTree Asset Management Dutch BV.</i>	5.8
<i>GN3 SIP LP</i>	2.6
<i>Stichting PGGM Depositary</i>	0.6

* Figure less than the sum of the attributed percentages due to rounding.

Source: This information is based on the most recent major shareholder notifications indicating a shareholding above the initial notification threshold of 4% BAWAG has published pursuant to § 135(2) of the Austrian Stock Exchange Act 2018 (*Börsegesetz 2018 – BörseG 2018*) or the relevant preceding law. According to § 130(1) sentence 1 of the Austrian Stock Exchange Act 2018, if natural persons or legal entities (irrespective of whether domestic or foreign), directly or indirectly, acquire or sell shares in a stock corporation for which Austria is the home member state and the shares of which are listed on the Official Market or the Second Regulated Market of the Vienna Stock Exchange, then these persons or entities are obliged to notify the FMA, the Vienna Stock Exchange as well as BAWAG within two trading days after the acquisition or disposal of a major shareholding, provided that the proportion of the voting rights held reaches, exceeds or falls below a threshold of 4%, 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 75% or 90%, respectively, as a consequence of the acquisition or disposal. The articles of association of a listed company can lower the reporting threshold to 3%. However, the Articles of Association of BAWAG do not provide for such reduced threshold. The notification period commences when the shareholder of a major shareholding gains, or should have gained, knowledge of the acquisition or sale. § 133 of the Austrian Stock Exchange Act 2018 sets out certain cases in which voting rights are attributed to another person or entity.

At the date of this Base Prospectus, there are no arrangements, known to BAWAG Group, the operation of which may at a subsequent date result in a change in control of BAWAG Group.

10.6 Legal and arbitration proceedings

BAWAG Group is involved in legal and administrative proceedings as part of its ordinary business activities. Such proceedings in particular include lawsuits with customers and consumer protection associations such as the Chamber of Labour and the Consumer Information Association. Similar disputes and proceedings are also likely to arise in the future.

It is impossible to reliably determine or predict the outcome of proceedings pending or threatened. Other than the proceedings described below, during a period covering the previous twelve months, no legal or administrative proceedings (including any proceedings which are pending or threatened of which BAWAG is aware) may have or have had in the recent past significant effects on BAWAG's financial position or profitability.

The following is a description of the most significant proceedings in which BAWAG Group is currently involved:

10.6.1 Litigation with the City of Linz

On 12 February 2007, BAWAG P.S.K. entered into a resettable CHF linked swap agreement with the City of Linz based on the Austrian framework agreement for derivatives transactions. The swap was based on a nominal value of CHF 195 million. This corresponded to the nominal value of a CHF bond that the City of Linz had issued. The swap had a term of ten years. While the swap originally resulted in payments from BAWAG P.S.K. to the City of Linz, after the financial market crisis in 2008 and the appreciation of the CHF against the euro, the City of Linz was required to make payments to BAWAG P.S.K.

In October 2011, the City of Linz refused to make further payments. Consequently BAWAG P.S.K. terminated the swap agreement. In November 2011, the City of Linz sued BAWAG P.S.K. asserting that the swap agreement was

void alleging that the resolutions adopted by the city council did not cover such a transaction and an approval by the Austrian province of Upper Austria (*Oberösterreich*) would have been required. The City of Linz sought payment of CHF 30.6 million (equalling approximately €24.2 million for the purposes of the court procedure) plus interest and costs. BAWAG P.S.K. rejects these claims and has filed a counter-claim seeking payment of €417.7 million plus interest and costs. For reasons of utmost precaution, this receivable has been written down to a carrying value of approximately €254 million in the financial year 2011 and is reported in the Corporate Center segment (risk-weighted assets ("**RWA**"): €254 million). BAWAG P.S.K. bases its claim on costs related to the termination of the swap transaction (€397.7 million) and an outstanding payment due under the swap transaction (€20 million). The court proceedings are still pending in the first instance. While the judge originally had assumed that the swap agreement is valid, now after having obtained an expert opinion, informed the parties that such validity cannot necessarily be assumed and requested a supplementary expert opinion. The experts submitted the supplementary opinion to the court on 29 December 2017 and the parties have provided comments thereon in writs dated 9 April 2018. Further court hearings have been scheduled for 2019, some of which have already taken place in March 2019. Appeals will be possible to the court of appeals and potentially also to the Austrian Supreme Court (*Oberster Gerichtshof*).

Were the court to hold that the swap transaction was void, BAWAG P.S.K. could be obligated to pay the claimed amount to the City of Linz in full or in part, and BAWAG P.S.K. may not be awarded, in full or in part, the payment sought and would then be required to write-down its claims further. In addition, even if the court holds that the swap transaction was valid, BAWAG P.S.K. may still not be awarded, in full or in part, the payment sought, in which case it may be required to write-down its claims further. Finally, depending on the outcome of the proceedings, BAWAG P.S.K. may be required under statutory law to bear some or all of the court and legal fees of the City of Linz.

10.6.2 Proceedings in Austrian courts relating to ALPINE

BAWAG P.S.K. was joint lead manager or co-lead manager for bonds issued by ALPINE Holding GmbH from 2010 to 2012. In July 2013, insolvency proceedings were opened regarding this corporate issuer. Several claims have been filed against the banks involved in the issuance and the distribution of ALPINE Holding GmbH's bonds, among them BAWAG P.S.K. Generally, these claims allege either erroneous investment advice or prospectus liability (or both). Following an internal assessment of the claims based on erroneous investment advice, BAWAG Group identified and consequently settled a limited number of cases that it believed were well founded. The remaining claims currently filed against BAWAG Group amount to approximately €28.2 million, which are (also) based on prospectus liability and in certain cases (amounting to an aggregate volume of €12 million in dispute) are also grounded on allegedly erroneous investment advice.

In order to assess whether the prospectus liability claims against BAWAG Group as well as other involved banks are well founded, the competent court appointed an expert in April 2015. The expert opinion has not yet been finalized. In spring 2019, numerous witnesses are expected to be heard by the court and the expert. However, there is no set date for presentation of the expert's opinion. The expert regularly updates the parties to the proceedings on her findings. Based on the information shared to date, BAWAG Group believes that there is no substantiated indication that there will be a basis for a prospectus liability claim, while the outcome of the proceedings – which are still pending in the first instance – is not conclusively predictable. Furthermore, in May 2017, the public prosecutor's office denied continuation of the prosecution and investigation against unidentified members of the lead arrangers (*Anzeige gegen Unbekannt*) for criminal wrongdoing relating to the issuance of the bonds of ALPINE Holding GmbH. Following such decision, several investors had filed a request for the continuation of the investigations. On 24 January 2018, the regional court for criminal matters of Vienna (*Landesgericht für Strafsachen Wien*) dismissed such request and the decision of the public prosecutor's office is now final. In its reasoned statement, the public prosecutor held that there was no indication that members of the lead arrangers committed any unlawful acts in connection with the issuance or the distribution of the bonds of ALPINE Holding GmbH. However, it cannot be excluded that the civil law courts may find in favour of the claimants and order BAWAG P.S.K. to pay the entire amount claimed to the bond investors.

On the other hand, BAWAG Group and other banks sued Austria to enforce guarantees which Austria had granted under the Act on the Strengthening of Company Liability (*Unternehmensliquiditätsstärkungsgesetz – "ULSG"*) with respect to certain repayment claims of these banks against the corporate group of ALPINE Holding GmbH. The ULSG was adopted after the financial crisis and allowed Austria to guarantee the repayment of loans which credit institutions granted to Austrian companies. Such guarantees were also provided for repayment claims under loans that were granted by BAWAG P.S.K. to members of ALPINE Holding GmbH's corporate group. After the insolvency of ALPINE Bau GmbH, Austria argued that the guarantees were invalid because ALPINE Bau GmbH did not fulfil the application requirements pursuant to the ULSG since ALPINE Bau GmbH was insolvent at the time when the loans were granted. The claims BAWAG Group asserts against Austria amount to approximately

€19 million. The guarantee claims are sued for by the banks in two separate legal proceedings. On 18 August 2017 BAWAG Group and the other banks obtained a favourable judgment from the court of first instance (*Handelsgericht Wien*) in the legal proceedings referred to as "ULSG II" obliging Austria to pay to BAWAG Group an amount equal to €7.5 million (plus default interest). On 26 February 2018, the court of appeals (*Oberlandesgericht Wien*) repealed the judgement and remitted the case to the court of first instance for judgement after a supplementary taking of evidence.

In the event that the court-appointed expert in the ALPINE Holding GmbH investor litigation cases concludes that the prospectus liability claims were well founded and/or that the banks knew, or should have known, about the unsound financial situation of ALPINE Holding GmbH's corporate group, this may also negatively impact the cases against Austria, which could force BAWAG Group to write-off the repayment claim of approximately €19 million. However, the competent court in the proceedings against Austria also appointed an expert, who has to analyse, whether ALPINE Holding GmbH fulfilled the relevant guarantee application requirements.

Save as disclosed in this section and section "10.6 Legal and arbitration proceedings" and based on BAWAG Group's current assessment of the facts and legal implication, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months prior to the date of this Base Prospectus, which may have, or have had in the recent past, significant effects on the financial position or profitability of BAWAG Group.

10.7 Significant change in the financial position of BAWAG Group

No significant change in the financial position of BAWAG Group has occurred since 31 December 2018.

10.8 Material contracts

In the ordinary course of its business, members of BAWAG Group enter into a variety of contracts with various other entities. Within the past two years, BAWAG Group has not, however, entered into any material contracts outside the ordinary course of its business which could result in any group member being under an obligation or entitlement that has a material adverse impact on the Issuer's ability to meet its obligations under the Notes.

10.9 Ratings

BAWAG is currently not rated. For the ratings of BAWAG's main operating subsidiary BAWAG P.S.K., see "11.9 Ratings" below.

11 GENERAL DESCRIPTION OF BAWAG P.S.K. AS ISSUER

11.1 Information about BAWAG P.S.K.

11.1.1 General information

BAWAG P.S.K.'s legal name is "BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft". It is registered in the Austrian Companies Register (*Firmenbuch*, the "**Companies Register**") under registration number FN 205340 x as a stock corporation formed and operated under Austrian law with unlimited duration.. Its head office is at Wiedner Gürtel 11, A-1100 Vienna, Austria (Tel. +43 (0) 599 05). BAWAG P.S.K.'s Legal Entity Identifier (LEI) is 529900ICA8XQYGIKR372.

BAWAG P.S.K. and its affiliates and subsidiaries are one of the leading full-service banking groups in Austria. BAWAG P.S.K. offers a full range of banking services with an emphasis on the retail business. It maintains current accounts, holds savings deposits, distributes investment, leasing and building society products, grants loans to individuals, corporations and federal and local authorities, operates an e-banking system for private and corporate customers, and issues letters of credit and guarantees. It also provides money transfer and foreign exchange services. BAWAG P.S.K. is also active in money and capital markets. It offers investment management and advisory services and acts as a broker for different exchanges and OTC-markets.

11.1.2 Corporate history and development

11.1.2.1 History of BAWAG

Bank für Arbeit und Wirtschaft Aktiengesellschaft was founded in 1922 by Dr. Karl Renner, State Chancellor of the First Republic and Federal President of the Second Republic of Austria, as the trade unions' bank. Liquidated in 1934 for political reasons, Bank für Arbeit und Wirtschaft Aktiengesellschaft was refounded in 1947 as Arbeiterbank and in 1963 renamed to Bank für Arbeit und Wirtschaft Aktiengesellschaft.

11.1.2.2 Acquisition of P.S.K.

Österreichische Postsparkasse Aktiengesellschaft ("**P.S.K.**") was founded on 12 January 1883 as "k.k. Postsparkassen-Amt". It was formerly the "Staatssparkasse" (state savings bank) in the Austrian territory of the Austro-Hungarian Empire and is one of the world's oldest post office savings institutions. In 1997 the public law institution, Österreichische Postsparkasse, was transformed into a joint stock company and the decision was made to privatize it. On 16 August 2000 the state holding company of P.S.K. agreed to sell the majority of the shares of P.S.K. to Bank für Arbeit und Wirtschaft Aktiengesellschaft. The acquisition became effective on 1 December 2000.

11.1.2.3 Merger of BAWAG and P.S.K.

BAWAG P.S.K. came into existence on 1 October 2005 following the merger of Bank für Arbeit und Wirtschaft Aktiengesellschaft, Österreichische Postsparkasse Aktiengesellschaft and Kapital & Wert Bank ("**K&W**").

By way of a spin-off Bank für Arbeit und Wirtschaft Aktiengesellschaft (registered under the number FN 107053 g) has transferred its entire banking business to the group company K&W (registered under the number FN 205340 x). P.S.K. (registered under the number FN 158442 d), until then an affiliate of Bank für Arbeit und Wirtschaft Aktiengesellschaft, was merged into the same group company (registered under the number FN 205340 x). By this measure the banking business of Bank für Arbeit und Wirtschaft Aktiengesellschaft and P.S.K. were consolidated. K&W was then renamed as BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft (BAWAG P.S.K.) and registered in the Companies Register under number FN 205340 x. BAWAG P.S.K. became the operational arm of the banking group. The "old" Bank für Arbeit und Wirtschaft Aktiengesellschaft itself was renamed to Anteilsverwaltung BAWAG P.S.K. Aktiengesellschaft ("**AVB**") in October 2005 and became the sole shareholder of BAWAG P.S.K. In July 2007, AVB was renamed to AVB Holding GmbH.

Pursuant to part 1, § 1 (2) Austrian Postal Savings Banking Act (*Postsparkassengesetz*) which remains in full force and effect, the Republic assumed the liability for all debts of P.S.K. as guarantor (*Bürge*; §§ 1346, 1355 Austrian Civil Code). This liability was terminated as of 31 December 2000, but continues to exist for pre-existing liabilities.

11.1.2.4 *Change of shareholding in BAWAG P.S.K.*

On 14 December 2006, the competent bodies of the ÖGB, resolved that AVB shall sell its entire shareholding in BAWAG P.S.K. to a group organized by certain affiliates of Cerberus which also includes Österreichische Post Aktiengesellschaft, the Austrian arm of insurance company Generali (Generali Holding Aktiengesellschaft), a subsidiary of the mortgage lender Wüstenrot (Wüstenrot Verwaltungs- und Dienstleistungen GmbH) and a group of Austrian industrialists. The transaction was closed on 15 May 2007. In 2013 BAWAG P.S.K.'s ownership structure was modified as to comprise the holding and (indirect) shareholder structure as described under "11.2 Structure of BAWAG P.S.K. Group" and "11.5 Major shareholders" below.

11.1.2.5 *Transformation and listing of BAWAG P.S.K.'s financial holding company*

In August 2017, the BAWAG Holding GmbH as 100% (direct and indirect) shareholder of BAWAG P.S.K., was transformed from a limited liability company established under Austrian law into a stock corporation established under Austrian law (*Aktiengesellschaft*) for an indefinite period of time. In the course of this transformation, the name BAWAG Holding GmbH was changed to BAWAG Group AG. Both the transformation and the name change became effective on 19 August 2017. Since 25 October 2017, BAWAG Group AG is listed on the Vienna Stock Exchange.

11.1.3 **Statutory purpose of the Issuer**

According to its Articles of Association the statutory purpose of the Issuer is to carry out banking transactions of the kind set out in § 1 (1) BWG, including but not limited to transactions relating to deposits, current accounts, lending, discounting, custody, futures and options, securities, guarantees, securities underwriting, miscellaneous securities underwriting, third-party securities underwriting, capital financing, factoring, brokering and e-money business.

11.1.4 **Statutory auditors**

The independent auditor of BAWAG P.S.K. is KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Porzellangasse 51, 1090 Vienna, Austria ("**KPMG**"), a member of the Austrian Chamber of Auditors (*Kammer der Wirtschaftstrehänder*). KPMG audited the German-language originals of the Audited Consolidated Annual Financial Statements as of and for the financial years ended 31 December 2018 and 2017, prepared in accordance with IFRS as adopted by the EU. In each case, KPMG issued an unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk*).

11.1.5 **Any recent events particular to the Issuer that are to a material extent relevant for the evaluation of its solvency.**

BAWAG P.S.K. is not aware of any recent events particular to BAWAG P.S.K. Group (i.e. occurring after the most recent published audited consolidated annual financial statements of the Issuer as of and for the financial year ended 31 December 2018) that are to a material extent relevant to the evaluation of its solvency.

11.2 **Structure of BAWAG P.S.K. Group**

BAWAG P.S.K. is part of BAWAG Group. For a description of the structure of BAWAG Group and BAWAG P.S.K.'s position within the group, including a description of BAWAG P.S.K. Group see "10.2 Structure of BAWAG Group" above.

11.3 **Trend information**

11.3.1 **Statement of no material adverse change**

There have been no material adverse changes in the prospects of BAWAG P.S.K. Group since 31 December 2018.

11.3.2 **Recent developments and outlook**

For a description of recent developments and outlook of BAWAG P.S.K. and BAWAG P.S.K. Group see the description for BAWAG Group under "10.3.2 Recent developments and outlook" above.

11.3.3 Profit forecasts or estimates

Not applicable. This Base Prospectus does not contain profit forecasts or estimates.

11.4 Administrative, management and supervisory bodies

For a general description of BAWAG P.S.K.'s two-tier board structure see "10.4 Administrative, management and supervisory bodies" above. The following is a summary of the most important provisions of the BAWAG P.S.K.'s corporate legal framework.

11.4.1 Members of the administrative, management and supervisory bodies of the Company

The members of the Management Board and Supervisory Board may be contacted at BAWAG's business address at Wiedner Gürtel 11, A-1100 Vienna, Austria.

11.4.1.1 Current members of the Management Board

The following table lists the positions of the members of the Management Board of BAWAG, the year they were first appointed and the expiration of their current term:

<u>Name</u>	<u>Position</u>	<u>Year first appointed</u>	<u>End of Current Term</u>
Anas Abuzaakouk	Chief Executive Officer	2014	2021
Enver Sirucic.....	Chief Financial Officer	2017	2021
Stefan Barth.....	Chief Risk Officer	2015	2021
David O'Leary	BAWAG P.S.K. Retail	2017	2021
Andrew Wise.....	Chief Investment Officer	2017	2021
Sat Shah	Chief Executive Officer easygroup	2015	2021

Source: Company information.

11.4.1.2 Current members of the Supervisory Board

The following table lists the positions of the current members of the Supervisory Board of BAWAG P.S.K. and in each case the year they were first appointed as members of the Supervisory Board of BAWAG P.S.K. and the expiration of their current term, to the extent applicable:

<u>Name</u>	<u>Position</u>	<u>Year first appointed</u>	<u>End of Current Term</u>
Pieter Korteweg	Chairperson	2017	2023
Christopher Brody	First Deputy Chairperson	2017	2023
Egbert Fleischer.....	Second Deputy Chairperson	2017	2023
Frederick Haddad	Member	2013	2023
Kim Fennebresque.....	Member	2017	2023
Adam Rosmarin	Member	2017	2023
Beatrix Pröll.....	Member ¹⁾	2005	n/a
Verena Spitz	Member ¹⁾	2016	n/a
Ingrid Streibel-Zarfl	Member ¹⁾	2005	n/a

¹⁾ Works council representative.

Source: Company information.

11.4.2 Certain Information on the Members of the Management Board and the Supervisory Board; Conflict of Interest

11.4.2.1 Activities performed outside BAWAG Group

For activities of the members of BAWAG P.S.K.'s Management Board and Supervisory Board, see "10.4.2.1 Activities performed outside BAWAG Group" above.

11.4.2.2 Administrative, management and supervisory bodies' potential conflicts of interest

On the date of this Base Prospectus, the Supervisory Board of BAWAG P.S.K. comprises the same persons as the Supervisory board of BAWAG. Although the participation in BAWAG P.S.K. is BAWAG's only holding, the interests of BAWAG and the interests of BAWAG P.S.K. may not always be fully aligned.

Other than set out below there are no arrangements or understandings with major shareholders of BAWAG P.S.K., or with other persons, pursuant to which any member of BAWAG P.S.K.'s Management Board or Supervisory Board was appointed a member of such corporate body.

The Risk and Credit Committee of BAWAG P.S.K. approved a mortgage loan in the amount of € 750,000 to Mr. Stefan Barth and his wife on 17 November 2015 at standard employee terms and conditions; as of 31 December 2018, approximately €210.000,00 were drawn under the loan.

Mr. Pieter Korteweg, who is chairman of the Supervisory Board is also chairman of Cerberus Global Advisors LLC, in which role he oversees the Cerberus businesses in the Netherlands, sources transactions and provides consulting advice relating to Cerberus portfolio investments, including BAWAG Group. Furthermore, Mr. Frederick Haddad is a partner, executive committee member and portfolio manager of GoldenTree Asset Management LP, in which role he oversees and manages certain GoldenTree portfolio investments, including BAWAG P.S.K. Group. The interests of BAWAG P.S.K. and BAWAG P.S.K. Group on the one hand and the interests of (i) the Cerberus Shareholders and Cerberus Global Advisors LLC and (ii) the GoldenTree Shareholders and GoldenTree Asset Management LP, respectively, on the other hand are not necessarily always aligned and may conflict in certain circumstances. It should be noted, however, that Supervisory Board members must not act in their own interests or in the interests of persons or enterprises with whom they have close relationship if those interests conflict with those of the enterprise or serves to attract businesses opportunities to such members that would otherwise have gone to the enterprise.

Except as described in this section, there are, to the best knowledge of BAWAG P.S.K., no potential conflicts of interest of any members of the Management Board or the Supervisory Board.

There are no family ties between the members of the Management Board and the Supervisory Board of BAWAG P.S.K. Except as described in this section, neither BAWAG P.S.K. nor any of its subsidiaries has granted a loan that is still outstanding to any members of the Supervisory Board or the Management Board of BAWAG P.S.K.

11.5 Major shareholders

All of the shares in BAWAG P.S.K. are directly or indirectly held by BAWAG Group AG (approximately 99.6% directly and approximately 0.4% via BAWAG Group AG's wholly-owned subsidiary Pa-Zweiundsechzigste WT Beteiligungsverwaltungs GmbH).

11.6 Legal and arbitration proceedings

For a description of legal and arbitration proceedings relating to BAWAG P.S.K. see the description of such proceedings for BAWAG Group under "10.6 Legal and arbitration proceedings" above.

11.7 Significant change in the financial position of BAWAG Group

No significant change in the financial position of BAWAG P.S.K. Group has occurred since 31 December 2018.

11.8 Material contracts

For a description of material contracts of BAWAG P.S.K. Group see "10.8 Material contracts" above.

11.9 Ratings

11.9.1 Report of Moody's Deutschland GmbH

The text of Moody's Deutschland GmbH ("**Moody's**")⁵⁷ credit report dated 21 January 2019 reads as follows (only the relevant parts are reproduced here):

"Ratings"⁵⁸

Category	Moody's Rating
Outlook	Stable ⁵⁹
Baseline Credit Assessment	baa1 ⁶⁰
Issuer Rating	A2 ⁶¹
Senior Unsecured	A2 ⁶²
Senior Subordinate – Dom Curr	Baa2 ⁶³
ST Issuer Rating	P-1 ⁶⁴

⁵⁷ Moody's Deutschland GmbH ("**Moody's**") is a credit rating agency with establishments in the European Union and registered pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"). The European Securities and Markets Authority ("**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.

⁵⁸ 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.

⁵⁹ According to the definitions published by Moody 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." The "(m)" modifier indicates that "the issuer has multiple ratings with differing outlooks". See https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

⁶⁰ According to the definitions published by Moody 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 through caa. 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.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

⁶¹ According to the definitions published by Moody 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.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

⁶² Cf. note 61 above.

⁶³ According to the definitions published by Moody 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.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

⁶⁴ According to the definitions published by Moody Investors Services Inc. on its website "Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations." See https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004

11.9.2 Report of Fitch Ratings Ltd.

The rating of Fitch Ratings Ltd. ("**Fitch**")⁶⁵ dated 6 February 2019 reads as follows (only the relevant parts are reproduced here):

"Ratings"⁶⁶

Category	Fitch Rating
Long-term Issuer Default Rating	A- ⁶⁷
Outlook	Stable
Short-term Issuer Default Rating	F1 ⁶⁸
Viability Rating	a- ⁶⁹
Senior Subordinate Rating	BBB+ ⁷⁰

⁶⁵ Fitch Ratings Ltd ("**Fitch**") is a credit rating agency with establishments in the European Union and registered pursuant to the CRA Regulation. ESMA publishes on its website (www.esma.europa.eu) a list of credit rating agencies registered in accordance with the CRA Regulation, which includes Fitch.

⁶⁶ 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.

⁶⁷ According to the definitions published by Fitch Ratings Ltd on its website, issuer default ratings of "A" from Fitch "denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. The modifiers '+' or '-' may be appended to a rating to denote relative status within major rating categories." See Fitch's rating definitions available at: <https://www.fitchratings.com/site/definitions>.

⁶⁸ According to the definitions published by Fitch Ratings Ltd on its website, a short-term issuer default credit rating of "F1" from Fitch indicates "the strongest intrinsic capacity for timely payment of financial commitments". See Fitch's rating definitions available at: <https://www.fitchratings.com/site/definitions>. See Fitch's rating definitions available at <https://www.fitchratings.com/site/definitions>.

⁶⁹ According to the definitions published by Fitch Ratings Ltd on its website, a viability rating of "a" indicates "high fundamental credit quality". Such rating denotes "strong prospects for ongoing viability. Fundamental characteristics are strong and stable, such that it is unlikely that the bank would have to rely on extraordinary support to avoid default. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. The modifiers '+' or '-' may be applied to a rating to denote relative status within categories." See Fitch's rating definitions available at: <https://www.fitchratings.com/site/definitions>.

⁷⁰ According to the definitions published by Fitch Ratings Ltd on its website, a rating of "BBB" for corporate finance obligations indicates "that expectations of credit risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. The modifiers '+' or '-' may be applied to a rating to denote relative status within categories." See Fitch's rating definitions available at: <https://www.fitchratings.com/site/definitions>.

12 BUSINESS OVERVIEW OF BAWAG GROUP

12.1 Principle areas of activity

BAWAG Group is one of Austria's largest banks, serving over 2.5 million customers. BAWAG Group offers a wide range of banking products and services, from retail banking to corporate lending and direct banking, and distributes a range of insurance, investment and other financial products offered by its third-party partners.

12.2 Bank transformation

In 2012, BAWAG Group began executing a transformational initiative to improve and restructure its operations that would improve its financial strength and efficiency and profitability metrics. The key pillars of the transformation included (1) re-focusing on core geographic markets and products, (2) driving cost efficiency through disciplined cost management and simplified processes, (3) deleveraging the balance sheet to increase capital and liquidity and (4) rebuilding the capital base by redeeming all non-sustainable capital instruments.

The following table shows an overview of BAWAG Group's successful transformation by certain key financial metrics as of and for the financial years 2012 to 2018 (unaudited, unless otherwise indicated):

	2012	2013	2014	2015	2016	2017		2018	
	BAWAG P.S.K.*)					BAWAG	BAWAG P.S.K.	BAWAG	BAWAG P.S.K.
Profit before tax (in € million)	23	191	316	419 ¹⁾	461 ^{1), 2)}	500 ^{1), 6)}	495 ^{1), 6)}	573 ¹⁾	593 ¹⁾
Net Profit (in € million)	42	199	315	394 ¹⁾	473 ^{1), 2)}	449 ^{1), 6)}	459 ^{1), 6)}	437 ¹⁾	431 ¹⁾
RoE (@12% CET 1)	1.2%	6.6%	12.0%	14.4%	16.5%	15.1% ⁶⁾	16.5% ⁶⁾	14.3%	14.7%
RoTE (@12% CET 1)	1.4%	7.7%	14.0%	16.3%	18.9% ³⁾	17.6% ⁶⁾	17.6% ⁶⁾	17.1%	15.8%
Net Interest Margin	1.61%	1.65%	2.14%	2.35%	2.32%	2.24% ⁶⁾	2.32% ⁶⁾	2.21%	2.25%
Risk cost ratio	0.77%	0.36%	0.32%	0.17%	0.15%	0.17% ⁶⁾	0.37% ⁶⁾	0.12%	0.12%
Cost-Income Ratio	70%	68%	54%	48%	45% ²⁾	47.2% ^{4), 6)}	41.9% ⁶⁾	44.2%	42.5%
CET 1 ratio (fully loaded)	6.2%	9.4%	12.2%	12.3%	13.6% ^{1), 3)}	13.5% ^{1), 6)}	12.6% ^{1), 6)}	14.5% ¹⁾	12.2%
Leverage ratio (fully loaded)	3.1%	4.1%	5.7%	6.5%	6.5%	6.2% ⁶⁾	6.2% ⁶⁾	7.1%	7.1%
Balance Sheet Leverage	19.4x	16.4x	13.3x	12.1x	12.7x	12.8x ⁶⁾	14.0x ⁶⁾	12.1x	13.6x
NPL ratio	3.5% ⁵⁾	2.5% ⁵⁾	2.0% ⁵⁾	1.9% ⁵⁾	1.7% ⁵⁾	1.8% ⁶⁾	1.8% ⁶⁾	1.7%	1.7%
Assets (in € billion)	41.5	36.6	34.9	35.7 ¹⁾	39.8 ¹⁾	46.1 ^{1), 6)}	45.8 ^{1), 6)}	44.7 ¹⁾	44.4 ¹⁾
IFRS Equity (in € billion)	2.1	2.2	2.6	3.0 ¹⁾	3.1 ¹⁾	3.6 ^{1), 6)}	3.3 ^{1), 6)}	3.7 ¹⁾	3.3 ¹⁾
Tangible Equity (in € billion)	1.7	1.8	2.3	2.6	2.7	3.1 ⁶⁾	3.1 ⁶⁾	3.2	3.0
CET 1 capital (fully loaded, in € billion)	1.3	1.5	2.1	2.1	2.6 ¹⁾	2.9 ^{1), 6)}	2.7 ⁶⁾	3.0 ¹⁾	2.5

* For the years 2012 – 2016, the figures relate to BAWAG P.S.K. Group.

¹⁾ Audited.

²⁾ 2016 figures were adjusted from the figures originally reported due to the finalisation of the preliminary purchase price allocation according to IFRS 3.45 from the acquisition of start:bausparkasse Austria and IMMO-BANK.

³⁾ Number has been adjusted from the number originally reported by BAWAG Group due to an on-site inspection on behalf of the ECB in early 2017 which had identified incorrect application of certain regulatory provisions in relation to two residential mortgage loan portfolios resulting in a retrospective increase of the associated risk-weighted assets.

⁴⁾ In 2017, BAWAG Group initiated a LTIP for members of the Management Board and the senior leadership team. The performance-vested part (75%) was recognized in 2017. This recognition is included in the calculation of the cost-income ratio.

⁵⁾ Number has been adjusted from the number originally reported by BAWAG P.S.K. due to the adjustment of the definition of the NPL ratio in 2017.

⁶⁾ Numbers have been adjusted from the numbers originally reported by BAWAG Group.

⁷⁾ Numbers have been adjusted from the numbers originally reported by BAWAG P.S.K. Group.

Source: BAWAG Group's Financial Statements and Company information.

The increase in BAWAG Group's CET ratio (fully loaded) from 6.2% in 2012 to 13.6% in 2016 was mainly driven by the redemption of non-sustainable capital (€ 1.5 billion), organic capital accretion (€ 1.1 billion) and the reduction of risk-weighted assets.

12.3 Strategy

Building on the success of the transformational initiative introduced in 2012, BAWAG Group's strategy is centered around the following core strategic pillars: (1) Organic and inorganic growth in its core developed markets; (2) Making customers' lives easier by offering simple, transparent and easy-to-understand retail and corporate products; (3) Drive efficiency through a disciplined cost management approach and continued investments in technology; and (4) Safety and security by maintaining a low-risk, low-leverage and well-capitalized balance sheet.

12.3.1 Organic and inorganic growth in core markets

BAWAG Group's focus is growth in its home country of Austria and more broadly the DACH region (i.e. Germany, Austria and Switzerland), both organically and inorganically via acquisitions. It aims to grow its market share in core products in Austria, establish a meaningful presence in Germany and build a best-in-class customer franchise throughout the DACH region.

This strategy has the following key elements:

- *Capitalising on long-standing customer relationships in Austria.* BAWAG Group's strategy for Austria is based on several key pillars, including integrated branch and digital platforms, an efficient customer-focused organisation and its direct banking subsidiary easybank. BAWAG Group's branch network, particularly in key urban growth areas of Austria, tailors advisory services to customers seeking financial planning and product advice. Its long-standing customer relationships in Austria are important platforms for its cross-selling activities and for attracting new customers. In addition, BAWAG Group plans to further consolidate its organisational structure in order to continue to improve its customer service across Austria. In order to target the growing number of potential customers who do not require full access to the services provided in its branches, BAWAG Group relies on its direct banking subsidiary, easybank, which attracts a customer base which is largely complementary to the customer base of its BAWAG P.S.K. retail segment.
- *Expanding into Western European Markets, with a primary focus on the DACH region.* Furthermore, BAWAG Group intends to use easybank as the platform to drive cross-border retail expansion into Western European markets, with a primary focus on the DACH region. The DACH region benefits from a common culture and language, with a stable legal system and credit environment. The region traditionally has low levels of consumer indebtedness, home ownership and digital penetration.
- *Growth opportunities in the international corporate and real estate financing business.* BAWAG Group's DACH retail and corporate lending business is complemented by its international corporate lending and international real estate financing business in Western Europe and the United States, which BAWAG Group aims to grow further. This strategy provides BAWAG Group with an avenue for earnings diversification and growth opportunities without the risks that could arise from expansion into countries lacking stable geopolitical and macroeconomic fundamentals.
- *Attractive opportunities for growing inorganically in the DACH region.* BAWAG Group believes that there are attractive opportunities to grow inorganically in the DACH region. Currently, the DACH region has a highly fragmented banking landscape with a high share of savings and cooperative banks. BAWAG Group believes that the low profitability of DACH retail banks can be best addressed with technological investments, fixing structural cost imbalances and implementing a focused business strategy. This strategy is evidenced by BAWAG Group's strong track record of acquisitions in the DACH region: In 2018, BAWAG P.S.K. signed definitive agreements to acquire Germany-based dental factoring businesses EOS Health Honorarmanagement AG and Switzerland-based Zahnärztekasse AG as well as to acquire Germany-based financial leasing provider BFL Leasing GmbH. Also in 2018, BAWAG P.S.K. closed the acquisition of Deutscher Ring Bausparkasse AG (now renamed to start:bausparkasse AG). The acquisition of Germany-based Südwestbank AG was closed in 2017. Important past acquisitions in the Austrian market are the acquisitions of PayLife by easybank AG, start:bausparkasse AG, IMMO-BANK Aktiengesellschaft and VB Leasing Finanzierungsgesellschaft mbH by BAWAG P.S.K. BAWAG Group believes that its track record in improving cost efficiency through business simplification and investment in technology makes it well positioned to make synergistic bank acquisitions in the DACH region.
- *M&A deal pipeline.* BAWAG Group is continuously evaluating its M&A deal pipeline. The strategic rationales for acquisition opportunities in its current deal pipeline include: (i) Acquire new sales channels for retail, small and medium sized enterprises and corporates across the DACH region but also grow international retail businesses in select markets. (ii) Consistent with its focus on technology and the easybank expansion, BAWAG Group is looking into acquisition opportunities which would enable it to scale its digital / direct

banking franchise and grow its customer base while ensuring disciplined pricing and profitable product penetration.

12.3.2 Making customers' lives easier

BAWAG Group is dedicated to offering customers the best, most convenient experience when conducting their banking through its digital and physical channels. Its digital initiatives aim at increasing convenience and satisfaction for its customers, including by providing clear, transparent and easy to understand banking products and services on a 24/7 basis. The strategy has the following key elements:

- *Focus on product simplicity.* BAWAG Group focuses on product simplicity and consistency of offerings, by providing clear, fair and transparent banking products and services across all of its distribution channels. This is assisted by big data and predictive analytics systems which enable BAWAG Group to personalise and customise product offerings. BAWAG Group continues to strengthen its partnerships and build new ones mainly in the digital area to continue to develop its retail franchise and enhance customer connectivity and its product offerings and services.
- *Focus on digital offerings.* BAWAG Group aims to be a leader in digital offerings to its customers, enhancing its customers' experience with new e-banking and mobile features. Its new security application and one-touch security functions are designed to enable its customers to purchase products or perform transactions anytime and anywhere, safely and securely. BAWAG Group is targeting active online customers, who it believes to be more engaged and profitable than purely offline customers.
- *Improvement of customer experience.* BAWAG Group has improved and streamlined its customer experience in the onboarding process, by partnering to acquire new technologies. BAWAG Group invests in all its distribution channels to offer its customers attractive savings, lending, leasing, insurance, building society and investment products and services wherever and whenever they want. In order to ensure that all of its customers benefit from its improving product offering, BAWAG Group offers upgrades to products previously offered by BAWAG Group. BAWAG Group continues to provide a range of products for its customers' needs and phase out the legacy versions which are often at higher cost with lower functionality for the customer. Digitisation also serves to streamline BAWAG Group's relationships with distribution partners creating faster response time to end customers of BAWAG Group. BAWAG Group maintains a platform that allows for its chosen distribution partners and brokers to directly connect with its back end servicing operations, thereby creating a streamlined online application and approval process that it believes to be unique in Austria for mortgages. This straight through processing provides BAWAG Group's partners with a more efficient approval process and serves as an important channel for new customer acquisition, and will serve as BAWAG Group's origination channel with start:bausparkasse Austria and start:bausparkasse Germany for building society products as well.

12.3.3 Focus on efficiency and operational excellence

The overall banking industry across Europe is still facing several headwinds driven by moderate economic growth, a multi-year low-interest rate environment, continued pricing pressure, increased regulatory requirements and structurally inefficient business models. Additionally, as more and more companies from outside the traditional financial services industry (Fintechs and e-commerce platforms) are entering the market, taking market share or negatively impacting margins and attacking the traditional revenue streams of banks and financial institutions, the competitive pressure BAWAG Group is confronted with continues to increase.

BAWAG Group is convinced that in this challenging environment, banks have to change their overall business models and cost structure to be more efficient in their operations. Over the counter transactional needs are much reduced, as customers expect to conduct simple transactions at ATMs and digitally. In addition, the need for physical proximity to the customer through disbursed branch coverage is becoming less relevant as customers interface with their financial accounts primarily through mobile or other online solutions. Customers continue to value financial advice and simplification. BAWAG Group has anticipated this challenge and is addressing it by focusing on optimising processes and driving operational excellence and technological innovation. BAWAG Group plans to further consolidate its branch network and continues to invest in its branches, employees and digital capabilities, in order to create advisory-focused branches. This requires a concentration of resources into fewer, larger branches focused on financial service with an integrated digital customer experience, resulting in better advisory capability and enhanced customer relationships and services. As part of this vision, BAWAG Group believes it is critical that its current branch count be reduced and resources reallocated.

The key elements of BAWAG Group's process optimisation and efficiency approach are to:

- automate and simplify processes as BAWAG Group transitions to a fully digital world, enhancing computing and analytical capabilities and improving the overall customer experience. Its multi-year technology IT roadmap allows BAWAG Group to continually upgrade its infrastructure and leverage new technologies as they are introduced to enhance the focus on customers;
- streamline and standardise products, services and processes, both online and in branches, which benefits customers, reduces costs and focuses BAWAG Group's branch network on providing value-added advisory services;
- continue to closely evaluate all of BAWAG Group's operations to identify those that could be more efficiently implemented through leveraging intragroup platforms or centralising services and processes across BAWAG Group or through third-party partnerships; and
- maintain strict cost control throughout the organisation.

12.3.4 Safe and secure

BAWAG Group's management is committed to operating the business in a safe and secure way. A strong capital position, stable deposits and low and predictable risk costs across its products are fundamental cornerstones for the execution of its business strategy. BAWAG Group regularly engages in a detailed analysis of appropriate risk-adjusted returns on its capital utilisation in each business unit and new product initiative. Evidence of this strategy is that BAWAG Group has no relevant exposure to Central and Eastern European or emerging markets, no exposure to the Turkish and Russian markets and no operations in jurisdictions with increased money laundering and terrorism financing risks. As of 31 December 2018, BAWAG Group's average risk cost ratio (calculated as risk costs over average interest-bearing assets) stood at 0.14% (31 December 2017: 0.20%). BAWAG Group's capital base is already fully compliant with the CRR with no reliance on any transitional provisions. A key element of its strategy is to retain strong CET 1 and total capital positions and a conservative leverage ratio as BAWAG Group aims to maintain its position as one of the best capitalised banks in Austria and Europe measured by the fully loaded CET 1 ratio of 14.5% as of 31 December 2018. This is complemented by a conservative risk weight density of 46% (defined as risk-weighted assets over total assets) as of 31 December 2018.

BAWAG Group targets a fully loaded CET 1 ratio of between 12% and 13% over time, which it believes to be a prudent level to manage through various economic cycles and to provide BAWAG Group with the flexibility to consistently support all of its growth initiatives, both organic as well as inorganic.

BAWAG Group's capital base is complemented by a broad funding structure. Retail and corporate deposits historically have been the core part of its funding strategy and will continue to be the dominant source of funding for its balance sheet (customer deposits comprised over 65% of total liabilities and equity in 2018, thereof over 75% retail deposits). BAWAG Group supplements its deposits with a diversified strategy of wholesale and own issue funding. It has issued senior unsecured bonds, subordinated bonds, covered bonds (i.e. securities backed by cash flow from mortgages or public sector loans) and residential mortgage backed securities.

BAWAG Group's long-term goal is to maintain a stable deposit base along with diversified wholesale and own issue funding. Furthermore, its ratio of secured funding to overall funding stood at 14% as of 31 December 2018, which is reflective of the low overall encumbrance of BAWAG Group's balance sheet assets.

BAWAG Group has a solid liquidity profile, with its liquidity coverage ratio standing at 179% at year-end 2018. Additionally, BAWAG Group is managed with a low balance sheet leverage of 12.1x and a fully loaded regulatory leverage ratio of 7.1% as of 31 December 2018.

12.4 Overview of Segments

BAWAG Group operates one of Austria's largest retail banks (source: Statista, Leading banks in Austria in 2017, by total assets, 2018) serving, as of 31 December 2018, over 2.5 million customers. BAWAG Group is a major player in the Austrian direct banking market through its easybank business and online and mobile platforms, and it also operates a centralised branch network with a focus on key urban growth areas of Austria, particularly in Vienna. The geographic focus of the business is placed on the DACH region (comprising Austria, Germany and Switzerland), and in particular on BAWAG Group's home market of Austria and, to a lesser extent, Germany. However, BAWAG Group also has corporate and commercial real estate lending and portfolio financing activities in Western Europe outside the DACH region and in the United States. In line with BAWAG Group's focus on developed countries, in 2018, approx. 70% of its customer loans were granted to customers in the DACH region and approx. 30% to customers in Western Europe and the United States. BAWAG Group manages the liquidity

from its core funding franchise through an investment portfolio of financial securities, with no direct exposure to China, Russia, Hungary or Southeastern European countries.

BAWAG Group and BAWAG Group P.S.K. have seven reportable segments, reflecting, among others, BAWAG P.S.K.'s operating subsidiaries, namely (i) BAWAG P.S.K. Retail, (ii) easygroup, (iii) Südwestbank, (iv) DACH Corporates & Public Sector, (v) International Business, (vi) Treasury Services & Markets and (vii) Corporate Center.

12.4.1 BAWAG P.S.K. Retail

The BAWAG P.S.K. Retail segment is operated through a centralised branch network and a digital platform supported by a customer care center. The segment's strategy is to offer simple, transparent and easy to understand products and services using a data-driven approach to product offering and customer relationships through branch, online and direct sales channels and capitalising on BAWAG P.S.K.'s well-recognized national brand. The segment's focus is on the Austrian mass market and aimed at providing a targeted suite of products for its customers to save, invest and achieve their financial goals. This approach relies on the loyalty of the segment's customer base. In addition, the segment offers small and medium enterprises (SMEs) same-day business financing.

12.4.2 easygroup

easygroup is, in its own assessment, Austria's leading direct banking group and includes the direct banking subsidiary easybank AG. easygroup's clients are retail customers and small business customers. Through online and mobile channels, easygroup offers a full banking product suite ranging from current accounts and savings products to credit cards, consumer loans, housing loans, auto, mobile and real estate leases, investment products, building society loans and savings, as well as lending to international retail borrowers, including own issues covered with an international mortgage portfolio. easygroup seeks to provide its customers with a one-stop solution for all their banking needs, with a core focus on making its customers' lives easier through digital solutions. easygroup's objective is to continue to be, in its own assessment, a leading direct bank in Austria, while expanding into larger Western markets, particularly Germany. easygroup obtained regulatory clearance to open a branch in Germany. The acquisitions of Südwestbank and start:bausparkasse Germany (until January 2019 named DEUTSCHER RING Bausparkasse AG) will further advance and accelerate easybank's expansion in Germany by providing easygroup with a German toehold from which to expand into this country.

12.4.3 Südwestbank

Südwestbank, founded in 1922, is a universal bank with a long history of serving customers in the Baden-Württemberg region of southwest Germany and is headquartered in Stuttgart, Germany. Südwestbank offers a wide range of lending and deposit products and services. Besides the lending and deposit business, Südwestbank offers additional products including insurance, savings contracts with building societies and brokerage services. In 2018, Südwestbank launched BAWAG P.S.K.'s digital consumer lending platform 'Qlick'. Customers are serviced through a physical branch network and online service capabilities. Südwestbank uses different strategic partnerships with other German banks and insurance companies as a complement to its own product offering.

12.4.4 DACH Corporates & Public Sector

This segment comprises BAWAG Group's corporate and public lending activities and other fee-driven financial services, with a focus on term loans, payment services products and security sales. The segment mainly services Austrian customers, as well as selected client relationships in Germany and Switzerland. The DACH Corporates & Public Sector segment serves corporate and public sector customers, providing financing, investment and foreign exchange products as well as payment service products. In addition, the segment established an originate-to-sell platform in which it organises public sector loans with a view to sell the investments to insurance companies.

12.4.5 International Business

This segment includes BAWAG Group's international corporate lending and international real estate financing business outside the DACH region, with a focus on developed countries within Western Europe as well as the United States. The segment aims at international corporate, real estate and portfolio lending with a preference for secured or unsecured investment grade loans and senior secured non-investment grade loans. The international corporate lending business focuses primarily on lending to free cash flow generating companies with defensive business profiles and appropriate capital structures. The international real estate financing business focuses on senior loan positions in cash flow generating properties. The segment has a strong credit profile across international assets. BAWAG Group's International Business segment offers a competitive service in terms of

response times, reliability and flexibility while maintaining premium pricing. It has limited exposure to land, development and construction financings.

12.4.6 Treasury Services & Markets

BAWAG Group's Treasury Services & Markets segment acts as a service center for all BAWAG Group entities, customers and partners and includes any treasury activities associated with providing trading and investment services such as certain asset-liability management transactions (i.e. the management of interest rates, collateral, capital and FX), funding (secured and unsecured) and the investment results of BAWAG Group's portfolio of financial securities as well as liquidity management, including managing the liquidity reserve of BAWAG Group. The segment maintains a diversified book of investment grade credits with no direct exposure to China, Russia, Hungary, or Southeastern European countries.

12.4.7 Corporate Center

The Corporate Center contains central functions for BAWAG Group, including providing legal services and managing risks and group asset-liability management. It also includes unallocated expenses such as restructuring expenses, regulatory charges (except contributions to the deposit guarantee scheme) and corporate tax.

12.4.8 Overview of certain key segment figures

The following table provides an overview of Core Revenues and profit before tax generated by BAWAG Group's seven reportable segments BAWAG P.S.K. Retail, easygroup, DACH Corporates & Public Sector, International Business, Corporate Center and Treasury Services & Markets (as of and for the financial year ended 31 December 2018):

	BAWAG P.S.K. Retail	easy group	Südwestbank	DACH Corporates & Public Sector	International Business	Treasury Services & Markets	Corporate Center	Total
Core Revenues (in €million, audited)	543.4	222.5	114.9	95.4	134.3	48.7	(35.9)	1,123.3
Core Revenues % (unaudited)	48%	20%	10%	8%	12%	4%	(3%)	100%
Profit before tax (in €million, audited)	243.2	145.1	49.5	46.1	122.9	45.0	(79.1)	572.7
Profit before tax % (unaudited) ...	42%	25%	9%	8%	21%	8%	(14%)	100%
Cost-Income Ratio	44.9%	31.5%	60.2%	53.3%	19.5%	n/a	n/a	44.2%

12.5 Trends affecting BAWAG Group

BAWAG P.S.K. Group's results of operation and financial position, and by extension BAWAG Group's results of operation and financial position, are in general affected by a number of factors. BAWAG Group believes that, in particular, the following key factors have affected BAWAG Group's results of operations and financial position since 1 January 2017. On this basis, BAWAG Group expects that these factors continue to affect its business and some have impacted and continue to impact the banking sector in general:

- Earnings of banks in general and also of BAWAG Group are significantly dependent on the net interest income which is particularly affected by the development of interest rates. Changes in market interest rates may lead to temporary repricing gaps between BAWAG Group's interest-earning assets and interest-earning liabilities, which can also affect net interest income. Interest-earning assets of BAWAG Group consist principally of (1) consumer loans, retail mortgage loans and consumer leases relating to vehicles and other moveable assets, which are provided by the BAWAG P.S.K. Retail, easygroup and Südwestbank segments, and (2) corporate and public sector loans (including real estate loans) provided, and corporate and public sector bonds held, by the DACH Corporates & Public Sector, Südwestbank and International Business segments.
- The banking sector in general and BAWAG Group in particular are affected by developments of the regulatory environment applicable to financial institutions. BAWAG Group operates in an industry that is

highly regulated by financial services laws and regulations, corporate governance and administrative requirements and policies. The ongoing development of regulatory requirements has had and will likely continue to have an impact on BAWAG Group's results of operations in a number of ways. For further information on recent regulatory initiatives, see "10.3.2 Recent developments and outlook".

- The banking sector is intensely competitive and BAWAG Group is subject to intense competition by traditional banks and new financial technology companies (so-called 'FinTechs') in both its retail and non-retail businesses.
- BAWAG Group's results depend on its ability to maintain and grow customer deposits as well as on its access to wholesale funding. Its results depend on its ability to maintain and grow customer deposits as well as access wholesale funding. Retail and corporate deposits have historically been the core part of BAWAG Group's funding strategy and are expected to continue to be the primary source of funding. BAWAG Group supplements its deposit funding with a diversified strategy of wholesale funding. BAWAG Group raises wholesale funding mainly from various institutional investors, and BAWAG Group has issued unsecured bonds, covered bonds secured by mortgage and public sector collateral, and residential mortgage-backed securities (RMBS).
- BAWAG Group has to adapt to emerging technologies and changes in customer behavior driven by increasing digitalization of the banking business. In recent years, the share of banking transactions conducted via internet or mobile banking platforms on smartphones or tablets in the markets in which BAWAG Group operates has grown and is expected to grow further. The digitalization trend is particularly relevant for direct banking but is also significantly reshaping retail banking. The ongoing shift to digital and self-service channels is also a key factor for the BAWAG P.S.K. Retail segment and the migration of customers towards digital and customer care channels has progressed significantly.
- BAWAG Group's operations and results were and are significantly impacted by the integration of various acquired businesses.

12.6 Employees

The following tables show, as of the end of the financial years ended 31 December 2018 and 2017, the number of employees as well as the full-time equivalent employees of BAWAG Group.

	As of the end of the financial year ended December 31,	
	2018	2017
Headcount – salaried employees	(audited)	
Number of employees on reporting date	4,141	4,079
Average number of employees	4,108	3,469

Source: Company information.

	As of the end of the financial year ended December 31,	
	2018	2017
Full-time equivalents – salaried employees	(audited)	
Number of employees on reporting date	3,474	3,437
Average number of employees	3,439	2,894
Active employees ¹⁾	2,999	2,959

¹⁾ Excluding employees on any form of temporary leave or who have entered into an agreement under a social compensation scheme.

Source: Company information.

13 SELECTED FINANCIAL INFORMATION

13.1 Selected financial information of BAWAG

The following key financial figures are taken from the Consolidated Annual Financial Statements 2018 and 2017 of BAWAG and are audited:

Statement of financial position	2018	2017	Change in %
(in € million)	(audited, unless indicated otherwise)		(unaudited)
Total assets	44,698	46,056⁵⁾	(2.9)
Customer loans and receivables	30,482	30,793⁵⁾	(1.0)
Customer deposits and own issues	34,620	36,611	(5.4)
IFRS equity ¹⁾	3,706	3,576 ⁵⁾	3.6
IFRS tangible equity	3,202 ⁸⁾	3,088 ^{5), 8)}	3.7
Risk-weighted assets ²⁾	20,465	21,494 ⁵⁾	(4.8)
Profit or loss statement	2018	2017	Change in %
(in € million)	(audited)		(unaudited)
Net interest income	840.5	793.1 ⁵⁾	6.0
Net fee and commission income	282.8	216.9	30.4
Core Revenues⁶⁾	1,123.3	1,010.0⁵⁾	11.2
Gains and losses on financial instruments and other operating income and expenses ³⁾	47.4	110.4 ⁵⁾	(57.1)
Operating income	1,170.7	1,120.4⁵⁾	4.5
Operating expenses³⁾	(517.9)	(528.5)⁵⁾	(2.0)
Regulatory charges ³⁾	(40.1)	(33.8)	18.6
Total risk costs	(45.1)	(61.8)	(27.0)
Profit before tax	572.7	500.4⁵⁾	14.4
Income taxes	(136.2)	(51.2) ⁵⁾	>100
Net profit⁴⁾	436.5	449.1⁵⁾	(2.8)
Key ratios	2018	2017	Change in pts.
	(unaudited, unless indicated otherwise)		(unaudited)
Common Equity Tier 1 (CET 1) ratio (fully loaded) ²⁾	14.5% ⁹⁾	13.5% ^{5), 9)}	1.0
Total capital ratio (fully loaded) ²⁾	16.3% ⁹⁾	15.2% ^{5), 9)}	1.1
Return on risk-weighted assets	2.1%	2.2% ⁵⁾	(0.1)
Return on equity ⁶⁾	12.2%	13.4% ⁵⁾	(1.2)
RoE (@12% CET 1) ⁶⁾	14.3%	15.1% ⁵⁾	(0.7)
RoTE ⁶⁾	14.2%	15.4% ⁵⁾	(1.2)
RoTE (@12% CET 1) ⁶⁾	17.1%	17.6% ⁵⁾	(0.5)
Net Interest Margin ⁶⁾	2.21%	2.24% ⁵⁾	(0.03)
Cost-Income Ratio ⁶⁾	44.2%	47.2% ⁵⁾	(3.0)
Balance Sheet Leverage ⁶⁾	12.1x	12.8x ⁵⁾	(0.7x)

Resources as of 31.12.	2018	2017
	(audited)	(audited)
Active workforce (in full-time equivalents) ⁷⁾	2,999	2,959
¹⁾ Equity attributable to the owners of the parent; excl. minorities and AT1 capital.		
²⁾ Based on regulatory IFRS CRR figures (BAWAG Group, fully loaded).		
³⁾ In accordance with IFRS, the item other operating income and expenses also includes the regulatory charges. However, BAWAG's management considers the regulatory charges as a separate expense. Accordingly, it is shown in a separate expense line.		
⁴⁾ Profit after tax attributable to owners of the parent.		
⁵⁾ Numbers have been adjusted from the numbers originally reported by BAWAG.		
⁶⁾ The number or ratio is an APM. For a description, see "4.3 Alternative Performance Measures".		
⁷⁾ Excluding employees on any form of temporary leave or who have entered into an agreement under a social compensation scheme.		
⁸⁾ Unaudited.		
⁹⁾ Audited.		

13.2 Selected financial information of BAWAG P.S.K.

The following key financial figures are taken from the Consolidated Annual Financial Statements 2018 and 2017 of BAWAG P.S.K. and are audited (**original German language version is controlling and binding**):

Statement of financial position	2018	2017	Change in %
(in € million)	(audited, unless indicated otherwise)		(unaudited)
Total assets	44,388	45,765⁵⁾	(3.0)
Customer loans and receivables	30,482	30,793⁵⁾	(1.0)
Customer deposits and own issues	34,620	36,611	(5.4)
IFRS equity ¹⁾	3,262	3,264 ⁵⁾	(0.1)
IFRS tangible equity	3,038 ⁸⁾	3,061 ^{5), 8)}	(0.8)
Risk-weighted assets ²⁾	20,331	21,428 ⁵⁾	(5.1)

Profit or loss statement	2018	2017	Change in %
(in € million)	(audited)		(unaudited)
Net interest income	840.4	793.3 ⁵⁾	5.9
Net fee and commission income	282.8	216.9	30.4
Core Revenues⁶⁾	1,123.2	1,010.2⁵⁾	11.2
Gains and losses on financial instruments and other operating income and expenses ³⁾	47.3	110.3 ⁵⁾	(57.1)
Operating income	1,170.5	1,120.5⁵⁾	4.5
Operating expenses³⁾	(497.0)	(470.0)⁵⁾	5.7
Regulatory charges ³⁾	(40.1)	(33.8)	18.6
Total risk costs	(45.1)	(125.4)	(64.0)
Profit before tax	593.4	495.4⁵⁾	19.8
Income taxes	(162,3)	(36.8) ⁵⁾	>100
Net profit⁴⁾	431.1	458.5⁵⁾	(6.0)

Key ratios	2018	2017	Change in pts.
	(unaudited)		(unaudited)
Common Equity Tier 1 (CET 1) ratio (fully loaded) ²⁾	12.2%	12.6% ⁵⁾	(0.4)
Total capital ratio (fully loaded) ²⁾	14.2%	15.1% ⁵⁾	(0.9)
Return on risk-weighted assets	2.1%	2.3% ⁵⁾	(0.2)
Return on Equity ⁶⁾	13.7%	15.1 ⁵⁾	(1.4)
RoE (@12% CET 1) ⁶⁾	14.7%	16.5% ⁵⁾	(1.8)
RoTE ⁶⁾	14.7%	16.0% ⁵⁾	(1.3)
RoTE (@12% CET 1) ⁶⁾	15.8%	17.6% ⁵⁾	(1.8)
Net Interest Margin ⁶⁾	2.25%	2.32% ⁵⁾	(0.07)
Cost-Income Ratio ⁶⁾	42.5%	41.9% ⁵⁾	0.6
Balance Sheet Leverage ⁶⁾	13.6x	14.0x ⁵⁾	(0.4x)

Resources as of 31.12.	2018	2017
	(audited)	(audited)
Active workforce (in full-time equivalents) ⁷⁾	2,990	2,952

- ¹⁾ Equity attributable to the owners of the parent; excl. minorities and AT1 capital.
- ²⁾ Based on regulatory IFRS CRR figures (BAWAG P.S.K. Group, fully loaded).
- ³⁾ In accordance with IFRS, the item other operating income and expenses also includes the regulatory charges. However, the BAWAG P.S.K.s management considers the regulatory charges as a separate expense. Accordingly, it is shown in a separate expense line.
- ⁴⁾ Profit after tax attributable to owners of the parent.
- ⁵⁾ Numbers have been adjusted from the numbers originally reported by BAWAG P.S.K.
- ⁶⁾ The number or ratio is an APM. For a description, see "4.3 Alternative Performance Measures".
- ⁷⁾ Excluding employees on any form of temporary leave or who have entered into an agreement under a social compensation scheme.

14 TAXATION

14.1 Taxation in Austria

The following is a general overview of certain Austrian tax aspects in connection with the Notes and contains the information required on taxation by the Commission Regulation (EC) No 809/2004 of 29 April 2004 as amended. It does not claim to fully describe all Austrian tax consequences of the acquisition, ownership, disposition or redemption of the Notes nor does it take into account the Noteholders' individual circumstances or any special tax treatment applicable to the Noteholder. It is not intended to be, nor should it be construed to be, legal or tax advice. It is recommended that prospective investors of the Notes consult with their legal and tax advisors as to the particular tax consequences of the acquisition, ownership, disposition or redemption of the Notes.

This overview is based on Austrian law as in force when drawing up this Debt Issuance Programme Prospectus. The laws and their interpretation by the tax authorities and courts may change and such changes may also have retroactive effect which may have a negative impact for Noteholders. For the purposes of the following it is assumed that the Notes are legally and factually offered to the public within the meaning of the Austrian Income Tax Act (*Einkommensteuergesetz*, "**EStG**") (i.e. to an indefinite number of persons). Further this summary assumes that the Notes do not qualify as equity for Austrian tax purposes or units in a non-Austrian investment fund within the meaning of Sec 188 of the Austrian Investment Fund Act (*Investmentfondsgesetz 2011*, "**InvFG 2011**"). The tax consequences may substantially differ if the Notes are qualified as equity instruments or (in particular if issued by a non-Austrian entity) units in a non-Austrian investment fund within the meaning of Sec 188 InvFG 2011. Tax considerations relevant to investors which are subject to a special tax regime, such as for example governmental authorities, charities, foundations or investment or pension funds, and special tax rules that may apply where an investor holds the Notes via an entity which qualifies as an Austrian or non-Austrian investment fund for tax purposes are not addressed herein.

The Issuers do not assume responsibility for the deduction of withholding tax at source and is not obliged to make additional payments in case of withholding tax deductions at source.

Where in this summary English terms and expressions are used to refer to Austrian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Austrian concepts under Austrian tax law.

14.1.1 Austrian residents

Income from the Notes derived by individuals, whose domicile (*Wohnsitz*) and/or habitual abode (*gewöhnlicher Aufenthalt*) is in Austria ("**Austrian Resident Individuals**"), is subject to Austrian income tax pursuant to the provisions of the EStG. In Austria, interest income as well as income from realized capital gains (*Einkünfte aus realisierten Wertsteigerungen*) and income from derivatives (*Einkünfte aus Derivat*) received in connection with the Notes constitutes taxable investment income (*Einkünfte aus Kapitalvermögen*).

Interest income from the Notes is subject to a special income tax rate of 27.5%. If the interest is paid out to the Noteholder by a paying agent (*auszahlende Stelle*) located in Austria (i.e. Austrian credit institutions including Austrian branches of non-Austrian credit institutions or investment firms domiciled in an EU Member State, which pay out or credit the interest income to the investor, or a domestic Issuer, if it directly pays out the interest income to the investor), the interest income from the Notes is subject to Austrian withholding tax (*Kapitalertragsteuer*) at the special rate of 27.5%. For Austrian Resident Individuals, the Austrian withholding tax on interest income generally discharges of any further income tax liability on such interest income (final taxation – *Endbesteuerung*), which means that no further income tax is due and the interest payments do not have to be included in the Austrian Resident Individual's income tax return (*Einkommensteuererklärung*). This applies irrespective of whether the Notes are held as private assets or as business assets.

The Austrian Resident Individual may opt to include the interest income in the individual income tax return (*Regelbesteuerungsoption*). However, the option may not be exercised for particular interest income only. Rather, if this option is exercised, the individual's regular progressive income tax rate will apply to any other income from capital investments which would otherwise be subject to the special 27.5% or 25% tax rate (e.g. interest income from savings accounts or other non-securitized debt claims against credit institutions). In this case, the interest income is taxed at the regular progressive income tax rate applicable to the Austrian Resident Individual's total income and any Austrian withholding tax on interest payments under the Notes will be credited against the Austrian Resident Individual's personal income tax liability and any excess amount will be refunded. Whether the use of the option is beneficial from a tax perspective should be determined by consulting a tax advisor. Expenses

economically directly related to interest income subject to a special income tax rate, e.g., interest expenses from third-party financing or banking fees, are not deductible for income tax purposes (which also applies in case of the exercise of the option to regular taxation).

If the interest income is not subject to Austrian withholding tax (e.g. in the absence of a paying agent located in Austria), the taxpayer will have to include the interest income derived from the Notes in the individual income tax return pursuant to the provisions of the EStG. Such income is taxed at a rate of 27.5%.

Income from realized capital gains and from derivatives in connection with the Notes is subject to Austrian income tax at the special rate of 27.5% unless the individual taxpayer opts for taxation at the applicable progressive income tax rate. In case the 27.5% special income tax rate applies, income from realized capital gains and from derivatives is not taken into consideration (neither as part of taxable revenues nor as part of taxable income) when calculating the Austrian Resident Individual's income tax burden. Income from realized capital gains means any income derived from the sale or redemption or other disposal of the Notes. The tax base is, in general, the difference between the sale proceeds or the redemption amount and the acquisition costs, in each case including accrued interest. Income from derivatives includes cash settlements, option premiums received and income from the sale or other realization of forward contracts like options, futures and swaps and other derivatives such as index certificates. Expenses which are directly connected with income subject to the special tax rate of 27.5% are not deductible. A deduction of expenses that are directly economically connected to income that is subject to the (special) 27.5% tax rate is equally not allowed if the option for taxation at the applicable regular personal income tax rate is exercised (for the further consequences see already above). For Notes held as private assets, the acquisition costs do not include ancillary acquisition costs (*Anschaffungsnebenkosten*). For the calculation of the acquisition costs of Notes held within the same securities account and having the same securities identification number but which are acquired at different points in time, a moving average price shall apply.

In the case of income from realized capital gains and from derivatives with a nexus relevant for Austrian withholding tax purposes, basically income that is paid by an Austrian custodian bank (*depotführende Stelle*) or, in the absence of an Austrian custodian bank, by an Austrian paying agent, provided the non-Austrian custodian bank is a non-Austrian branch or group company of such paying agent and the Austrian paying agent executes the transaction in cooperation with the non-Austrian custodian bank and processes the payment, such income from realized capital gains and from derivatives is subject to a 27.5% Austrian withholding tax. For Austrian Resident Individuals holding the Notes as private assets, the 27.5% Austrian withholding tax has the effect of final income taxation provided that the respective investor has evidenced the factual acquisition costs of the Notes to the custodian bank. As a consequence, such income from realized capital gains and from derivatives – except for the option for taxation at the Austrian Resident Individual's progressive income tax rate (see above) and/or for assessment in order to achieve an offset of losses – does not have to be included in the Austrian Resident Individual's income tax return.

In the case of income from realized capital gains and from derivatives without a nexus relevant for Austrian withholding tax purposes (i.e. in the absence of an Austrian custodian bank or paying agent), the taxpayer will have to include the income from realized capital gains and from derivatives from the Notes in the individual income tax return pursuant to the provisions of the EStG. Such income is taxed at a rate of 27.5%.

Withdrawals and other transfers of the Notes from the securities account (*Entnahmen oder sonstiges Ausscheiden aus dem Depot*) are in general deemed as a disposal of the Notes (treated as a sale of the Notes). As an exception to this general rule, withdrawals and other transfers of Notes from the securities account are not treated as disposals (sales), if Austria's taxation rights with respect to the Notes are not being restricted and specified exemptions pursuant to Sec 27(6)(2) EStG are fulfilled. Such exemptions are the transfer of the Notes to a securities account owned by the same taxpayer (i) with the same Austrian custodian bank, (ii) with another Austrian bank if the account holder has instructed the transferring bank to disclose the acquisition costs to the receiving bank or (iii) with a non-Austrian bank, if the account holder has instructed the transferring bank to transmit the pertaining information to the competent tax office within a month, or (iv) with another non-Austrian bank, in the case of transfers from a foreign account, himself notified the competent Austrian tax office with the respective information within a month; or the transfer without consideration to a securities account held by another taxpayer, if the fact that the transfer has been made without consideration has been evidenced to the bank or the bank has been instructed to transmit the pertaining information to the Austrian tax office within one month.

Furthermore, the transfer of the Austrian Resident Individual's tax residence (*Wegzug*) outside of Austria, the transfer of the Notes to a non-resident individual or corporation without consideration (*unentgeltliche Übertragung*) or any other circumstances which lead to a restriction of Austria's existing taxation right with respect to the Notes are, in general, deemed as a disposal resulting in exit taxation. Upon application of the taxpayer, the exit taxation of the Notes held as private assets can be deferred until the actual disposal of the Notes in case the investor

transfers his tax residence outside of Austria to an EU or EEA member state or transfers the Notes for no consideration to another individual resident in an EU or EEA member state. In all other cases leading to a restriction of Austria's taxation right with respect to an EU or EEA member state the taxpayer may apply for a payment of the triggered income tax in installments over a period of five years.

Losses from Notes held as private assets may only be set off against other investment income subject to the special 27.5% tax rate (including, for example, interest payments made under the Notes). However, the losses may not be set off, *inter alia*, against interest income from savings accounts or other non-securitized debt claims against credit institutions (except for cash settlements and lending fees) or distributions effected by private foundations, employee participation foundations, foreign private law foundations and other comparable legal estates (*ausländische Stiftungen oder sonstigen Vermögensmassen, die jeweils mit einer Privatstiftung vergleichbar sind*). Negative income subject to the special tax rate of 27.5% such as losses from the disposal of the Notes, may not be set off against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to be taxed at the regular progressive income tax rate). In addition, losses may not be set off against any other income of the Austrian Resident Individual. Furthermore, losses from the sale of the Notes held as private assets may not be carried forward to subsequent years. Austrian tax law provides for a mandatory set-off by the Austrian custodian bank of losses against investment income from securities accounts at the same custodian bank (subject to certain exemptions). In order to affect such an offset of losses for securities held with different credit institutions, the Austrian Resident Individual generally has to exercise the option for the loss offset upon filing the income tax return (*Verlustausgleichsoption*).

The principles outlined above are generally also applicable to Notes held by Austrian Resident Individuals as business assets, however with the following differences: In the case of income from realized capital gains and from derivatives with an Austrian nexus relevant for Austrian withholding tax purposes (as described above), such income is subject to Austrian withholding tax at a rate of 27.5% unless generating this type of income constitutes a key area of the respective Austrian Resident Individual's business activity. However, the Austrian withholding tax does not discharge of Austrian income tax liability, but may be credited against the income tax liability assessed. Therefore, contrary to interest income as well as to income from realized capital gains and from derivatives derived by individuals holding the Notes as private assets, income from realized capital gains and from derivatives has to be included in the income tax return (even if Austrian withholding tax is triggered), but are nevertheless taxed at a flat income tax rate of 27.5% with any Austrian withholding tax being credited. In addition, the option exists to include income subject to the tax rate of 27.5% in the income tax return at the progressive income tax rate (for the consequences see already above).

Furthermore, any restriction of Austria's existing taxation right with respect to the Notes is, in general, deemed as a disposal resulting in exit taxation. In case of a restriction of Austria's taxation right with respect to an EU or EEA member state the resident individual Noteholder holding the Notes as business assets may apply for a payment of the triggered income tax in installments over a period of five years. In the event that the notes represent current business assets (*Umlaufvermögen*), a payment period of two years applies instead.

With respect to the acquisition costs, as opposed to Notes held as private assets, also ancillary costs may be taken into account (i.e. deducted from the proceeds). It should be noted that expenses and costs that are directly related to investment income subject to a special income tax rate are not tax-deductible even though the Notes are held as business assets. Losses in value (impairment losses) and losses derived from the sale, redemption or other disposal of the Notes held as business assets must primarily be set off against positive income from realized capital gains of financial instruments and from derivatives of the same business unit and appreciations in value of such assets. Subsequently, only 55% of the remaining loss may be set off against other types of income (or be carried forward).

Income from Notes which are not legally and factually offered to the public within the meaning of the EStG would not be subject to withholding tax and final taxation but subject to normal progressive personal income tax rates of currently up to 55% and needs to be included in the investor's income tax return.

Income from the Notes derived by corporate Noteholders, whose corporate seat (*Sitz*) and/or place of management (*Ort der Geschäftsleitung*) is based in Austria ("**Austrian Resident Corporations**"), is subject to Austrian corporate income tax at a rate of 25% pursuant to the provisions of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz, KStG*). In the case of a nexus relevant for Austrian withholding tax purposes (Austrian paying agent or custodian, as applicable; see already above), interest income as well as income from realized capital gains and from derivatives will be subject to Austrian withholding tax (which may be credited against the corporate income tax liability). An Austrian paying agent may levy the Austrian withholding tax at a rate of 25% (instead of 27.5%). In any case, Austrian Resident Corporations are obliged to include such income in their corporate income tax return (*Körperschaftsteuererklärung*). Losses are taken into account upon tax

assessment and may generally be set off against other income. Austrian Resident Corporations deriving business income from the Notes may avoid the application of Austrian withholding tax by submitting a declaration of exemption (*Befreiungserklärung*) to the paying agent or the custodian bank and the tax authority pursuant to the requirements set forth in Sec 94(5) EStG.

14.1.2 Non-Austrian residents

Income from the Notes by individuals who do not have a domicile or their habitual abode in Austria ("**Non-Austrian Resident Individuals**") or by corporate investors who do not have their corporate seat or their place of management in Austria ("**Non-Austrian Resident Corporations**", together with Non-Austrian Resident Individuals: "**Non-Austrian Residents**") is, in general, only taxable in Austria if the respective income is attributable to a permanent establishment in Austria. Where Non-Austrian Residents receive income from the Notes as part of business income taxable in Austria (e.g. due to a permanent establishment), they are, in principle, subject to the same tax treatment as Austrian Resident Individuals or Austrian Resident Corporations.

Non-Austrian Resident Individuals (i.e. Non-Austrian Residents other than corporations) receiving interest payments within the meaning of Sec 27(2)(2) EStG and accrued interest within the meaning of Sec 27(6)(5) EStG may further be subject to income tax liability in Austria if such interest is subject to Austrian withholding tax. However, this only applies if (i) the debtor of the interest payments has its domicile, seat or place of effective management in Austria or is an Austrian branch of a non-Austrian credit institution or (ii) the underlying financial instrument has been issued by an Austrian issuer. This income tax liability for interest payments does not apply to individuals being resident in a state with which an automatic exchange of information is in place (which in fact must be proven by a certificate of residence) and to Non-Austrian Resident Corporations.

An Austrian custodian bank or paying agent may abstain from levying 27.5% Austrian withholding tax under Sec 94(13) EStG if the respective income from the Notes is not subject to limited tax liability. This applies, e.g. to capital gains from the disposal of the Notes derived by Non-Austrian Residents not having a permanent establishment in Austria. If any Austrian withholding tax is deducted by the custodian bank or paying agent from any non-taxable payment, the tax withheld shall be refunded to the non-resident Noteholder upon his application which has to be filed with the competent Austrian tax authority within five calendar years following the date of the imposition of the Austrian withholding tax. Applications for refund may only be filed after the end of the calendar year when the withholding was made (a specific electronic pre-notification procedure applies). Non-Austrian Resident Corporations may avoid the application of Austrian withholding tax by submitting a declaration of exemption (*Befreiungserklärung*) to the paying agent or custodian bank and the tax authority pursuant to the requirements set forth in Sec 94(5) EStG.

Applicable double tax treaties may provide for a reduction of, or relief from, Austrian withholding tax. However, Austrian credit institutions may not be entitled to apply such reduction or relief at source. Noteholders wishing to obtain relief from Austrian withholding tax under an applicable double tax treaty have to file for a refund with the competent Austrian tax office which may require a certificate of residence issued by the competent authority of the Noteholder's state of residence (a specific electronic pre-notification procedure applies).

14.1.3 Inheritance and gift tax

Currently, Austria does not levy inheritance or gift tax.

Certain gratuitous transfers of assets to (Austrian or foreign) private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation entrance tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Entrance Tax Act (*Stiftungseingangssteuergesetz*). Such tax is triggered if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their corporate seat or their place of management in Austria. Certain exemptions apply in case of a transfer mortis causa, in particular for bank deposits and publicly placed notes. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate is in general 2.5%, with a higher rate of 25% applying in special cases.

In addition, a special notification obligation exists for gifts, like e.g. money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangible. The notification obligation applies if the donor and/or the donee have a domicile, their habitual abode, their corporate seat or their place of management in Austria. There are certain exemptions from such notification obligation, e.g. for gifts among relatives that do not exceed an aggregate amount of € 50,000 per year or gifts among unrelated persons that do not exceed an aggregate amount of € 15,000 within five years. Intentional violation of the notification obligation may lead to the levying of penalties of up to 10% of the fair market value of the assets transferred.

14.1.4 FATCA

A "Foreign Financial Institution" ("**FFI**") may be required to apply a 30% withholding tax ("**FATCA withholding**") on certain payments it makes pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code, commonly known as FATCA.

A number of jurisdictions, including Austria, have entered into intergovernmental agreements with the United States ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. On 29 April 2014, Austria concluded such IGA (based on the Model II) with the United States requiring Austrian Reporting Financial Institutions to register as Participating FFIs and to comply with the requirements of the IGA in order to facilitate the implementation of FATCA for Austrian financial institutions (i.e. custodial institutions, depository institutions, investment entities or specific insurance companies) and to allow the provision of certain information on accounts held by "U.S. Persons" to the U.S. Internal Revenue Service (IRS). The Issuers have registered as a Participating FFI under the Austrian IGA Model II (Global Intermediary Identification Number (GIIN): BAWAG: 26567T.99999.SL.040, BAWAG P.S.K.: CASP5B.00000.LE.040).

"**U.S. Persons**" are considered U.S. citizens or resident individuals, partnerships or corporations organized in the United States or under the laws of the United States or any State thereof, certain trusts (subject to the jurisdiction of a court within the United States with one or more U.S. persons have the authority to control all substantial decisions of the trust) and an estate of a decedent that is a citizen or resident of the United States. If the respective U.S. account holder does not allow the financial institution to forward account specific information to the IRS, the financial institution is still obliged to forward aggregated information on the account to the IRS and such information may serve as basis for group requests by the IRS to the Austrian tax administration in order to obtain more specific information on such accounts.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding on "foreign passthru payments" would be required under FATCA or an IGA, are uncertain and may be subject to change. Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 (intended date). Under the Austrian IGA, Austria and the United States have committed in Article 5 to work together, along with certain partner jurisdictions, to develop a practical and effective alternative approach to achieve the policy objectives of foreign passthru payments (and gross proceeds withholding) that minimizes burden.

Investors are advised to contact their tax advisor with respect to the consequences of FATCA or an IGA on their investment in the Notes.

Investors should consult their professional advisers to clarify their position.

14.2 Taxation in Germany

The following is a general discussion of certain German tax consequences of the acquisition and ownership of Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this prospectus. These laws are subject to change, possibly with retroactive or retrospective effect.

Prospective purchasers of notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of notes, including the effect of any state or local taxes, under the tax laws of Germany and each country of which they are residents.

14.2.1 Income tax

14.2.1.1 Notes held by tax residents as non-business assets

14.2.1.1.1 Taxation of payments of interest

Payments of interest on the Notes to Noteholders who are individuals and are tax residents of the Federal Republic of Germany (i.e., persons whose residence or habitual abode is located in the Federal Republic of Germany) are subject to German income tax. In each case where German income tax arises, a solidarity surcharge (*Solidaritätszuschlag*) is levied in addition. Furthermore, church tax may be levied, where applicable.

On payments of interest on the Notes to individuals who are tax residents of the Federal Republic of Germany, income tax is generally levied as a flat income tax at a rate of 25% (plus solidarity surcharge in an amount of 5.5% of such tax, resulting in a total tax charge of 26.375%, plus, if applicable, church tax). The total positive investment income of an individual will be decreased by a lump sum deduction (*Sparer-Pauschbetrag*) of € 801 (€ 1,602 for individuals filing jointly), not by a deduction of expenses actually incurred.

If the Notes are held in custody, or are administered, or if their disposal is executed, by a German branch of a German or non-German credit or financial services institution or with a German securities trading business or a German securities trading bank and such entity credits or pays out the investment income (the "**Disbursing Agent**"), the flat income tax will be levied by way of withholding at the aforementioned rate from the gross interest payment to be made by the Disbursing Agent. The church tax is generally levied by way of withholding unless the Holder has filed a blocking notice (*Sperrvermerk*) with the German Federal Tax Office (*Bundeszentralamt für Steuern*).

In general, no withholding tax will be levied if the Noteholder is an individual (i) whose Notes do not form part of the property of a trade or business and (ii) who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the interest income derived from the Notes together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the Noteholder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) which also includes the tax identification number and which has been issued by the relevant local tax office.

If no withholding tax has been withheld, the Noteholder will have to include its income on the Notes in its tax return and the tax on its investment income of generally 25% plus solidarity surcharge and, if applicable, church tax will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability (including solidarity surcharge and, if applicable, church tax) of the Noteholder in respect of such investment income. Holders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25%. In this case as well income-related expenses cannot be deducted from the investment income, except for the aforementioned annual lump sum deduction.

14.2.1.1.2 Taxation of capital gains

Also capital gains realized by individual tax residents of the Federal Republic of Germany from the disposal or redemption of the Notes (including gains from the assignment or hidden contribution of the Notes) will be subject to the flat income tax on investment income at a rate of 25% (plus solidarity surcharge in an amount of 5.5% of such tax, resulting in a total tax charge of 26.375%, plus, if applicable, church tax), irrespective of any holding period. This will also apply to Notes on which the principal is effectively repaid in whole or in part although the repayment was not guaranteed. If coupons or interest claims are disposed of separately (i.e. without the Notes), the gains from the disposal are subject to income tax. The same applies to gains from the redemption of coupons or interest claims realized by the former Noteholder of the Notes. The separation (e.g. by first-time assignment) of a coupon or interest claim from the Note is treated as a disposal of the Note.

If the Notes are held in custody, or are administered, or if their disposal is executed, by a Disbursing Agent (as defined above) the flat income tax will be levied by way of withholding from the positive difference between the redemption amount or the proceeds from the disposal (after the deduction of actual expenses directly related thereto) and the issue price or the purchase price of the Notes, Church tax is generally levied by way of withholding unless the Noteholder has filed a blocking notice with the German Federal Tax Office. If Notes kept or administered in the same custodial account have been acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purpose of determining the capital gains. Where the notes are acquired or sold in a currency other than Euro, the acquisition costs and sale proceeds will be converted in Euro

on the basis of the exchange rate applicable at the time of sale, respectively, the time of acquisition. If the Notes have been transferred into the custodial account of the Disbursing Agent only after their acquisition, and no evidence on the acquisition data has validly been provided to the new Disbursing Agent by the Disbursing Agent which previously kept the Notes in its custodial account, withholding tax will be levied on 30% of the proceeds from the disposal or redemption of the Notes.

If no withholding tax has been withheld, the Noteholder will have to include capital gains from the disposal or redemption of the Notes in its tax return and the tax on its investment income of generally 25% plus solidarity surcharge and, if applicable, church tax will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability (including solidarity surcharge and, if applicable, church tax) of the Noteholder in respect of such investment income. Noteholders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25%. Further, if the withholding tax on a disposal or redemption has been calculated from 30% of the respective proceeds (rather than from the actual gain), a Noteholder who is an individual tax resident may and in case the actual gain is higher than 30% of the respective proceeds must also apply for an assessment on the basis of his or her actual acquisition costs. In this case as well income-related expenses cannot be deducted from the investment income, except for the aforementioned annual lump sum deduction.

Any capital loss incurred from the disposal or redemption of the Notes can only be offset against positive income from capital investments. The Disbursing Agent will offset the losses with positive income from capital investments entered into through or with the same Disbursing Agent and carry forward any losses that cannot be offset to the following calendar year. If losses cannot be offset in full against positive investment income by the Disbursing Agent, the Noteholder can, instead, request that the Disbursing Agent issues a certificate stating the losses in order for them to be offset against other positive income from capital investments or carried forward in the assessment procedure. The request must reach the Disbursing Agent by 15 December of the current year and is irrevocable.

Pursuant to administrative guidance, a disposal shall be disregarded and losses shall not be tax-deductible if (i) the transaction costs exceed the proceeds from the disposal, (ii) losses are incurred by a Noteholder from bad debt (*Forderungsausfall*), or (iii) losses are incurred from a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden contribution. Payments based on an insolvency plan shall be a disposal with a capital gain of €0 if the payments are lower than the nominal value of the receivable and the receivable was acquired at the nominal value. The part of the nominal value not being repaid shall be a mere bad debt and therefore irrelevant for income tax purposes. However, the German Federal Fiscal Court (*Bundesfinanzhof*) recognizes disposals and deems losses to be tax-deductible in cases of a bad debt once it has become certain that the principal amount cannot be recovered (decision dated 24 October 2017, docket number VIII R 13/15) and in cases in which the transaction costs exceed or equal the proceeds from the disposal (decision dated 12 June 2018, docket number VIII R 32/16). So far, the tax authorities have not changed their view as regards a bad debt (*Forderungsausfall*) or a waiver of a receivable (*Forderungsverzicht*). As regards their view that a disposal shall be disregarded if the transaction costs exceed the proceeds from the disposal, however, a draft letter of the German federal ministry of finance (*Bundesministerium der Finanzen*) dated 1 January 2019 indicates that the tax authorities will change their view.

14.2.1.1.3 Notes held by tax residents as business assets

Payments of interest on Notes and capital gains from the disposal or redemption of Notes held as business assets by German tax resident individuals or tax resident corporations (i.e., corporations whose legal domicile or place of effective management is located in the Federal Republic of Germany), including via a partnership, as the case may be, are generally subject to German income tax or corporate income tax (in each case plus solidarity surcharge and, if applicable, church tax). The interest and capital gain will also be subject to trade tax if the Notes form part of the property of a German trade or business.

If the Notes are held in custody, or are administered, or if their disposal is executed, by a Disbursing Agent (as defined above), tax at a rate of 25% (plus a solidarity surcharge of 5.5% of such tax and, if applicable, church tax) will also be withheld from interest payments on Notes and generally also from capital gains from the disposal or redemption of Notes held as business assets. In these cases the withholding tax does not satisfy the income tax liability of the Noteholder, as in the case of the flat income tax, but will be credited as advance payment against the personal income or corporate income tax liability and the solidarity surcharge (and, if applicable, against the church tax) of the Noteholder, or, will be refunded in the amount of any excess.

With regard to capital gains from the disposal or redemption of Notes no withholding will generally be required in the case of Notes held by corporations tax resident in Germany, provided that in the case of corporations of certain legal forms the status of corporation has been evidenced by a certificate of the competent tax office. The same applies upon notification by use of the officially prescribed form towards the Disbursing Agent in the case of Notes held by individuals or partnerships as business assets.

14.2.1.2 Notes held by non-residents

Payments of interest on Notes and capital gains from the disposal or redemption of Notes are not subject to German taxation in the case of non-residents, i.e. persons having neither their residence nor their habitual abode nor legal domicile nor place of effective management in the Federal Republic of Germany, unless the Notes form part of the business property of a permanent establishment maintained in the Federal Republic of Germany, or for which a permanent representative has been appointed in the Federal Republic of Germany. Interest may, however, also be subject to German income tax if it otherwise constitutes income taxable in Germany, such as income from the letting and leasing of certain German-situs property or income from certain capital investments directly or indirectly secured by German situs real estate.

Non-residents of the Federal Republic of Germany are in general exempt from German withholding tax on interest and capital gains and from solidarity surcharge thereon. However, if the interest or capital gain is subject to German taxation as set forth in the preceding paragraph and the Notes are held in custody, or are administered, or if their disposal is executed, by a Disbursing Agent (as defined above), withholding tax will be levied as explained above at "14.2.1.1 Notes held by tax residents as non-business assets" or at "14.2.1.1.3 Notes held by tax residents as business assets".

14.2.2 Inheritance and gift tax

No inheritance or gift taxes with respect to any Note will generally arise under the laws of the Federal Republic of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a tax resident of the Federal Republic of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in the Federal Republic of Germany. Exceptions from this rule apply to certain German citizens who previously maintained a residence in the Federal Republic of Germany.

14.2.3 Other taxes

No stamp, issue, registration or similar taxes or duties will be payable in the Federal Republic of Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in the Federal Republic of Germany.

14.3 Taxation in Luxembourg

14.3.1 Non-residents

Under the existing laws of Luxembourg there is no withholding tax on the payment of interest on, or reimbursement of principal of, the Notes made to non-residents of Luxembourg through a paying agent established in Luxembourg.

However, the exchange of information rules and requirements provided for by the Luxembourg law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation apply.

14.3.2 Residents

According to the law of December 23, 2005, as amended, interest on Notes paid by a Luxembourg paying agent or paying agents established in the EU or in the EEA to an individual Noteholder who is a resident of Luxembourg will be subject to a withholding tax of 20%. In case of payment through a paying agent established in the EU or in the EEA, the Luxembourg resident individual Noteholder must under a specific procedure remit 20% tax to the Luxembourg Treasury.

If the individual Noteholder holds the Notes in the course of the management of his or her private wealth, the aforementioned 20% withholding tax will operate a full discharge of income tax due on such payments.

Interest on Notes paid by a Luxembourg paying agent to a resident Noteholder who is not an individual is not subject to withholding tax.

When used in the preceding paragraphs "*interest*" and "*paying agent*" have the meaning given thereto in the Luxembourg law of December 23, 2005, as amended. "Interest" will include accrued or capitalized interest at the sale, repayment or redemption of the Notes. Payments of interest or similar income under the Notes to Clearstream Banking AG, Clearstream Banking, société anonyme and Euroclear Bank SA/NV and payments by or on behalf of Clearstream Banking, société anonyme to financial intermediaries will not give rise to a withholding tax under Luxembourg law.

14.4 The proposed financial transaction tax

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia had since stated that it will not participate.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between Participating Member States. It may, therefore, be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. As of 28 June 2018, according to a report by the Council of the European Union, more preparatory work by the Council of the European Union will be required.

Prospective Noteholders are advised to seek their own professional advice in relation to the FTT.

15 SUBSCRIPTION AND SALE

The Dealers have, in the dealer agreement (the "**Dealer Agreement**") dated 18 March 2019, agreed with the Issuers a basis upon which they or any of them may from time to time agree to purchase Notes.

15.1 General

Each Dealer has represented, warranted and undertaken that it has complied and will comply with all applicable laws and regulations in force in any country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense, and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any country or jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuers nor any other Dealer shall have any responsibility therefor. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

Each Dealer has acknowledged that, other than with respect to the admission of the Notes to listing, trading and/or quotation by the relevant listing authorities, stock exchanges and/or quotation systems, no action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required.

With regard to each Tranche, the Relevant Dealers will be required to comply with such other additional restrictions as the relevant Issuer and the Relevant Dealers shall agree and as shall be set out in the applicable Final Terms.

Selling restrictions may be supplemented or modified with the agreement of the Issuers. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

15.2 European Economic Area in general

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) a "retail investor" means a person who is one (or more) of: the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Offer to the Public Selling Restriction Under the Prospectus Directive

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication to persons in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

15.3 United States of America

- (a) With regard to each Tranche, each Dealer has acknowledged that the Notes have not been and will not be registered under the Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented, warranted and undertaken that it has not offered or sold, and will not offer or sell, any Note constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has further represented, warranted and undertaken that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

- (b) From and after the time that the any of the Issuers notifies the Dealers in writing that it is no longer able to make the representation set forth, if the Issuer is BAWAG, in section 4.1.15 or, if the Issuer is BAWAG P.S.K., section 4.2.14 of the Dealer Agreement, each Dealer (i) has acknowledged that the Notes issued by such Issuer have not been and will not be registered under the Securities Act and may not be offered or

sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act; (ii) has represented, warranted and undertaken that it has not offered, sold or delivered any Notes issued by such Issuer, and will not offer, sell or deliver any Notes issued by such Issuer, (x) as part of its distribution at any time or (y) otherwise until 40 days after the later of the commencement of the offering and closing date, except in accordance with Rule 903 of Regulation S under the Securities Act; and accordingly, (iii) has further represented, warranted and undertaken that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note issued by such Issuer, and it and they have complied and will comply with the offering restrictions requirements of Regulation S; and (iv) has also agreed that, at or prior to confirmation of any sale of Notes issued by such Issuer, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes issued by such Issuer from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Notes covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons by any person referred to in Rule 903(b)(2)(iii) of Regulation S under the Securities Act (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act.

Terms used above have the meanings given to them by Regulation S under the Securities Act."

- (c) Each Dealer who has purchased Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and notify to the Fiscal Agent and the relevant Issuer the completion of the distribution of the Notes of such Tranche.

Terms used in paragraphs (a), (b) and (c) have the meanings given to them by Regulation S under the Securities Act.

- (d) With regard to each Tranche, each Dealer has represented, warranted and undertaken that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of Notes, except with its affiliates or with the prior written consent of the relevant Issuer.
- (e) Notes, other than Notes with an initial maturity of one year or less, will be issued in accordance with the provisions identical to those described in U.S. Treas. Reg. section 1.163-5(c) (2) (i) (C) (the "**C Rules**"), or in accordance with the provisions identical to those described in U.S. Treas. Reg. section 1.163-5(c) (2) (i) (D) (the "**D Rules**"), as specified in the applicable Final Terms.

In addition, where the C Rules are specified in the relevant Final Terms as being applicable to any Tranche of Notes, Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented, warranted and undertaken that, in connection with the original issuance of Notes, it has not offered, sold or delivered and will not offer, sell or deliver, directly or indirectly, Notes within the United States or its possessions. Further, each Dealer has represented, warranted and undertaken in connection with the original issuance of Notes that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either such Dealer or such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of Notes. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the C Rules.

In addition, in respect of Notes issued in accordance with the D Rules, each Dealer has represented, warranted and undertaken that:

- (i) except to the extent permitted under the D Rules, (x) it has not offered or sold, and during the restricted period will not offer or sell, Notes to a person who is within the United States or its possessions or to a United States person, and (y) such Dealer has not delivered and will not deliver within the United States or its possessions definitive Notes that are sold during the restricted period;
- (ii) it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that such

Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

- (iii) if such Dealer is a United States person, it represents that it is acquiring the Notes for purposes of resale, in connection with their original issuance and if such Dealer retains Notes for its own account, it will only do so in accordance with the requirements of the provisions identical to those described in U.S. Treas. Reg. section 1.163-5(c)(2)(i)(D)(6); and
 - (iv) with respect to each affiliate that acquires Notes from such Dealer for the purposes of offering or selling such Notes during the restricted period, such Dealer either (x) repeats and confirms the representations and agreements contained in sub-clauses (i), (ii) and (iii) above on such affiliate's behalf and (y) agrees that it will obtain from such affiliate for the benefit of the purchaser of the Notes and the relevant Issuer the representations and agreements contained in sub-clauses (i), (ii) and (iii) above.
 - (v) Terms used in this paragraph (e) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.
- (f) Each issue of index-, commodity- or currency-linked Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the Relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the Final Terms. Each Dealer has represented and agreed that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.
- (g) The Temporary Global Notes and the Permanent Global Note will each bear the following legend:
- "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the U.S. Internal Revenue Code".

15.4 Selling restrictions addressing additional United Kingdom securities laws

In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors.

In particular, in June 2015, the U.K. Financial Conduct Authority (the "**FCA**") published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, which took effect from 1 October 2015 (the "**PI Instrument**"). In addition, (i) on 1 January 2018, the provisions of the PRIIPs Regulation became directly applicable in all member states of the European Economic Area ("**EEA**") and (ii) MiFID II was required to be implemented in EEA member states by 3 January 2018. Together the PI Instrument, PRIIPs Regulation and MiFID II are referred to as the "**Regulations**".

The Regulations set out various obligations in relation to (i) the manufacture and distribution of financial instruments and the (ii) offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write-down or convertible securities.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

15.5 Luxembourg

The Notes having a maturity of less than 12 months at the issue that may qualify as securities and money market instruments in accordance with Article 4 (2)(j) of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities as amended (the "**Luxembourg Prospectus Law**"), which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 as amended (the "**Prospectus Directive**") to be published when securities are offered to the public or admitted to trading, may not be offered or sold to the public within the territory of the Grand-Duchy of Luxembourg unless as amended:

- (a) a simplified prospectus has been duly approved by the *Commission de Surveillance du Secteur Financier* and published pursuant to part III of the Luxembourg Prospectus Law; or
- (b) the offer benefits from an exemption from or constitutes a transaction not subject to, the requirement to publish a simplified prospectus under part III of the Luxembourg Prospectus Law.

15.6 Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

15.7 Additional selling restrictions for the Republic of Austria

No offer of the Notes may be made to the public in Austria, except that an offer may be made to the public in Austria (a) in the case of bearer Notes (i) in the period beginning one business day following the date of publication of this Base Prospectus including any supplements but excluding the Final Terms in relation to those Notes which have been approved by FMA or, where appropriate, approved in another Member State and notified by FMA, all in accordance with the Prospectus Directive and (ii) after and including the date of publication of the relevant Final Terms for the Notes and (iii) after and including the date of filing of a notification with OeKB CSD GmbH, all as prescribed by the Capital Market Act 1991 ("**CMA**": *Kapitalmarktgesetz* 1991), or (b) in the case of bearer Notes otherwise in compliance with the CMA. Furthermore, any offer made to the public in Austria is subject to the consent of the relevant Issuer to the use of the Base Prospectus as provided for in the Final Terms.

For the purposes of this provision, the expression "**an offer of the Notes to the public**" means the communication to the public in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

16 GENERAL INFORMATION

16.1 Covered Bonds (*Fundierte Bankschuldverschreibungen*)

Covered Bonds (*Fundierte Bankschuldverschreibungen*) are bonds which are issued in accordance with the provisions of the Austrian Law on Covered Bonds of Banks dated 27 December 1905 (*Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen, Imperial Law Gazette No. 213/1905* as amended – the "**Law on Covered Bonds of Banks**") and the Articles of Association of BAWAG P.S.K. (the "**Relevant Articles of Association**"). The following description of Covered Bonds is based on the Law on Covered Bonds of Banks currently in effect, which is subject to change. In particular, there may be a change in the types of assets that are eligible for the cover pool (*Kautio* or *Deckungsstock*). As a result, the Issuer could be entitled and/or obliged to adapt the composition of the cover pool accordingly.

Covered Bonds are secured or "covered" by a cover pool of assets which has to meet the requirements set out in the Law on Covered Bonds of Banks and the Articles of Association and may not be issued without such cover. Of the Issuers, only BAWAG P.S.K. as a qualifying credit institution may issue Covered Bonds. The purpose of the cover pool is to create a distinct pool of assets to satisfy the claims of the holders of Covered Bonds and – in particular in case of insolvency of the Issuer – to preferentially satisfy the claims arising out of Covered Bonds (as described below).

All the assets in the cover pool are to be held separately from the remaining assets of the BAWAG P.S.K. To the extent that these assets are securities or cash, this is achieved by the use of separate accounts and deposits under the joint control of the government commissioner (Article 14 paragraph 8 of the Relevant Articles of Association). In case of other claims, the deeds will be kept separately.

The cover pool and the financial treatment of Covered Bonds must be accounted for separately in BAWAG P.S.K.'s annual financial statements (Article 14 paragraph 10 of the Relevant Articles of Association).

A Government Commissioner (*Regierungskommissär*) must be appointed by the responsible public supervisory body to perform the duties set out in the Law on Covered Bonds of Banks in the interest of the holders of the Covered Bonds. BAWAG P.S.K. may not dispose of any asset in the cover pool without first obtaining the consent of the Government Commissioner.

According to the Austrian Law on Covered Bonds of Banks and the Articles of Association, the cover pool may contain, among other things, claims against or guaranteed by and securities issued or guaranteed by certain public sector entities as specified in the Austrian Law on Covered Bonds of Banks and the Articles of Association. The following assets can be included in a cover pool of assets in order to provide preferential cover (backing) for Covered Bonds according to the Austrian Law on Covered Bonds of Banks:

- a. claims and securities if they are suitable for the investment of money held in trust for a ward of court (§ 217 of the Austrian Civil Code);
- b. claims and securities, if a pledge has been entered for their benefit into a public register (such as mortgages);
- c. claims, if they are payable by an Austrian corporation under public law, by any Contracting State to the Agreement on the European Economic Area other than Austria, by Switzerland, or by the regional governments or local authorities of those countries, for which the competent authorities have set a weighting of 20%, at the most, under Article 43(1)(b)(5) of Directive 2000/12/EC, or if one of the above mentioned corporations guarantees payment;
- d. securities, if they were issued by any of the bodies listed in litera c above or if one of these bodies guarantees payment.

For those bonds that are covered by assets in accordance with literae c and d, a separate cover pool of assets may be established. In addition, the Issuer may also establish a separate cover pool for the assets referred to in literae a and b, which would primarily include mortgages (qualifying for inclusion in a cover pool pursuant to the Law on Covered Bonds of Banks), but may also include other assets referred to in litera a above.

Furthermore, hedging transactions (derivatives contracts) which serve to reduce the risks of future interest or currency fluctuations or default – also in the event of the insolvency of the company – with regard to the assets

used as cover for the Covered Bonds issued may also be used to provide preferential cover. Assets or parts of assets of another credit institution allocated to the cover pool are equivalent to assets of which the Issuer is the creditor, if it has been agreed in writing that they shall be held in trust by such other credit institution for the Issuer and it is ascertained that they comply with the provisions of the Austrian Law on Covered Bonds of Banks. To the extent allowed by law, cash may be used as substitute cover.

Assets which are subject to provisions forbidding the disposition of such assets or provisions that have a similar effect are not allowed to be included in the cover pool.

Each of the assets held as security in the cover pool shall be entered separately into a special list (cover register (*Deckungsregister*)). Hedging transactions (derivatives contracts) may only be registered with the consent of the government commissioner and BAWAG P.S.K.'s counterparty under such hedging transaction. If assets used as cover or parts of such assets are held in trust, the credit institution acting as trustee in each case shall be recorded in the cover register.

Under the Relevant Articles of Association, the cover must at all times comply with the following conditions:

- a. The nominal value of the assets assigned to the cover pool shall at least cover the redemption amount and interest of the covered bonds in circulation and the administrative costs that are likely to be incurred in the event of the Company's bankruptcy, and
- b. the market value of the assets assigned to the cover pool shall cover the present value of the covered bonds in circulation plus an amount of over collateralization that shall be determined making reasonable allowance for market risks but shall be at least 2 per cent.

If the required coverage is not fully available, for instance in the case of repayment of an asset of the cover pool, or for any other reason, such shortfall shall be met by assets of the Issuer arising out of deposits maintained at a central bank of, or credit institution in, a Member State of the European Economic Area or member state of the OECD (other than states who have applied to restructure, or have during the past five years restructured, their external debt) or by cash (any and all, the "**Substitute Coverage**"). The Substitute Coverage must not exceed 15percent. of the aggregate amount of the outstanding Covered Bonds.

The Austrian Law on Covered Bonds of Banks provides that any set-off against assets which belong to the cover pool is prohibited (other than the set-off as between claims arising under one and the same hedging agreement where the entire agreement pertains to the pool).

If BAWAG P.S.K. becomes insolvent, the insolvency court will appoint a joint attorney (*Kurator*) for the purpose of representing the Holders of Covered Bank Bonds, as well as a Special Administrator (*besonderer Verwalter*) under § 86 of the Austrian Insolvency Act (*Insolvenzordnung – IO*) for the administration of the cover pool.

The entire cover pool is to be sold in accordance with the procedure set out in §3 Austrian Law on Covered Bonds of Banks to an appropriate credit institution which then assumes all obligations under the Covered Bonds, under the continued joint liability of the Issuer. Furthermore, the BaSAG implementing the BRRD defines secured liabilities (*besicherte Verbindlichkeiten*) as liabilities for which a security was provided, in particular, among others, Covered Bonds under the Austrian Law on Covered Bonds of Banks to the extent that they are covered by the value of the security. In accordance with the BaSAG, such secured liabilities are deemed non-Eligible Notes for purposes of writing-down or converting Eligible Notes pursuant to the provisions of the BaSAG (so-called "**bail-in tool**"). Accordingly, Covered Bonds shall not be subject to "bail-in" pursuant to the BaSAG as, and to the extent, the cover pool serves as collateral for the principal amount of the Covered Bonds.

Should it be impossible to sell the entire cover pool and should the cover pool not be sufficient to satisfy all holders of Covered Bonds then the cover pool shall be liquidated (with the consent of the bankruptcy court). In such case, all claims under the Covered Bonds shall be deemed due. The claims of the holders of Covered Bonds shall be satisfied from the proceeds on a pro rata basis. Furthermore, holders of Covered Bonds would also have recourse to any assets of the Issuer outside the cover pool to the extent that their claims arising out of the Covered Bonds are not satisfied. As regards these assets, holders of Covered Bonds would rank equally with other unsecured and unsubordinated creditors of the Issuer (and eventually also with other secured creditors in respect of any shortfall of such other creditor's security).

16.2 Subordinated Notes

Subordinated Notes qualify as tier 2 capital instruments of the relevant Issuer provided that the following conditions are met in accordance with Article 63 CRR:

- (a) the notes are issued and fully paid-up;
- (b) the notes are not purchased by (i) the relevant Issuer or its subsidiaries; (ii) an undertaking in which the Issuer has participation in the form of ownership, direct or by way of control, of 20% or more of the voting rights or capital of that undertaking;
- (c) the purchase of the notes is not funded directly or indirectly by the relevant Issuer;
- (d) the claim on the principal amount of the notes under the provisions governing the notes is wholly subordinated to claims of all non-subordinated creditors;
- (e) the notes are not secured, or subject to a guarantee that enhances the seniority of the claim by any of: (i) the Issuer or its subsidiaries; (ii) the parent undertaking of the Issuer or its subsidiaries; (iii) the parent financial holding company or its subsidiaries; (iv) the mixed activity holding company or its subsidiaries; (v) the mixed financial holding company or its subsidiaries; (vi) any undertaking that has close links with entities referred to in points (i) to (v);
- (f) the notes are not subject to any arrangement that otherwise enhances the seniority of the claim under the notes;
- (g) the notes have an original maturity of at least five years;
- (h) the provisions governing the notes do not include any incentive for their principal amount to be redeemed or repaid by the Issuer prior to their maturity;
- (i) where the notes include one or more call options or early repayment options, as applicable, the options are exercisable at the sole discretion of the relevant Issuer;
- (j) the notes may be called, redeemed or repurchased or repaid before their maturity only if the relevant Issuer has acquired prior permission of the competent authority pursuant to Article 77 CRR and not before five years after the date of issuance, except where the provisions laid down in Article 78 para 1 CRR are met and
 - a. there is a change in the regulatory classification of those notes that would be likely to result or has resulted in their exclusion from own funds or reclassification as a lower quality form of own funds, and both the following conditions are met: (i) the competent authority considers such a change to be sufficiently certain; (ii) the Issuer demonstrates to the satisfaction of the competent authorities that the regulatory reclassification of those notes was not reasonably foreseeable at the time of their issuance;
 - b. there is a change in the applicable tax treatment of those instruments which the institution demonstrates to the satisfaction of the competent authorities is material and was not reasonably foreseeable at the time of their issuance;
- (k) the provisions governing the notes do not indicate explicitly or implicitly that the notes would or might be called, redeemed, repurchased or repaid early by the relevant Issuer other than in the insolvency or liquidation of the relevant Issuer and the Issuer does not otherwise provide such an indication;
- (l) the provisions governing the notes do not give the holder the right to accelerate the future scheduled payment of interest or principal, other than in the insolvency or liquidation of the relevant Issuer;
- (m) the level of interest payments due on the notes will not be amended on the basis of the credit standing of the relevant Issuer or its parent undertaking, if any;
- (n) where the notes are not issued directly by an Issuer, both of the following conditions shall be met: (i) the notes are issued through an entity which is part of the consolidation pursuant to Chapter 2 of Title II of Part

one of CRR; and (ii) the proceeds are immediately available to the Issuer without limitation in a form that satisfies the conditions laid down in this paragraph.

16.3 Unsubordinated Notes (which are not Covered Bonds) and Senior Non-Preferred Notes

Unsubordinated Notes (other than Covered Bonds) and Senior Non-Preferred Notes shall qualify as eligible liabilities of the relevant Issuer for purposes of CRR II and Article 108 BRRD, as implemented in § 131 BaSAG and amended or replaced:

- (a) obligations under the Senior Non-Preferred Notes will, save as may be provided by mandatory applicable legislation in relation to creditors' rights, rank
 - a. within the unsubordinated and unsecured obligations of the relevant Issuer
 - i. *pari passu* with any other unsecured and unsubordinated obligations of the relevant Issuer, which are expressed to rank *pari passu* with the relevant Issuer's obligations under the Notes,
 - ii. junior to unsecured and unsubordinated obligations of the relevant Issuer other than those described above under item (i) or the Notes (such as Unsubordinated Notes (which are not Covered Bonds and Senior Non-Preferred Notes)), and
 - b. senior to any present and future subordinated obligations of the relevant Issuer;
- (b) obligations under the Unsubordinated Notes (which are not Covered Bonds and Senior Non-Preferred Notes) will, save as may be provided by mandatory applicable legislation in relation to creditors' rights, rank
 - a. *pari passu* among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer except for any obligations preferred by law;
 - b. senior to Senior Non-Preferred Notes and any present and future subordinated obligations of the relevant Issuer.
- (b) no Noteholder has at any time a right to set-off his obligations under the Unsubordinated Notes (which are not Covered Bonds) or Senior Non-Preferred Notes against any right, claim or liability the relevant Issuer has or may have against such Noteholder. Neither the relevant Issuer nor any third party may secure the rights under the Unsubordinated Notes (which are not Covered Bonds) or Senior Non-Preferred Notes by providing any form of guarantee or security in favor of the Noteholders. No such guarantee or security may be provided at any later time;
- (c) any redemption of the Unsubordinated Notes (which are not Covered Bonds) or Senior Non-Preferred Notes is subject to such redemption being permitted by the applicable laws, regulations, requirements, guidelines and policies then in effect giving effect to the MREL and subject to the relevant Issuer obtaining permission from the competent authority and/or the relevant authority pursuant to such applicable MREL regime, if required; and
- (d) each Noteholder shall only be entitled to declare his Unsubordinated Notes (which are not Covered Bonds) or Senior Non-Preferred Notes due and demand immediate redemption thereof at the Early Redemption Amount, as defined in the Terms and Conditions, together with accrued interest (if any) to the date of repayment, in the event that insolvency or liquidation proceedings are instituted against the Issuer which shall not have been dismissed or stayed within 60 days after institution, or if the Issuer applies for institution of such proceedings.

16.4 Use of proceeds and reasons for an offer

The net proceeds from any issue of the Issuers under the Programme will be used for general financing purposes of BAWAG Group.

16.5 Interest of natural and legal persons involved in an issue/offer

Certain Dealers and their affiliates may be customers of, and borrowers from the Issuers and their affiliates. In addition, certain Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

The Issuers and their affiliates may be subject to conflicts of interest. In particular, the interests of the owners of the Issuers could significantly diverge from those of the Issuers and the Noteholders.

16.6 Authorization

The establishment of the Programme was resolved by the Management Board of BAWAG on 13 March 2019 and authorized by the Supervisory Board of BAWAG on 14 March 2019. The Management Board of BAWAG P.S.K. resolved the establishment of the Programme on 13 March 2019, which was authorized by the Supervisory Board of BAWAG P.S.K. on 14 March 2019.

16.7 Independent auditors

KMPG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, 1090 Vienna, Porzellangasse 51 has audited the Consolidated Annual Financial Statements of BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft as of 31 December 2018 and on 31 December 2017 issued an unqualified auditors' opinion. KMPG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft has audited the Consolidated Annual Financial Statements of BAWAG Group AG as of 31 December 2018 and as of 31 December 2017 issued an unqualified auditors' opinion.

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, 1090 Vienna, Porzellangasse 51 as well as their responsible employees are members of the Kammer der Wirtschaftstreuhänder, Schönbrunner Straße 222-228/1/6, 1120 Wien.

16.8 Clearing systems

The relevant Final Terms will specify which clearing system or systems (including OeKB CSD GmbH, Clearstream Banking AG, Clearstream Banking, société anonyme, Luxembourg and Euroclear) has/have accepted the relevant Notes for clearance and provide any further appropriate information.

16.9 Minimum denomination

The minimum denomination of the Notes will be €1,000 or, if any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of €1,000 at the time of the issue of the Notes.

16.10 Listing of the Programme and admission to trading

Application will be made to the Luxembourg Stock Exchange for Notes issued under this Programme to be admitted to trading on the Luxembourg Stock Exchange's Regulated Market and to be listed on the Official List of the Luxembourg Stock Exchange. Application may also be made to trade Notes on the Official Market ("*Amtlicher Handel*") or the Third Market ("*Dritter Markt*") of the Vienna Stock Exchange.

Further, Notes may be issued under the Programme which will not be listed on any stock exchange.

16.11 The basis for any statements in the registration document made by the Issuer regarding its competitive position.

The statement that BAWAG and its affiliates and subsidiaries, including BAWAG's main operating subsidiary BAWAG P.S.K. are one of the leading full-service banking groups in Austria and Austria's fourth largest banking group in terms of total assets is based on internal unpublished data of BAWAG.

16.12 Passporting

In addition to the applications already described in this Base Prospectus, each Issuer may, on or after the date of this Base Prospectus, make applications for one or more further certificates of approval under Article 19 of the Luxembourg Prospectus Law to be issued by CSSF to the competent authority in any host Member State within the meaning of Article 2(1)(g) of the Luxembourg Prospectus Law.

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