



**BAWAG Group AG,
Vienna, Austria**

Translation of the Report on the
independent audit of compliance
with the C- and R-Rules of the
Austrian Corporate Governance Code
(ÖCGK) according to R-Rule 62 for
the year ended 2018

5 April 2019

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
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To the members of the
Management Board and the Audit Committee of
BAWAG Group AG,
Vienna, Austria

Report on the independent audit of compliance with the C-Rules of the Austrian Corporate Governance Code (ÖCGK)

We have evaluated the compliance with C-Rule 62 of the Austrian Corporate Governance Code (ÖCGK) in the version of January 2018 by BAWAG Group AG (the "company"), Vienna, Austria, for the financial year 2018.

Management's Responsibility

Reporting on the implementation and compliance with the relevant rules of the ÖCGK ("declaration of conformity") as part of the corporate governance report for the financial year 2018 and compliance with these rules are the responsibility of the board of directors of the company.

Auditor's Responsibility

Our responsibility is to state whether, based on our procedures performed, as to whether any matters have come to our attention that causes us to believe that the declaration of conformity of the company in the context of the Corporate Governance Report does not adequately represent the implementation and compliance with the relevant rules of the ÖCGK. As we also acted as auditors for the company in the financial year 2018, the audit did not include compliance with the C-rules 77 to 83 of the ÖCGK.

We conducted our engagement in conformity with Austrian Standards for independent assurance engagements (KFS/PG 13) and the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. These standards require us to comply with our professional requirements and to plan and perform the engagement under consideration of materiality so that we can express our conclusion with limited assurance.

An independent assurance engagement with the purpose of expressing a conclusion with limited assurance is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance, thus providing reduced assurance.

The procedures selected depend on the auditor's judgement and included in particular the review and examination of representations in the declaration of conformity, the inquiry of responsible persons, the inspection of relevant documents and records, and the examination of information provided on the homepage (www.bawaggroup.com). The review and the examination of the declaration of conformity was based on the questionnaire issued by the Austrian working group for Corporate Governance.

This report is a translation of the original report in German, which is solely valid.

Conclusion

Based on the procedures performed no facts, except as described below, have come to our attention that causes us to believe that the Company's declaration of conformity in the context of the corporate governance report does not accurately reflect the implementation and compliance with the relevant rules and regulations of the Austrian Corporate Governance Code:

Rule 2/Question 1

The principle "one share one vote" does not apply, as each of the two shareholders are entitled to appoint one representative as member of the Supervisory Board, as long as they hold a direct interest of the company of at least one share.

Restrictions on use

This report is prepared solely on behalf and in the interest of the Management Board and the Audit Committee and its contents may not be relied upon by any other third party. Accordingly, the report is not to be construed as an investment recommendation and should be disregarded in making investment decisions or making decisions about contracts with the Company.

General Conditions of Contract

Our responsibility and liability towards the Company and any third party is subject to paragraph 7 of the General Conditions of Contract for the Public Accounting Professions.

Vienna, 5 April 2019

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed:
Bernhard Mechtler
Wirtschaftsprüfer
(Austrian Chartered Accountant)