

Pursuant to EU Directives, in Austria implemented in the Austrian Banking Act, every credit institution in Austria which accepts deposits which are subject to a deposit guarantee scheme, or which provides securities services which are subject to a guarantee scheme, is under a statutory obligation to belong to a guarantee facility.

As an Austrian bank, Bank Austria is subject without restriction to the Austrian provisions governing the protection of deposits and investor compensation (Section 93 ff Austrian Banking Act). Bank Austria is member of the statutory guarantee facility of the saving banks (Sparkassen), the Sparkassen-Haftungs Aktiengesellschaft.

### **Protection of deposits**

#### Natural persons:

Deposits of natural persons are guaranteed up to a maximum amount of EUR 100,000 per depositor.

#### Non-natural persons:

Deposits of non-natural persons are guaranteed up to a maximum amount of EUR 100,000 per depositor.

Deposits in an account over which two or more persons may dispose as partners in an ordinary partnership (offene Gesellschaft), a limited partnership (Kommanditgesellschaft), a general partnership (Erwerbsgesellschaft), a civil-law partnership (Gesellschaft bürgerlichen Rechts) or a business organisation of a similar nature under the law of a Member State or a third country are to be aggregated in the calculation of the maximum amount and treated as if made by a single depositor; the same applies to credit balances and other claims arising from securities transactions.

### **Investor compensation:**

Austrian law requires custodian banks to return securities to investors.

Any monetary claims arising under the investor compensation scheme are guaranteed up to maximum amount of EUR 20,000 both for natural persons and non-natural persons. However, the protection scheme's cover obligation for claims of creditors which are not natural persons is limited to 90% of the claim from securities per investor.

### **Deposit guarantee versus investor compensation:**

Normally all kinds of deposits/balances credited to interest-bearing or non-interest-bearing accounts with credit institutions (such as balances held in salary accounts, savings accounts, fixed-term deposits, etc.) are subject to the deposit guarantee scheme.

Return flows from securities (dividends, sales proceeds, redemption, etc.) are also covered by the guarantee scheme provided they are credited to an interest-bearing account with a credit institution.

If, however, return flows are transferred directly to a non-interest-bearing account, such funds will be subject to investor compensation.

### **Exemptions from deposit guarantee and investor compensation scheme:**

Please find below a simplified version of exemptions from coverage. The legal text of § 93 (2) No. 3 and (5) of the Austrian Banking Act (BWG) applies.

The following deposits and claims are excluded from coverage by the scheme:

- Deposits and claims not denominated in Euros, Swiss francs or another currency of an EEA Member State (all EU countries, Iceland, Liechtenstein and Norway).
- Debt securities issued by the credit institution (such as bonds issued by housing banks (Wohnbank-Anleihen), cash market bonds (Kassenobligationen), mortgage bonds (Pfandbriefe), etc.). They will be serviced in the bankruptcy proceedings of the issuing bank according to the terms of issue (they may be serviced preferentially out of isolated cover funds, such as mortgage bonds, or with the dividend in bankruptcy, or they are considered subordinate and can only be serviced after other non-subordinated creditors are satisfied).
- Own funds components of the bank (such as supplementary and participation capital).
- Deposits and claims of companies which qualify as large corporations as defined in § 221 (3) of the Austrian Companies Act (UGB).
- Deposits and claims of individuals linked to the credit institution, such as members of the board, of the supervisory board, personally liable partners, auditors of the bank and individuals holding at least 5% of the bank's capital, even if such individuals, by virtue of their office, work for affiliated undertakings of the bank (save insignificant participating interests). Moreover close relatives of individuals linked to the credit institution, as well as third parties, are excluded from the protection scheme if the close relative or third party acts for the account of individuals linked to the credit institution.
- Deposits and claims of other companies which are affiliated undertakings (§ 244 UGB) of the credit institution.

- Deposits and claims for which the credit institution granted the depositor, or the party entitled to a claim, interest rates or other financial benefits on an individual basis which contributed to the deterioration of the financial situation of the credit institution.
- Deposits and claims connected with money laundering.
- Deposits and claims of credit or financial institutions or securities trading firms, as well as of institutional investors, such as insurance companies, investment companies (funds), pension and retirement income provision funds, etc.
- Deposits and claims of federal, regional and local governments, and of comparable territorial authorities abroad.

The foregoing English translation is provided for your convenience only. In the event of discrepancies the German original text shall prevail over the English translation.

Moreover, we point to the Sections 93 ff, 103h and 103k Austrian Banking Act concerning the protection of deposits and investor compensation which we place at your disposal if desired.