

Qualitative Disclosure pursuant to Article 438 CRR (Capital Requirements)

Regulatory developments - Basel 3 / CRD IV, CRR

The final Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD IV) for the implementation of Basel 3 in the European Union were published in the EU Official Journal on 27 June 2013. The new legal framework replaces Capital Requirements Directives 2006/48/EC and 2006/49/EC and came into force in Austria on 1 January 2014.

Basel 3 consists of stricter requirements for regulatory capital with a minimum of Common Equity Tier 1 Capital of 4.5% of RWA, Total Tier 1 Capital of 6% and Total Capital of 8%. In addition, all banks are required starting from 2016 phase-in to hold a capital conservation buffer consisting of Common Equity Tier 1 Capital of 2.5% on top of the new minimum requirements. This will lead to an effective total requirement of 7% Common Equity Tier 1 Capital, 8.5% Tier 1 Capital and 10.5% Total Capital.

Furthermore, Member States can set an additional buffer requirement to dampen excess lending growth (counter-cyclical buffer up to 2.5%). In addition, systemic risk buffers, capital surcharges for systemically important banks (0 - 3.5%) can be set by the authorities. Where an authority imposes the systemic risk buffer and the systemic bank surcharge is applicable, the higher of the two should apply.

With the steady improvement in its capital ratios in 2013, Bank Austria has a sound capital base to meet the new capital adequacy requirements (Basel 3).

The Joint Risk Assessment and Decision ("JRAD") process together with the colleges of supervisors evaluating the bank-specific minimum total capital ratio is ongoing.

You may find the classification of impaired loans and receivables - according to the regulations of UniCredit Group - in the quantitative disclosure pursuant to Art. 438 CRR.

Quantitative Disclosure pursuant to Article 438 CRR (Capital Requirements) Bank Austria Group

30.06.2014

in EUR '000

Article 438 c) Credit risk - Standardised approach

for institutions calculating the risk-weighted exposure amounts in accordance with Chapter 2 of Part Three, Title II, 8 % of the risk-weighted exposure amounts for each of the exposure classes specified in Article 112

Exposure classes	RWA	Capital requirement
Art. 112 a) Exposures to central governments or central banks	3,228,130	258,250
Art. 112 b) Exposures to regional governments or local authorities	577,036	46,163
Art. 112 c) Exposures to public sector entities	259,751	20,780
Art. 112 d) Exposures to multilateral development banks	0	0
Art. 112 e) Exposures to international organisations	0	0
Art. 112 f) Exposures to institutions	1,868,602	149,488
Art. 112 g) Exposures to corporates	21,512,660	1,721,013
Art. 112 h) Retail exposures	17,637,753	1,411,020
Art. 112 i) Exposures secured by mortgages on immovable property	2,475,527	198,042
Art. 112 j) Exposures in default	4,428,742	354,299
Art. 112 k) Exposures associated with particularly high risk	229,508	18,361
Art. 112 l) Exposures in the form of covered bonds	17	1
Art. 112 m) Items representing securitisation positions	16,469	1,318
Art. 112 n) Exposures to institutions and corporates with a short-term credit assessment	11,220	898
Art. 112 o) Exposures in the form of units or shares in collective investment undertakings ("CIUs")	23,680	1,894
Art. 112 p) Equity exposures	3,059,208	244,737
Art. 112 q) Other items	3,573,562	285,885
Standardised approach total	58,901,866	4,712,149

Article 438 d) Credit risk - IRB approach

for institutions calculating risk-weighted exposure amounts in accordance with Chapter 3 of Part Three, Title II, 8 % of the risk-weighted exposure amounts for each of the exposure classes specified in Article 147.

For the retail exposure class, this requirement applies to each of the categories of exposures to which the different correlations in Article 154 (1) to (4) correspond.

For the equity exposure class, this requirement applies to:

- each of the approaches provided in Article 155;
- exchange traded exposures, private equity exposures in sufficiently diversified portfolios, and other exposures;
- exposures subject to supervisory transition regarding own funds requirements;
- exposures subject to grandfathering provisions regarding own funds requirements;

Exposure classes	RWA	Capital requirement
Art. 147 (2) a) Exposures to central governments and central banks	407,319	32,586
Art. 147 (2) b) Exposures to institutions	5,353,352	428,268
Art. 147 (2) c) Exposures to corporates	35,516,150	2,841,292
Art. 147 (2) d) Retail exposures	5,829,717	466,377
Art. 154 (2) (3) Retail - Secured by real estate SME	187,414	14,993
Art. 154 (3) Retail - Secured by real estate non-SME	2,264,814	181,185
Art. 154 (4) Retail - Qualifying revolving	323,266	25,861
Art. 154 (2) Retail - Other SME	398,466	31,877
Art. 154 (1) Retail - Other non-SME	2,655,757	212,461
Art. 147 (2) e) Equity exposures	966,679	77,334
Art. 155 (3) PD-/LGD-Approach	235,024	18,802
Art. 155 (2) Simple risk weight approach	117,497	9,400
Art. 155 (4) Internal models approach	0	0
Art. 48 (4) Equity exposures subject to risk weights	614,158	49,133
Art. 471 (2) Items representing securitisation positions	730,959	58,477
Art. 147 (2) g) Other non credit-obligation assets	0	0
IRB approach total	48,804,176	3,904,334

Exposures under Specialised lending slotting criteria in accordance with Table 1 of Article 153(5)

Remaining Maturity	RWA		Capital requirement	
	Less than 2.5 years	Equal or more than 2.5 years	Less than 2.5 years	Equal or more than 2.5 years
Category 1	23,802	74,037	1,904	5,923
Category 2	54,963	143,300	4,397	11,464
Category 3	392,974		31,438	
Category 4	171,461		13,717	
Category 5	0		0	

Exposures under Simple risk weight approach in accordance with Article 155(2)

	RWA	Capital requirement
Simple risk weight approach Total	117,497	9,400
Private equity exposures in sufficiently diversified portfolios	29,629	2,370
Exchange traded equity exposures	444	36
All other equity exposures	87,423	6,994

Article 438 d) iv) exposures subject to grandfathering provisions regarding own funds requirements

	RWA	Capital requirement
Article 438 d) iv) exposures subject to grandfathering provisions regarding own funds requirements	841,311	67,305

Article 438 e) Total risk exposure amount for Position, Foreign exchange and Commodities risks resp. Settlement risk
own funds requirements calculated in accordance with points (b) and (c) of Article 92(3)

		RWA	Capital requirement
Standardised approach Art. 92 (3) b	Own funds requirements, determined in accordance with Title IV of this Part or Part Four, as applicable, for the trading-book business of an institution, for the following	41,905	3,352
	i) Position risk	41,905	3,352
	ii) Large exposures exceeding the limits specified in Articles 395 to 401, to the extent an institution is permitted to exceed those limits	0	0
Art. 92 (3) c	Own funds requirements determined in accordance with Title IV or Title V with the exception of Article 379, as applicable, for the following	22,784	1,823
	i) Foreign-exchange risk	22,783	1,823
	ii) Settlement risk	0	0
	iii) Commodities risk	0	0
Internal model Art. 92 (3) b-c	Risk exposure amount for Position, foreign exchange and commodities risks under internal models (IM)	3,890,382	311,231
	Total risk exposure amount for Position, Foreign exchange and Commodities risks resp. Settlement risk	3,955,071	316,406

Article 438 f) Operational Risk (OpR)

own funds requirements calculated in accordance with Part Three, Title III, Chapters 2, 3 and 4 and disclosed separately

		RWA	Capital requirement
Chapter 2	Basic indicator approach (BIA)	2,090,118	167,209
Chapter 3	Standardised (STA) / Alternative Standardised (ASA) approaches	3,222,436	257,795
Chapter 4	Advanced measurement approaches (AMA)	7,895,394	631,632
	Total Risk Exposure Amount For Operational Risk (Opr)	13,207,948	1,056,636