



Bank Austria

Member of  UniCredit



Bank Austria – Cover Pool of Covered Bonds (Mortgage Covered Bonds and Public Sector Covered Bonds)

Agenda

- Mortgage Covered Bonds of Bank Austria
- Public Sector Covered Bonds of Bank Austria

Executive Summary

Bank Austria Mortgage Cover Pool



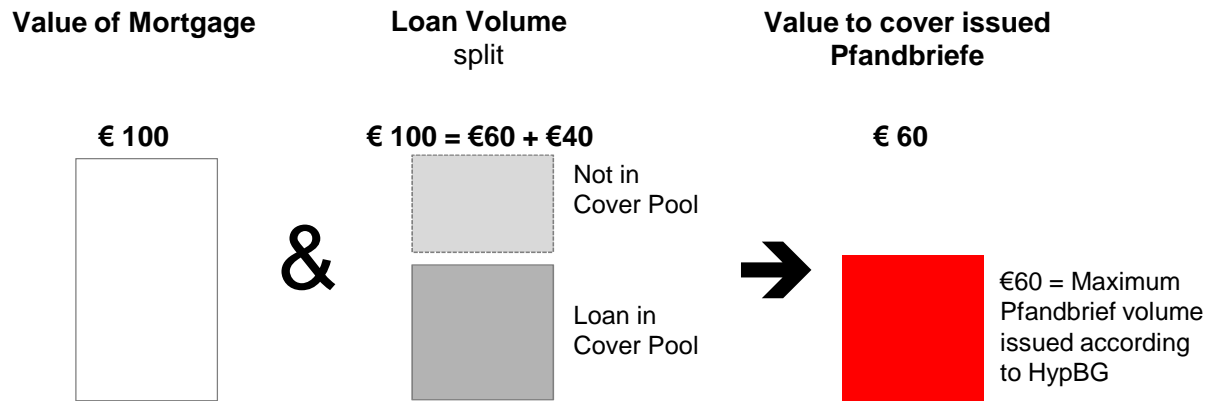
- **Aaa Rating by Moody's**
- Bank Austria decided to streamline its **Mortgage Cover Pool targeting a simple and transparent pool composition:**
 - focus on **Austrian mortgages only**
 - change to whole loan reporting instead of collateral volume
- **Benefit:**
 - **pure Austrian risk offer** to our investor base
 - no blending of risk, diversification to be decided by investor
 - simple pricing logic
- **ECBC Covered Bond Label** has been granted to the BA Mortgage Cover Pool

Bank Austria's Whole Loan Approach

Whole Loan Approach and its Benefits for Investors

According to the Austrian Mortgage Banking Act (HypBG), the maximum coverage volume of "Beleihungswert" is 60% (maximum current outstanding of the loan)

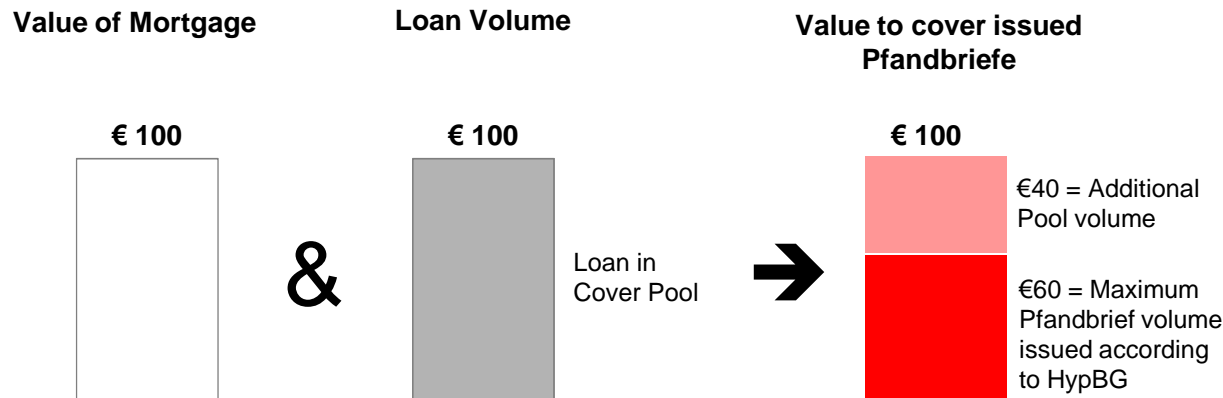
Scenario I: Split Loan Approach = Minimum Approach



For optimization of its collateral value loans are split into 2 parts:

- 1) included in cover pool and
- 2) not included in cover pool

Scenario II = Approach of Bank Austria = Whole Loan Approach



The whole loan – and not only its legally assigned value – is included in the cover pool to collateralize BA's issued Mortgage Pfandbriefe.

Thus, investors benefit from collateralization above legal requirement in BA's cover pool.

CHF Loans in mortgage Cover Pool are 100% private residential financing

- The over-collateralization is approx. EUR 4.9 bn or 99% (as of 31st March 2016)

Overview	31.03.2016		31.12.2014		31.03.2016	
Issue volume	EUR 5.0 bn					
Over-collateralization	EUR 4.9 bn (99%)					
Total Asset Value	EUR 9.9 bn	o/w CHF	EUR 1.6 bn	EUR 1.6 bn	(16% of total asset value)	
Total Cover Value	EUR 6.7 bn	o/w CHF	EUR 670 mln	EUR 582 mln	(9% of cover value / HypBG)	

Changes due to CHF revaluation

- Covering of CHF risk in Cover Pool
 - FX-risks are explicitly considered in the rating process of Moody's and are reflected as part of their over-collateralization requirement
 - *Moody's currently requires an OC of 28.0%*
- Internal Risk Management of Bank Austria
 - According to the Cover Pool Regulation of Bank Austria NPLs are removed regularly (monthly).
 - *Less than 1% of the loans (175 of 26,000) were taken out in 2014 for this reason*
 - Special safety buffers are designated for CHF Loans

The credit rating of FX-Loans is subject to additional and stricter standards and will - as always - be evaluated regularly

 - *For CHF Loans an additional FX-buffer of 25% on the credit volume is considered, which must be covered by the credit rating of the client*
 - No new CHF mortgage loans, therefore no inflows into Cover Pool since 2010

Mortgage Cover Pool

Parameters of the Cover Pool and Issues

- Total Value of the Cover Pool as of 31 March 2016 in EUR equivalent: 9,912 mn
 - thereof in EUR: 8,182 mn
 - thereof in CHF: 1,602 mn
 - thereof substitute cover in EUR: 128 mn

Parameters of Cover Pool	
Weighted Average Life (in years incl. Amortization)	9.3
Contracted Weighted Average Life (in years)	13.7
Average Seasoning (in years)	6.1
Total Number of Loans	28,708
Total Number of Debtors	26,895
Total Number of Mortgages	28,708
Average Volume of Loans (in EUR)	340,811
Stake of 10 Biggest Loans	15.7%
Stake of 10 Biggest Debtors	18.5%
Stake of Bullet Loans	38.7%
Stake of Fixed Interest Loans	14.9%
Amount of Loans 90 Days Overdue	0
Average Interest Rate	1.4%

- Moody's Rating: Aaa
- Nominal / Present Value Over-Collateralisation*): 99.1% / 99.8%
- Total Value of Issued Mortgage Pfandbriefe as of 31 March 2016 in EUR: 4,979 mn
- Total Value of Sold Mortgage Pfandbriefe as of 31 March 2016 in EUR: 4,379 mn

Parameters of Issues:	
Total Number	103
Average Maturity (in years)	5.4
Average Volume (in EUR)	48,337,921

^{*)} Austrian Mortgage Banking Act requires a nominal over-collateralization of 2%. The basis for its calculation is a cover pool value reduced by legally defined haircuts. Taking these haircuts into consideration, the cover pool value amounts to EUR 6,729 mn, thus the overcollateralization is 35.2%. Additionally, in its Articles of Association, UniCredit Bank Austria commits itself to an over-collateralization on a present value basis.

Mortgage Cover Pool

Maturity Structure of Cover Pool and Issues

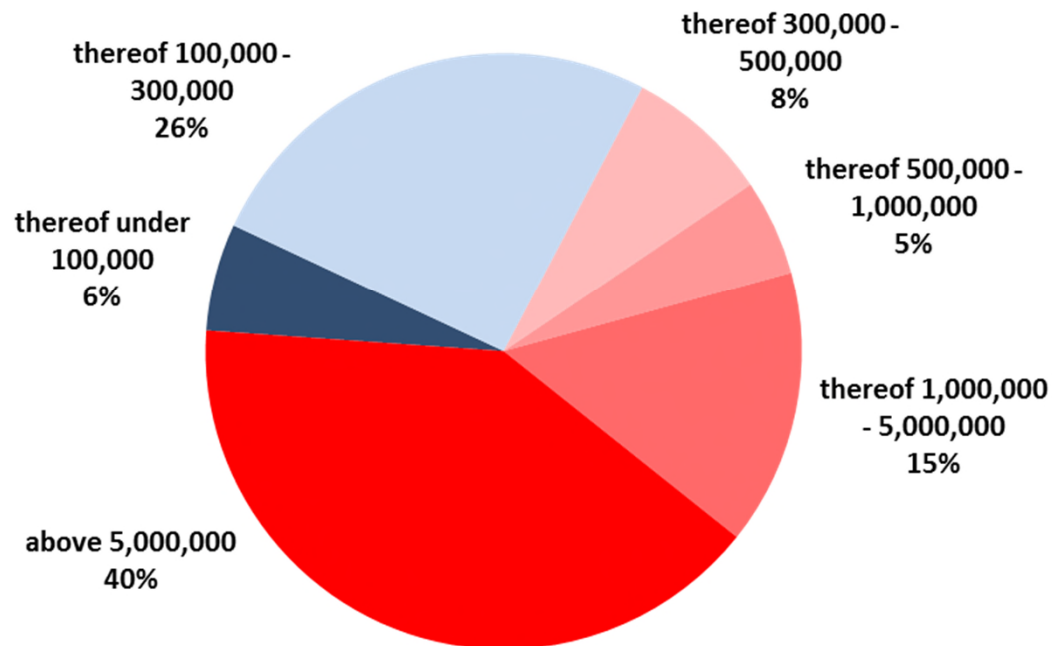
Maturity of Assets in the Cover Pool		
	in mn EUR	in %
Maturity up to 12 months	335	3.4%
Maturity 12 - 60 months	1,440	14.5%
thereof Maturity 12 - 36 months	756	7.6%
thereof Maturity 36 - 60 months	683	6.9%
Maturity 60 - 120 months	2,194	22.1%
Maturity longer than 120 months	5,943	60.0%
Total	9,912	100.0%
Maturity of Issued Covered Bonds		
	in mn EUR	in %
Maturity up to 12 months	182	3.7%
Maturity 12 - 60 months	2,717	54.6%
thereof Maturity 12 - 36 months	1,081	21.7%
thereof Maturity 36 - 60 months	1,636	32.9%
Maturity 60 - 120 months	1,729	34.7%
Maturity longer than 120 months	350	7.0%
Total	4,979	100.0%

Mortgage Cover Pool

Assets Volume Breakdown










Volume Breakdown by Size of Loans	in mn EUR	Number
below 300,000	3,132	24,295
thereof under 100,000	581	10,206
thereof 100,000 - 300,000	2,551	14,089
300,000 - 5,000,000	2,776	3,516
thereof 300,000 - 500,000	775	2,081
thereof 500,000 - 1,000,000	516	728
thereof 1,000,000 - 5,000,000	1,485	707
above 5,000,000	4,004	172
Total	9,912	27,983

Breakdown by Size of Loans

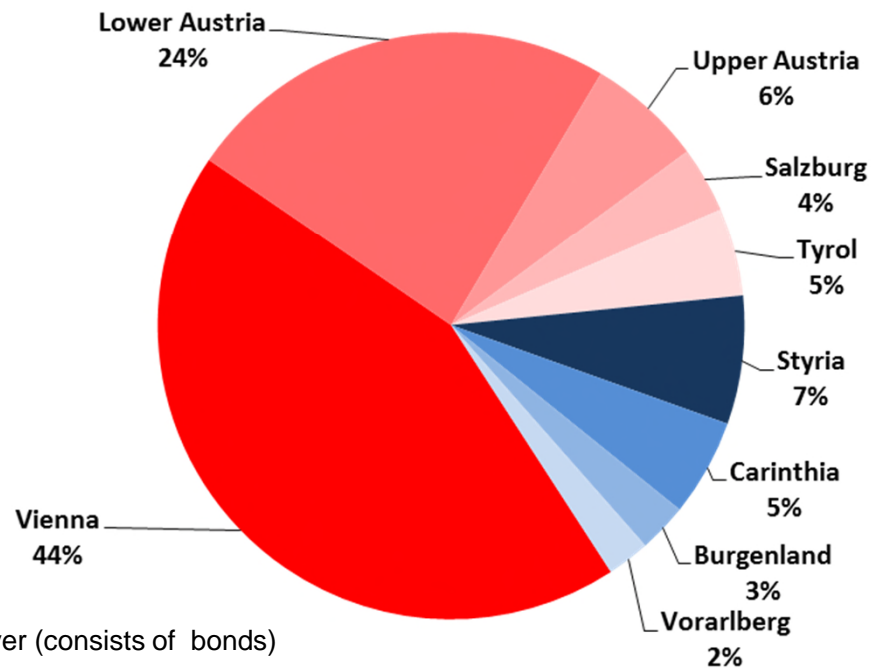


Mortgage Cover Pool

Regional Breakdown ^{*)} of Mortgages in Austria

Regional Breakdown Austria		in mn EUR	%
	Vienna	4,278	43.7%
	Lower Austria	2,345	24.0%
	Upper Austria	621	6.3%
	Salzburg	358	3.7%
	Tyrol	476	4.9%
	Styria	690	7.1%
	Carinthia	523	5.3%
	Burgenland	264	2.7%
	Vorarlberg	230	2.4%
Total		9,784	100.0%

Regional Breakdown Austria

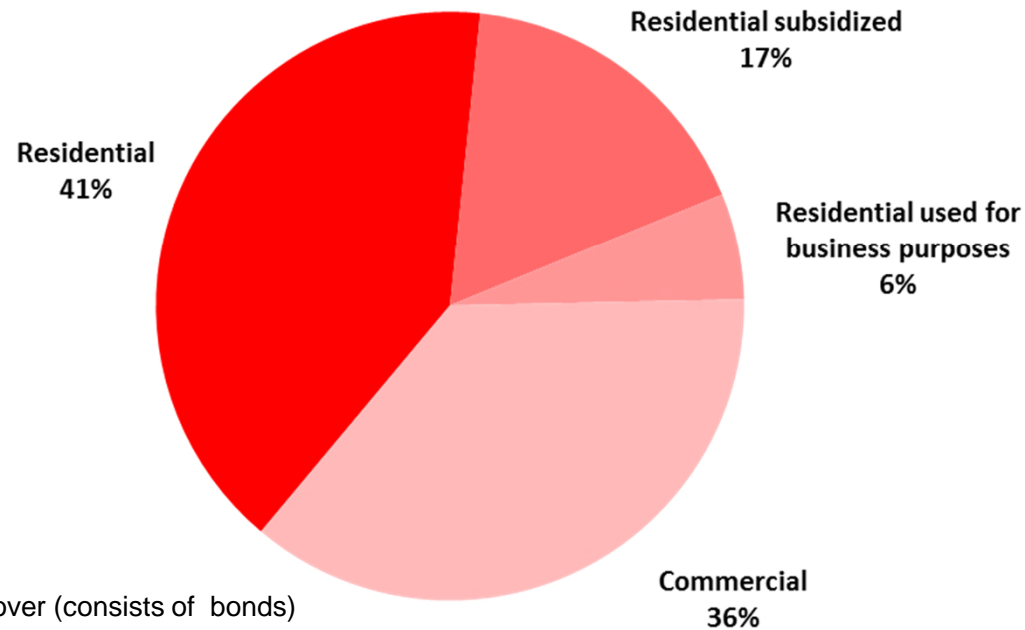


^{*)} Without substitute cover (consists of bonds)

Mortgage Cover Pool Breakdown^{*)} by Type of Use

Mortgages Breakdown by Type of Use	in mn EUR	Number
Residential	3,966	24,873
Residential subsidized	1,680	1,945
Residential used for business purposes	573	1,108
Commercial	3,566	782
thereof Office	1,704	138
thereof Trade	989	71
thereof Tourism	186	108
thereof Agriculture	19	93
thereof mixed Use / Others	668	372
Total	9,784	28,708

Mortgages / Type of Use



^{*)} Without substitute cover (consists of bonds)

Mortgage Cover Pool Breakdown^{*)} by Type of Use

- Bank Austria's Mortgage **Cover Pool Value** accounts for **€ 9,912 mn** as of 31 March 2016
(without substitute cover)

- **All mortgages in cover pool are located in Austria**
 - The main concentration is in the City of Vienna 43.7% and the state of Lower Austria 24.0%

- **Breakdown of cover pool by type of use:**
 - 63.6% residential real estate (thereof 17.2% subsidized)

 - 36.4% commercial real estate, divides as follows:
 - Office 17.4%

 - Trade 10.1%

 - Tourism 1.9%

 - Other / Mixed use 7.0%

Agenda

- Mortgage Covered Bonds of Bank Austria
- Public Sector Covered Bonds of Bank Austria

Executive Summary Bank Austria Public Sector Cover Pool



- **Aaa Rating** by Moody's
- **ECBC Covered Bond Label** has been granted to the Public Sector Cover Pool of Bank Austria
- Cover Pool Volume as of 31 March 2016 amounts to EUR 7,271 mn
- Average volume of loans is approx. € 1.91 mn
- Average seasoning is 6.1 years

Public Sector

Parameters of Cover Pool and Issues

- Total Value of the Cover Pool as of 31 March 2016 in EUR equivalent: 7,271 mn
 - thereof in EUR: 3,775 mn
 - thereof in CHF: 1,728 mn
 - thereof public sector bonds in EUR equivalent: 1,768 mn

Parameters of Cover Pool	
Weighted Average Life (in years incl. Amortization)	6.2
Contracted Weighted Average Life (in years)	8.5
Average Seasoning (in years)	6.1
Total Number of Loans	3,798
Total Number of Debtors	1,434
Total Number of Guarantors	278
Average Volume of Loans (in EUR)	1,914,329
Stake of 10 Biggest Loans	29.2%
Stake of 10 Biggest Guarantors	30.2%
Stake of Bullet Loans	61.8%
Stake of Fixed Interest Loans	34.1%
Amount of Loans 90 Days Overdue	0
Average Interest Rate	1.4%

- Moody's Rating: Aaa
- Nominal / Present Value Over-Collateralization^{*)}: 59.6% / 46.8%
- Total Value of Sold Covered Bonds as of 31 March 2016 in EUR: 4,555 mn

Parameters of Issues:	
Total Number	36
Average Maturity (in years)	4.5
Average Volume (in EUR)	126,518,211

^{*)} Austrian Mortgage Banking Act requires a nominal over-collateralisation of 2%. The basis for its calculation is a cover pool value reduced by legally defined haircuts. Taking these haircuts into consideration, the cover pool value amounts to EUR 6,823 mn, thus the overcollateralization is 46.8%.
 Additionally, in its Articles of Association, UniCredit Bank Austria commits itself to an over-collateralisation on a present value basis.

Public Sector











Maturity Structure of Cover Pool and Issues

Maturity of Assets in the Cover Pool	in mn EUR	in %
Maturity up to 12 months	1,720	23.7%
Maturity 12 - 60 months	1,559	21.4%
thereof Maturity 12 - 36 months	609	8.4%
thereof Maturity 36 - 60 months	950	13.1%
Maturity 60 - 120 months	974	13.4%
Maturity longer than 120 months	3,018	41.5%
Total	7,271	100.0%

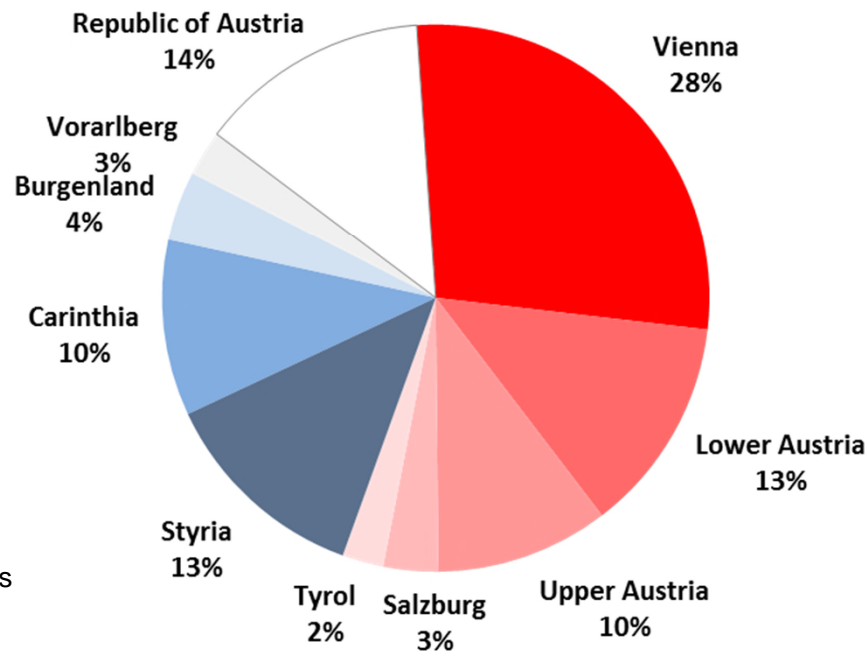
Maturity of Issued Covered Bonds	in mn EUR	in %
Maturity up to 12 months	510	11.2%
Maturity 12 - 60 months	3,135	68.8%
thereof Maturity 12 - 36 months	1,135	24.9%
thereof Maturity 36 - 60 months	2,000	43.9%
Maturity 60 - 120 months	627	13.8%
Maturity longer than 120 months	283	6.2%
Total	4,555	100.0%

Public Sector

Regional Breakdown of Assets^{*)} in Austria

Regional Breakdown Austria		in mn EUR	in %
	Vienna	2,033	28.0%
	Lower Austria	927	12.8%
	Upper Austria	744	10.2%
	Salzburg	235	3.2%
	Tyrol	178	2.4%
	Styria	909	12.5%
	Carinthia	756	10.4%
	Burgenland	300	4.1%
	Vorarlberg	196	2.7%
	Republic of Austria	992	13.6%
Total Austria		7,271	100.0%

Regional Breakdown Austria



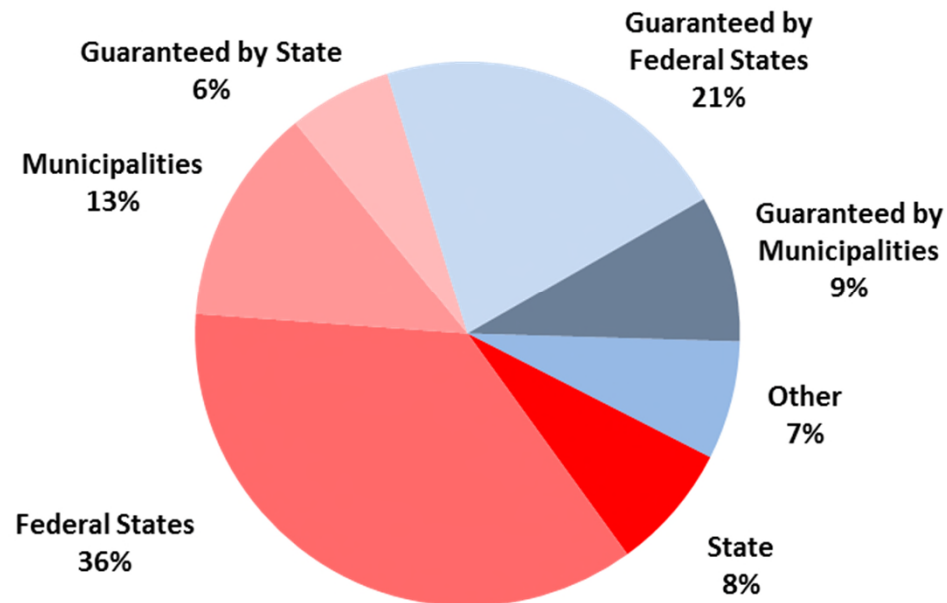
^{*)} Considering Guarantors

Public Sector

Assets Volume Breakdown by Type of Debtor / Guarantor

Assets: Type of Debtor / Guarantor	in mn EUR	Number
State	547	7
Federal States	2,627	60
Municipalities	942	2,181
Guaranteed by State	445	164
Guaranteed by Federal States	1,563	251
Guaranteed by Municipalities	636	445
Other	511	690
Total	7,271	3,798

Type of Debtor / Guarantor

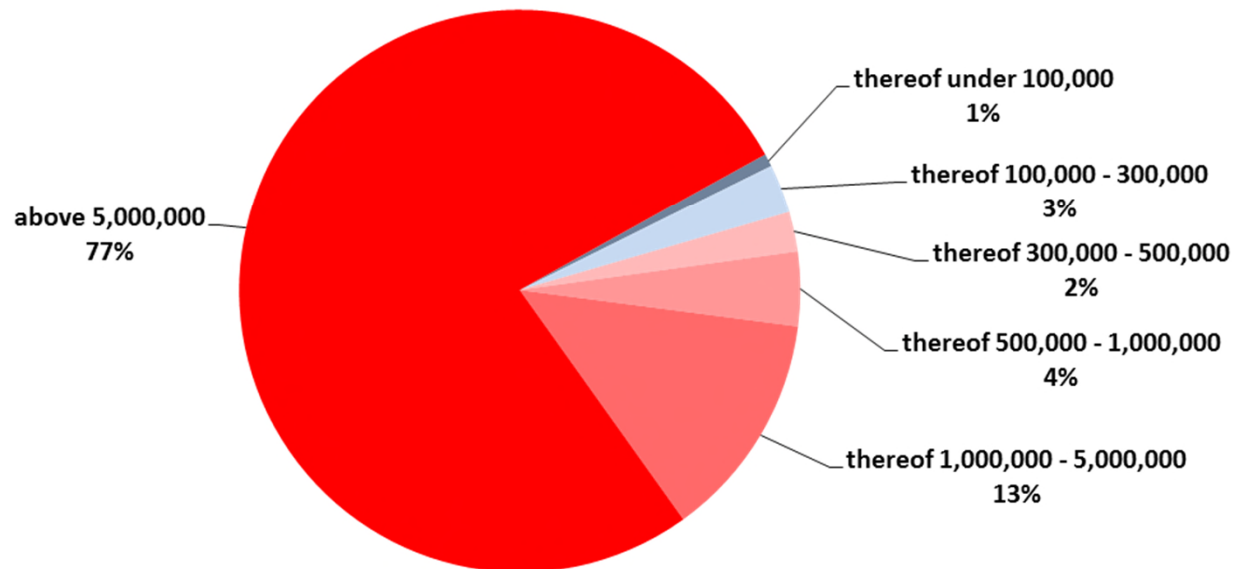


Public Sector

Volume Breakdown by Size of Assets

Volume Breakdown by Size of Assets	in mn EUR	Number
below 300,000	260	2,309
thereof under 100,000	54	1,185
thereof 100,000 - 300,000	206	1,124
300,000 - 5,000,000	1,423	1,347
thereof 300,000 - 500,000	166	430
thereof 500,000 - 1,000,000	309	438
thereof 1,000,000 - 5,000,000	948	479
above 5,000,000	5,587	142
Total	7,271	3,798

Breakdown by Size of Assets



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