

Bank Austria



Bank Austria – Cover Pool of Covered Bonds

(Mortgage Covered Bonds and Public Sector Covered Bonds)

Investor Relations

Vienna, 20 January 2017

Welcome to
Bank Austria
Member of  **UniCredit**

Agenda

1 Public Sector Covered Bonds of Bank Austria

2 Mortgage Covered Bonds of Bank Austria



Executive Summary Bank Austria Public Sector Cover Pool

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Liquidity & Funding
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 30 September 2016 amounts to EUR 6,850 mn
- Average volume of loans is approx. € 1.84 mn
- Average seasoning is 6.15 years



Public Sector

Parameters of Cover Pool and Issues

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Liquidity & Funding

Cover Pool

■ Total Value of the Cover Pool as of 30 September 2016 in EUR equivalent:	6,850 mn
● thereof in EUR:	3,622 mn
● thereof in CHF:	1,531 mn
● thereof public sector bonds in EUR equivalent:	1,697 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)	6,4
Total Number of Loans	3.718
Total Number of Debtors	1.413
Total Number of Guarantors	279
Average Volume of Loans (in EUR)	1.842.394
Stake of 10 Biggest Loans	30,5%
Stake of 10 Biggest Guarantors	30,9%
Stake of Bullet Loans	60,9%
Stake of Fixed Interest Loans	35,5%
Amount of Loans 90 Days Overdue	0
Average Interest Rate	1,4%

■ Moody's Rating:	Aaa
■ Nominal / Present Value Over-Collateralization*):	50.4% / 42.4%
■ Total Value of Sold Covered Bonds as of 30 September 2016 in EUR:	4,555 mn

Parameters of Issues:	
Total Number	36
Average Maturity (in years)	4,0
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 6,510 mn, thus the overcollateralization is 42.9%. 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

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Liquidity & Funding

Cover Pool

Maturity of Assets in the Cover Pool	in mn EUR	in %
Maturity up to 12 months	1.470	21,5%
Maturity 12 - 60 months	1.605	23,4%
thereof Maturity 12 - 36 months	1.011	14,8%
thereof Maturity 36 - 60 months	594	8,7%
Maturity 60 - 120 months	965	14,1%
Maturity longer than 120 months	2.810	41,0%
Total	6.850	100,0%

Maturity of Issued Covered Bonds	in mn EUR	in %
Maturity up to 12 months	560	12,3%
Maturity 12 - 60 months	3.585	78,7%
thereof Maturity 12 - 36 months	1.585	34,8%
thereof Maturity 36 - 60 months	2.000	43,9%
Maturity 60 - 120 months	127	2,8%
Maturity longer than 120 months	283	6,2%
Total	4.555	100,0%










Public Sector

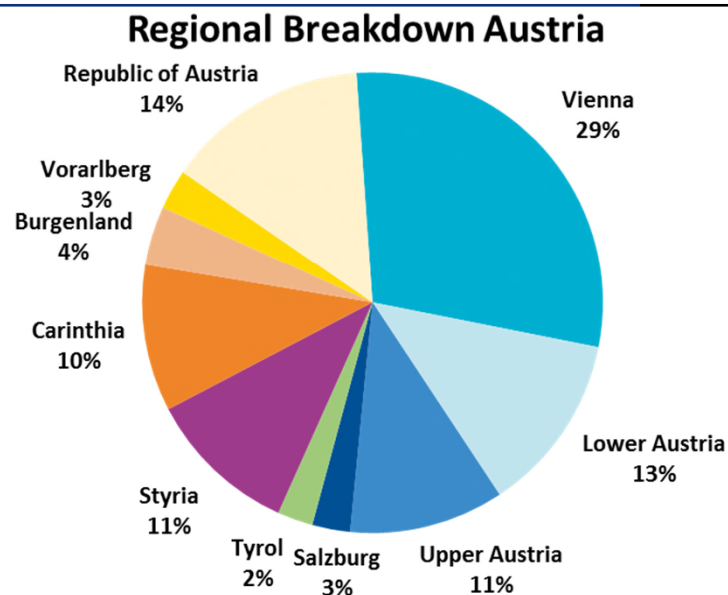
Regional Breakdown of Assets^{*)} in Austria

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Liquidity & Funding

Cover Pool

Regional Breakdown Austria		in mn EUR	in %
 Vienna		2.002	29,2%
 Lower Austria		862	12,6%
 Upper Austria		744	10,9%
 Salzburg		182	2,7%
 Tyrol		171	2,5%
 Styria		727	10,6%
 Carinthia		706	10,3%
 Burgenland		286	4,2%
 Vorarlberg		191	2,8%
 Republic of Austria		978	14,3%
Total Austria		6.850	100,0%



^{*)} Considering Guarantors



Public Sector

Assets Volume Breakdown by Type of Debtor / Guarantor

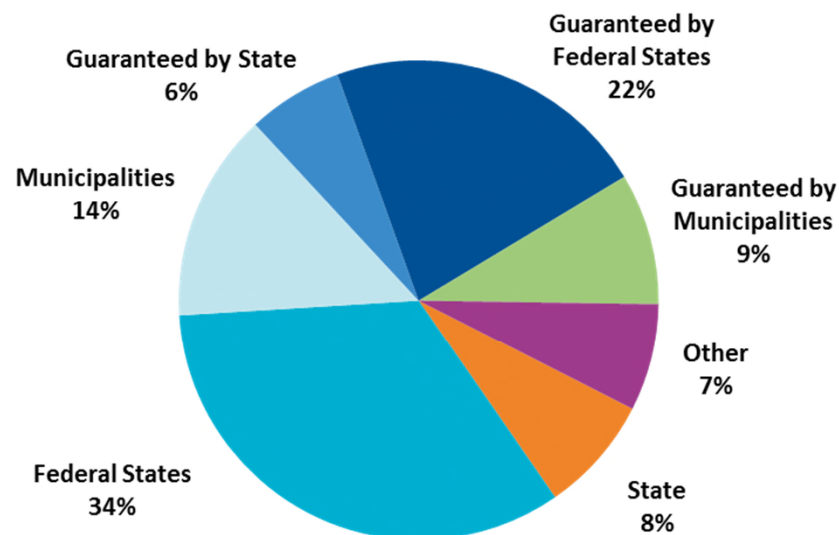
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Liquidity & Funding

Cover Pool

Assets: Type of Debtor / Guarantor	in mn EUR	Number
State	539	5
Federal States	2.305	52
Municipalities	964	2.131
Guaranteed by State	440	158
Guaranteed by Federal States	1.499	247
Guaranteed by Municipalities	606	442
Other	497	683
Total	6.850	3.718

Type of Debtor / Guarantor



Public Sector

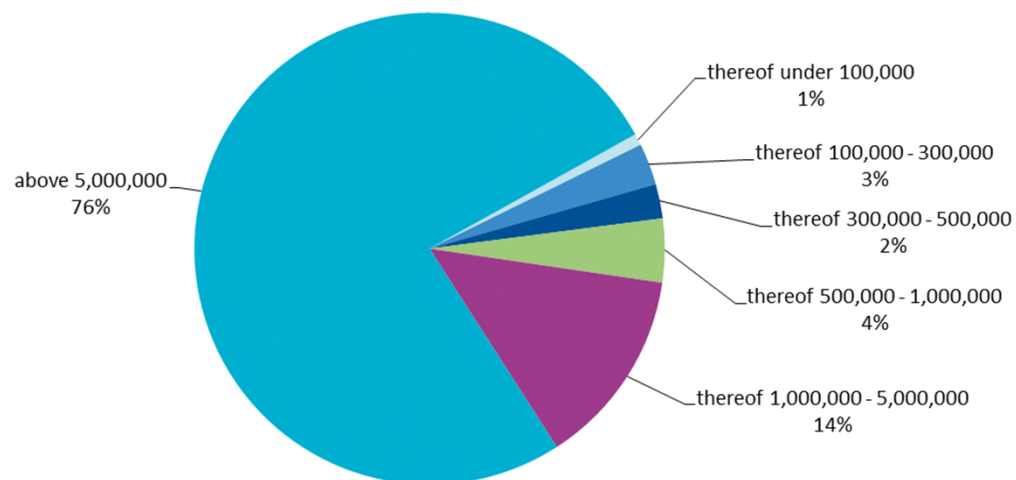
Volume Breakdown by Size of Assets

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Liquidity & Funding
Cover Pool

Volume Breakdown by Size of Assets	in mn EUR	Number
below 300,000	249	2.266
thereof under 100,000	54	1.192
thereof 100,000 - 300,000	195	1.074
300,000 - 5,000,000	1.392	1.312
thereof 300,000 - 500,000	162	420
thereof 500,000 - 1,000,000	299	422
thereof 1,000,000 - 5,000,000	931	470
above 5,000,000	5.209	140
Total	6.850	3.718

Breakdown by Size of Assets



Agenda

1 Public Sector Covered Bonds of Bank Austria

2 Mortgage Covered Bonds of Bank Austria





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- **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

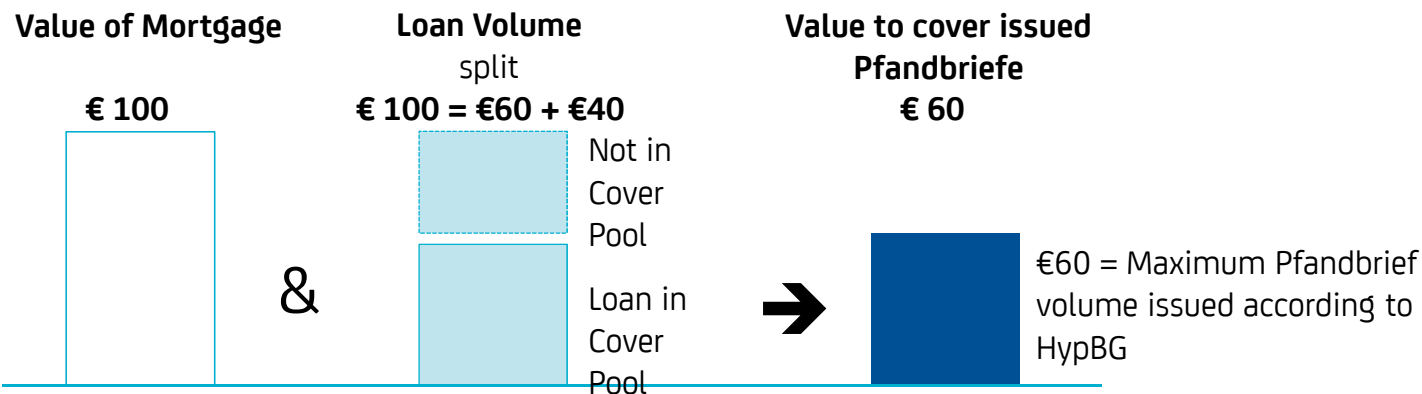
Whole Loan Approach and its Benefits for Investors

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Liquidity & Funding
Cover Pool

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

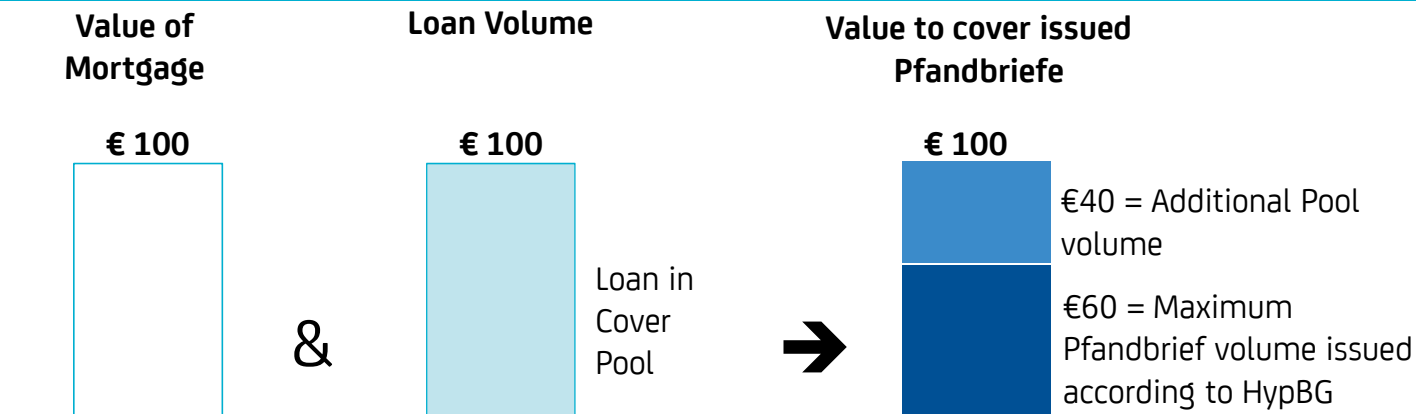
Scenario I: Split Loan Approach = Minimum Approach



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

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- The over-collateralization is approx. EUR 5.7 bn or 117% (as of 30th September 2016)

Overview	30.09.2016		31.12.2014		30.09.2016	
Issue volume	EUR	4.9 bn				
Over-collateralization	EUR	5.7 bn (117%)				
Total Asset Value	EUR	10.5 bn	o/w CHF	EUR 1.6 bn	EUR 1.5 bn	(14.6% of total asset value)
Total Cover Value	EUR	7.1 bn	o/w CHF	EUR 670 mln	EUR 555 mln	(7.8% 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

Liquidity & Funding

Cover Pool

1	2	3	■ Total Value of the Cover Pool as of 30 September 2016 in EUR equivalent:	10,536 mn
			● thereof in EUR:	8,885 mn
			● thereof in CHF:	1,523 mn
			● thereof substitute cover in EUR:	129 mn

Parameters of Cover Pool	
Weighted Average Life (in years incl. Amortization)	9,2
Contracted Weighted Average Life (in years)	13,9
Average Seasoning (in years)	6,0
Total Number of Loans	30.954
Total Number of Debtors	29.110
Total Number of Mortgages	30.954
Average Volume of Loans (in EUR)	336.216
Stake of 10 Biggest Loans	14,8%
Stake of 10 Biggest Debtors	17,2%
Stake of Bullet Loans	36,5%
Stake of Fixed Interest Loans	15,6%
Amount of Loans 90 Days Overdue	0
Average Interest Rate	1,3%

■ Moody's Rating:	Aaa
■ Nominal / Present Value Over-Collateralisation*):	116.7% / 124.9%
■ Total Value of Issued Mortgage Pfandbriefe as of 30 September 2016 in EUR:	4,863 mn
■ Total Value of Sold Mortgage Pfandbriefe as of 30 September 2016 in EUR:	4,263 mn

Parameters of Issues:	
Total Number	99
Average Maturity (in years)	5,1
Average Volume (in EUR)	49.121.898

*) 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 7,143 mn, thus the overcollateralization is 46.9%. 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

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Liquidity & Funding
Cover Pool

Maturity of Assets in the Cover Pool	in mn EUR	in %
Maturity up to 12 months	303	2,9%
Maturity 12 - 60 months	1.570	14,9%
thereof Maturity 12 - 36 months	761	7,2%
thereof Maturity 36 - 60 months	809	7,7%
Maturity 60 - 120 months	2.295	21,8%
Maturity longer than 120 months	6.367	60,4%
Total	10.536	100,0%
Maturity of Issued Covered Bonds	in mn EUR	in %
Maturity up to 12 months	131	2,7%
Maturity 12 - 60 months	2.638	54,3%
thereof Maturity 12 - 36 months	1.002	20,6%
thereof Maturity 36 - 60 months	1.636	33,6%
Maturity 60 - 120 months	1.738	35,7%
Maturity longer than 120 months	355	7,3%
Total	4.863	100,0%



Mortgage Cover Pool

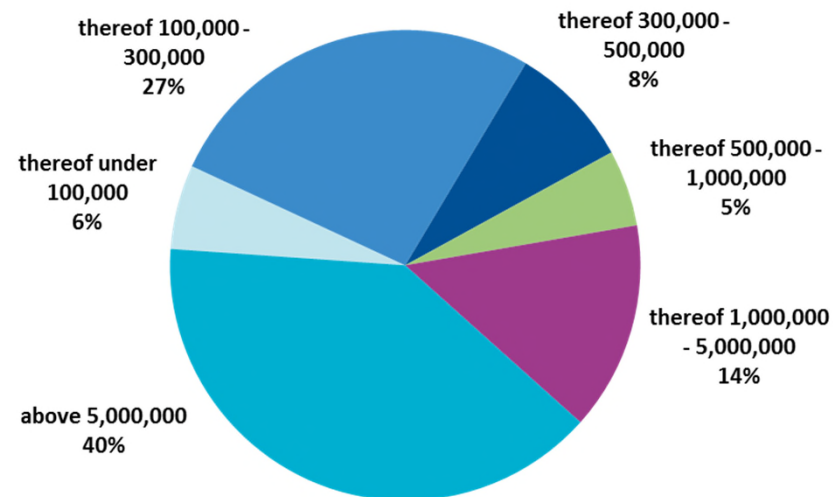
Assets Volume Breakdown

1 2 3

Liquidity & Funding
Cover Pool

Volume Breakdown by Size of Loans	in mn EUR	Number
below 300,000	3.420	25.867
thereof under 100,000	613	10.697
thereof 100,000 - 300,000	2.807	15.170
300,000 - 5,000,000	2.956	3.766
thereof 300,000 - 500,000	891	2.290
thereof 500,000 - 1,000,000	553	769
thereof 1,000,000 - 5,000,000	1.512	707
above 5,000,000	4.160	181
Total	10.536	29.814

Breakdown by Size of Loans







Mortgage Cover Pool

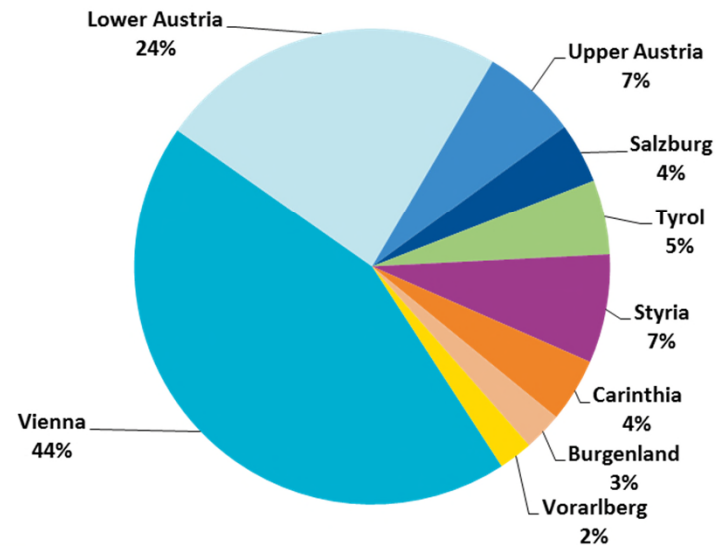
Regional Breakdown^{*)} of Mortgages in Austria

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Liquidity & Funding
Cover Pool

Regional Breakdown Austria		in mn EUR	%
	Vienna	4.570	43,9%
	Lower Austria	2.469	23,7%
	Upper Austria	679	6,5%
	Salzburg	426	4,1%
	Tyrol	531	5,1%
	Styria	768	7,4%
	Carinthia	452	4,3%
	Burgenland	272	2,6%
	Vorarlberg	240	2,3%
Total		10.407	100,0%

Regional Breakdown Austria



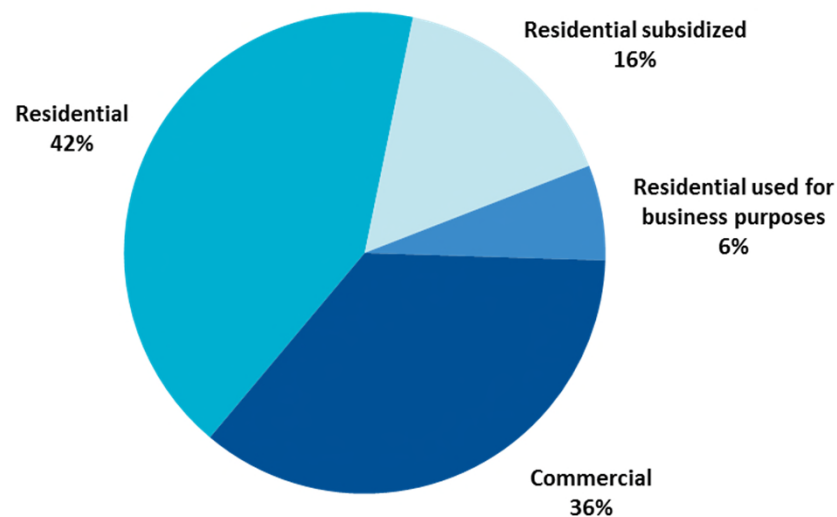
Mortgage Cover Pool Breakdown^{*)} by Type of Use

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Liquidity & Funding
Cover Pool

Mortgages Breakdown by Type of Use	in mn EUR	Number
Residential	4.382	27.029
Residential subsidized	1.653	1.923
Residential used for business purposes	665	1.157
Commercial	3.707	845
thereof Office	1.621	139
thereof Trade	996	72
thereof Tourism	213	117
thereof Agriculture	25	113
thereof mixed Use / Others	852	404
Total	10.407	30.954

Mortgages / Type of Use



*) Without substitute cover (consists of bonds)



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

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- Bank Austria's Mortgage **Cover Pool Value** accounts for **€ 10,407 mn** as of 30 September 2016
(without substitute cover)
- **All mortgages in cover pool are located in Austria**
 - The main concentration is in the City of Vienna 43.9% and the state of Lower Austria 23.7%
- **Breakdown of cover pool by type of use:**
 - 64.4% residential real estate (thereof 15.9% subsidized)
 - 35.6% commercial real estate, divides as follows:
 - Office 15.7%
 - Trade 9.6%
 - Tourism 2.1%
 - Other / Mixed use 8.2%

^{*)} all percent Values are respective cover pool value without substitute cover



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as of 20 January 2017

