

Bank Austria



Bank Austria – Cover Pool of Covered Bonds

(Mortgage Covered Bonds / Public Sector Covered Bonds / Fundierte Bankschuldverschreibungen)

Investor Relations

Vienna, August 2018

Banking that matters.



Member of  UniCredit

Agenda

- 1 Public Sector Covered Bonds of Bank Austria**
- 2 Mortgage Covered Bonds of Bank Austria
- 3 Fundierte Bankschuldverschreibungen



Executive Summary Bank Austria

Public Sector Cover Pool

1 2 3

- **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 June 2018 amounts to EUR 6,190 mn
- Average volume of loans is approx. € 1.5 mn
- Average seasoning is 7.9 years



Public Sector

Parameters of Cover Pool and Issues

1 2 3

- Total Value of the Cover Pool as of 30 June 2018 (EUR equivalent): 6,190 mn
 - thereof in EUR: 4,258 mn
 - thereof in CHF: 182 mn
 - thereof public sector bonds in EUR equivalent: 1,750 mn

Parameters of Cover Pool	
Weighted Average Life (in years incl. Amortization)	7.4
Contracted Weighted Average Life (in years)	10.3
Average Seasoning (in years)	7.9
Total Number of Loans	4,088
Total Number of Debtors	1,442
Total Number of Guarantors	291
Average Volume of Loans (in EUR)	1,514,223
Stake of 10 Biggest Loans	28.3%
Stake of 10 Biggest Guarantors	24.4%
Stake of Bullet Loans	53.9%
Stake of Fixed Interest Loans	52.7%
Amount of Loans 90 Days Overdue	0
Average Interest Rate	1.6%

Parameters of Issues:	
Total Number	34
Average Maturity (in years)	3.0
Average Volume (in EUR)	138,078,106

- Moody's Rating: Aaa



Public Sector

Maturity Structure of Cover Pool and Issues

1 2 3

Maturity of Assets in the Cover Pool	in mn EUR	in %
Maturity up to 12 months	919	14.9%
Maturity 12 - 60 months	1,220	19.7%
thereof Maturity 12 - 36 months	471	7.6%
thereof Maturity 36 - 60 months	749	12.1%
Maturity 60 - 120 months	1,408	22.7%
Maturity longer than 120 months	2,644	42.7%
Total	6,190	100.0%











Maturity of Issued Covered Bonds	in mn EUR	in %
Maturity up to 12 months	1,585	33.8%
Maturity 12 - 60 months	2,717	57.9%
thereof Maturity 12 - 36 months	2,000	42.6%
thereof Maturity 36 - 60 months	717	15.3%
Maturity 60 - 120 months	113	2.4%
Maturity longer than 120 months	280	5.9%
Total	4,695	100.0%

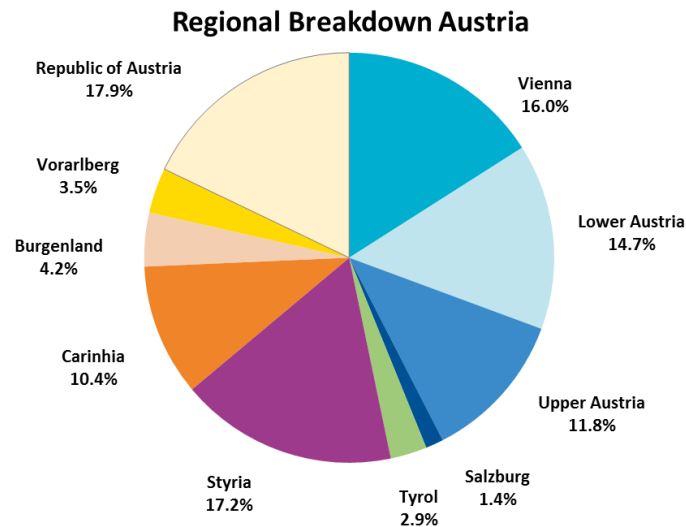


Public Sector

Regional Breakdown of Assets^{*)} in Austria

1 2 3

Regional Breakdown Austria		in mn EUR	in %
 Vienna		990	16.0%
 Lower Austria		907	14.7%
 Upper Austria		731	11.8%
 Salzburg		87	1.4%
 Tyrol		178	2.9%
 Styria		1,062	17.2%
 Carinthia		644	10.4%
 Burgenland		263	4.2%
 Vorarlberg		220	3.5%
 Republic of Austria		1,107	17.9%
Total Austria		6,190	100.0%

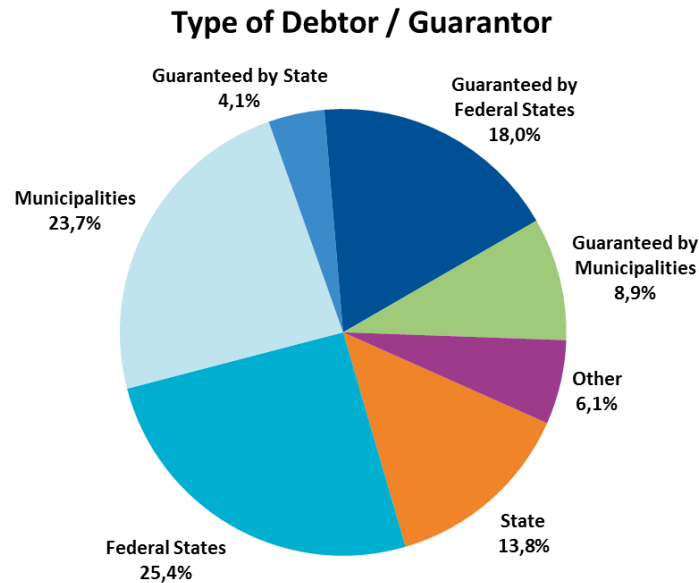


Public Sector

Assets Volume Breakdown by Type of Debtor / Guarantor

1 2 3

Assets: Type of Debtor / Guarantor	in mn EUR	Number
State	856	5
Federal States	1,575	45
Municipalities	1,464	2,633
Guaranteed by State	251	121
Guaranteed by Federal States	1,115	228
Guaranteed by Municipalities	551	462
Other	378	594
Total	6,190	4,088



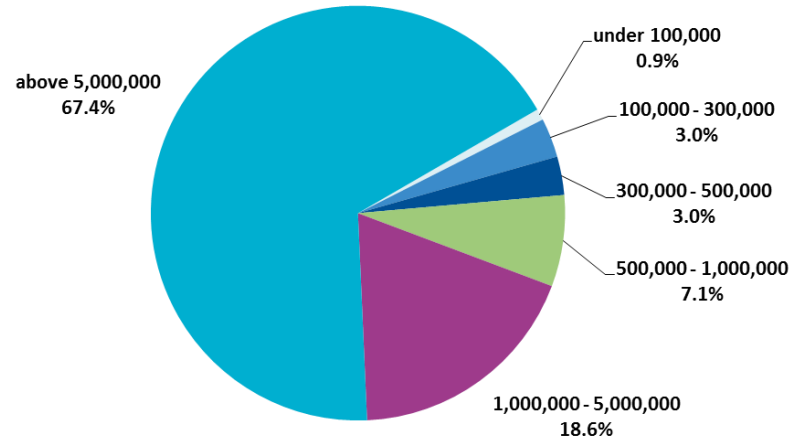
Public Sector

Volume Breakdown by Size of Assets

1 2 3

Volume Breakdown by Size of Assets	in mn EUR	Number
below 300,000	243	2,289
thereof under 100,000	54	1,247
thereof 100,000 - 300,000	189	1,042
300,000 - 5,000,000	1,777	1,678
thereof 300,000 - 500,000	186	474
thereof 500,000 - 1,000,000	441	614
thereof 1,000,000 - 5,000,000	1,150	590
above 5,000,000	4,170	121
Total	6,190	4,088

Breakdown by Size of Assets



Agenda

- 1 Public Sector Covered Bonds of Bank Austria
- 2 Mortgage Covered Bonds of Bank Austria**
- 3 Fundierte Bankschuldverschreibungen



- **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

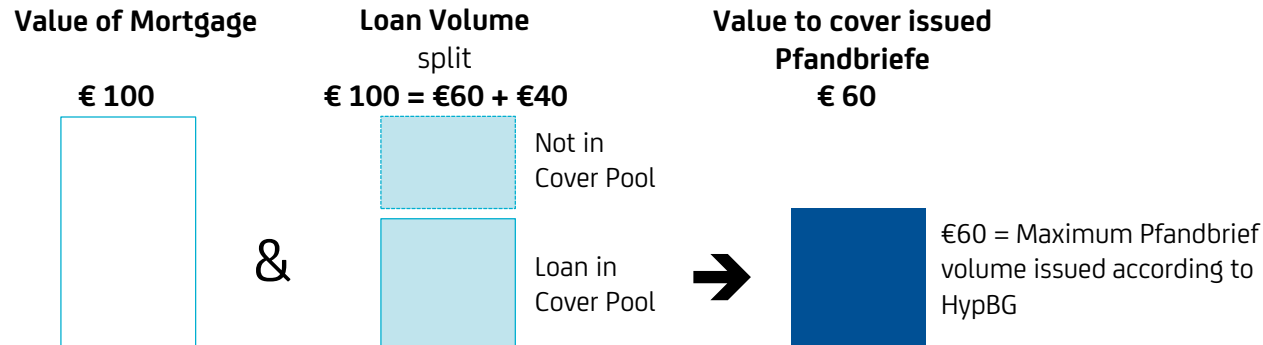
Bank Austria's Whole Loan Approach

Whole Loan Approach and its Benefits for Investors

1 2 3

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

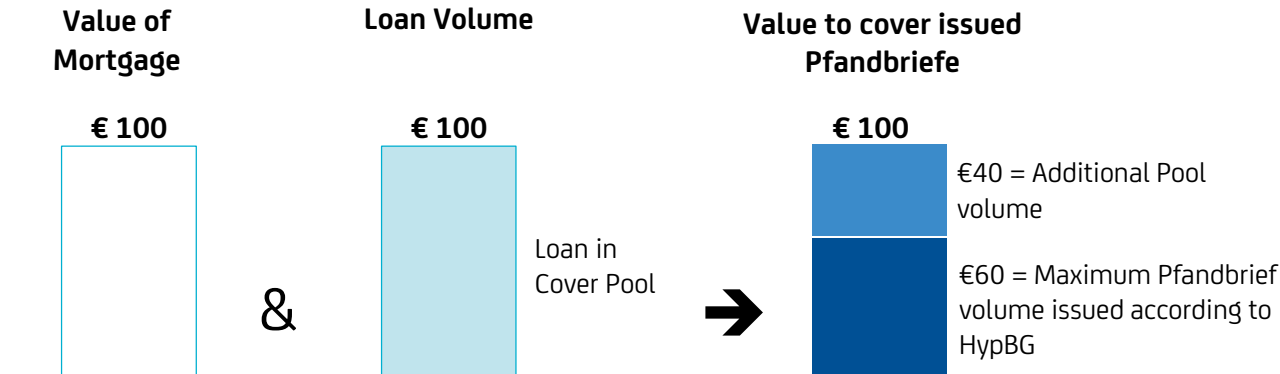
Scenario I: Split Loan Approach = Minimum Approach



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.



Mortgage Cover Pool

Parameters of the Cover Pool and Issues

1 2 3

- Total Value of the Cover Pool as of 30 June 2018 (EUR equivalent): 12,203 mn
 - thereof in EUR: 10,914 mn
 - thereof in CHF: 1,140 mn
 - thereof substitute cover in EUR: 149 mn

Parameters of Cover Pool	
Weighted Average Life (in years incl. Amortization)	9.6
Contracted Weighted Average Life (in years)	16.0
Average Seasoning (in years)	6.1
Total Number of Loans	43,009
Total Number of Debtors	37,611
Total Number of Mortgages	39,995
Average Volume of Loans (in EUR)	280,283
Stake of 10 Biggest Loans	11.1%
Stake of 10 Biggest Debtors	14.3%
Stake of Bullet Loans	22.6%
Stake of Fixed Interest Loans	28.9%
Amount of Loans 90 Days Overdue	0
Average Interest Rate	1.3%

Parameters of Issues:	
Total Number	84
Average Maturity (in years)	3.7
Average Volume (in EUR)	55,223,743

- Moody's Rating: Aaa



Mortgage Cover Pool

Maturity Structure of Cover Pool and Issues

1 2 3

Maturity of Assets in the Cover Pool	in mn EUR	in %
Maturity up to 12 months	146	1.2%
Maturity 12 - 60 months	1,385	11.5%
thereof Maturity 12 - 36 months	630	5.2%
thereof Maturity 36 - 60 months	755	6.3%
Maturity 60 - 120 months	2,033	16.9%
Maturity longer than 120 months	8,490	70.4%
Total	12,055	100.0%

Maturity of Issued Covered Bonds	in mn EUR	in %
Maturity up to 12 months	830	17.9%
Maturity 12 - 60 months	2,211	47.7%
thereof Maturity 12 - 36 months	1,636	35.3%
thereof Maturity 36 - 60 months	574	12.4%
Maturity 60 - 120 months	1,276	27.5%
Maturity longer than 120 months	322	6.9%
Total	4,639	100.0%



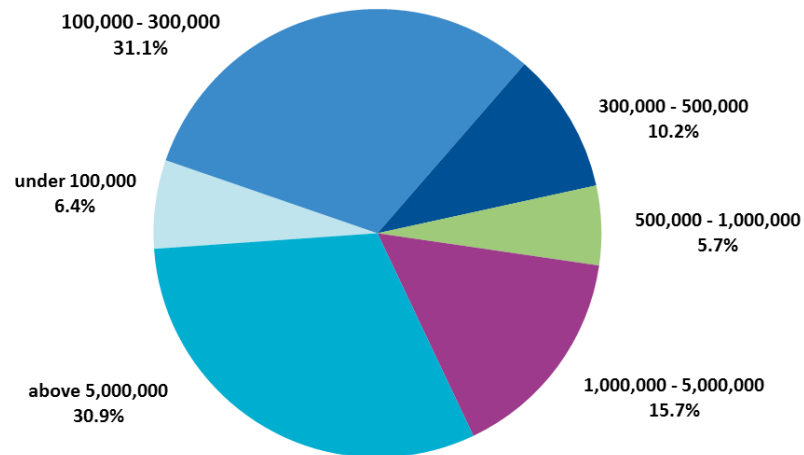
Mortgage Cover Pool

Assets Volume Breakdown

1 2 3

Volume Breakdown by Size of Mortgages	in mn EUR	Number
below 300,000	4,522	34,522
thereof under 100,000	770	13,514
thereof 100,000 - 300,000	3,752	21,008
300,000 - 5,000,000	3,804	5,288
thereof 300,000 - 500,000	1,227	3,355
thereof 500,000 - 1,000,000	690	1,016
thereof 1,000,000 - 5,000,000	1,887	917
above 5,000,000	3,729	185
Total	12,055	39,995










Breakdown by Size of Mortgages



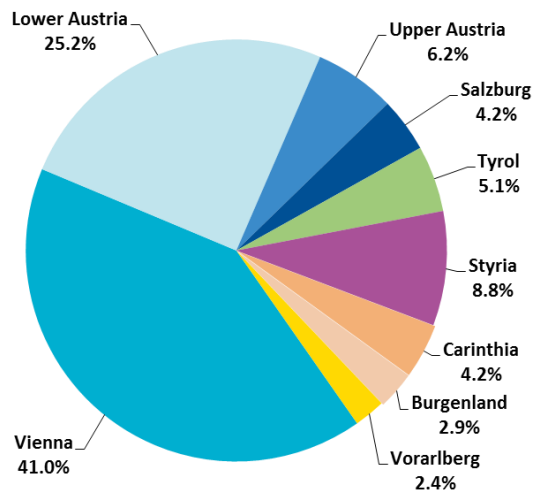
Mortgage Cover Pool

Regional Breakdown ^{*)} of Mortgages in Austria

1 2 3

Regional Breakdown Austria		in mn EUR	%
	Vienna	4,943	41.0%
	Lower Austria	3,037	25.2%
	Upper Austria	752	6.2%
	Salzburg	501	4.2%
	Tyrol	613	5.1%
	Styria	1,056	8.8%
	Carinthia	512	4.2%
	Burgenland	353	2.9%
	Vorarlberg	288	2.4%
Total		12,055	100.0%

Regional Breakdown Austria

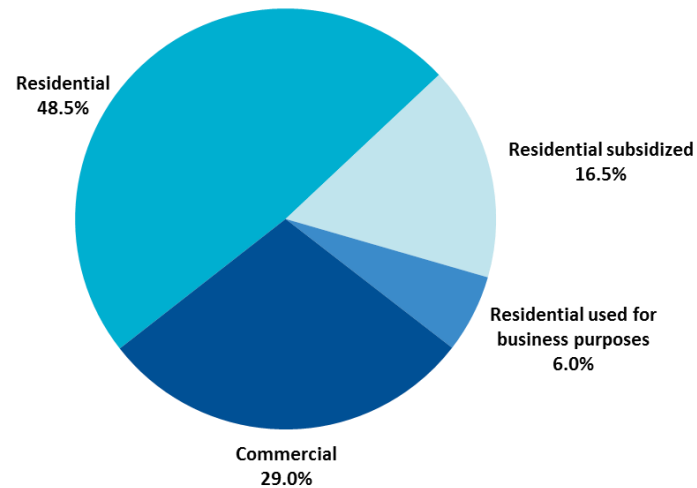


Mortgage Cover Pool Breakdown^{*)} by Type of Use

1 2 3

Mortgages Breakdown by Type of Use	in mn EUR	Number
Residential	5,853	35,629
Residential subsidized	1,986	2,150
Residential used for business purposes	724	1,214
Commercial	3,492	1,002
thereof Office	1,616	160
thereof Trade	787	65
thereof Tourism	251	135
thereof Agriculture	32	179
thereof mixed Use / Others	805	463
Total	12,055	39,995

Mortgages / Type of Use



Mortgage Cover Pool

Breakdown^{*)} by Type of Use

1 2 3

- Bank Austria's Mortgage **Cover Pool Value** accounts for **€ 12,055 mn** as of 30 June 2018 (without substitute cover)
- **All mortgages in cover pool are located in Austria**
 - The main concentration is in the City of Vienna (41.0%) and the state of Lower Austria (25.2%)
- **Breakdown of cover pool by type of use:**
 - 71.0% residential real estate (thereof 16.5% subsidized)
 - 29.0% commercial real estate, divides as follows:
 - Office 13.4%
 - Trade 6.5%
 - Tourism 2.1%
 - Other / Mixed use 7.0%



Agenda

- 1 Public Sector Covered Bonds of Bank Austria
- 2 Mortgage Covered Bonds of Bank Austria
- 3 Fundierte Bankschuldverschreibungen**



Executive Summary Bank Austria

Cover Pool of „Fundierte Bankschuldverschreibungen“

1 2 3

- The cover pool of „Fundierte Bankschuldverschreibungen“ includes only mortgages from member states of the European Economic Area and Switzerland
- Borrowers are mostly Austrian and international real estate companies, respectively their local subsidiaries
- Cover Pool Volume as of 30 June 2018 amounts to EUR 758.8 mn
- Average volume of loans is approx. € 7.8 mn
- Average seasoning is 6.5 years
- Currently, there is no rating by a rating agency



Cover Pool of „Fundierte Bankschuldverschreibungen“

Parameters of the Cover Pool and Issues

1 2 3

- Total Value of the Cover Pool as of 30 June 2018 (EUR equivalent): 758.8 mn
 - thereof in EUR: 758.8 mn

Parameters of Cover Pool	
Weighted Average Life (in years incl. Amortization)	2.0
Contracted Weighted Average Life (in years)	3.2
Average Seasoning (in years)	6.5
Total Number of Loans	97
Total Number of Debtors	53
Total Number of Mortgages	107
Average Volume of Loans (in EUR)	7,822,530
Stake of 10 Biggest Loans	57.7%
Stake of 10 Biggest Debtors	60.4%
Stake of Bullet Loans	2.5%
Stake of Fixed Interest Loans	35.9%
Amount of Loans 90 Days Overdue	0
Average Interest Rate	2.1%

Parameters of Issues:	
Total Number	2
Average Maturity (in years)	3.0
Average Volume (in EUR)	200,000,000



Cover Pool of „Fundierte Bankschuldverschreibungen“

Maturity Structure of Cover Pool and Issues

1 2 3

Maturity of Assets in the Cover Pool	in mn EUR	in %
Maturity up to 12 months	126.7	16.7%
Maturity 12 - 60 months	425.0	56.0%
thereof Maturity 12 - 36 months	318.0	41.9%
thereof Maturity 36 - 60 months	106.9	14.1%
Maturity 60 - 120 months	201.0	26.5%
Maturity longer than 120 months	6.1	0.8%
Total	758.8	100.0%

Maturity of Issued Covered Bonds	in mn EUR	in %
Maturity up to 12 months	150	37.5%
Maturity 12 - 60 months	250	62.5%
thereof Maturity 12 - 36 months	0	0.0%
thereof Maturity 36 - 60 months	250	62.5%
Maturity 60 - 120 months	0	0.0%
Maturity longer than 120 months	0	0.0%
Total	400	100.0%



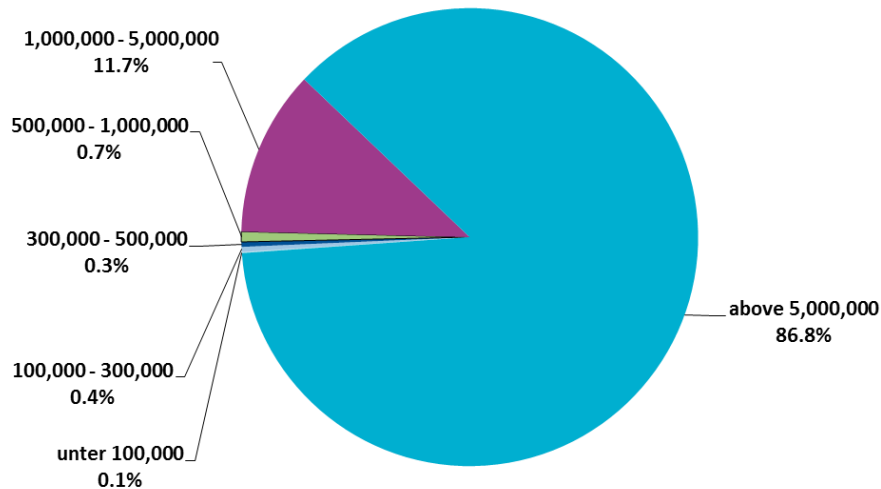
Cover Pool of „Fundierte Bankschuldverschreibungen“

Assets Volume Breakdown

1 2 3

Volume Breakdown by Size of Loans	in mn EUR	Number
below 300,000	3.3	20
thereof under 100,000	0.6	7
thereof 100,000 - 300,000	2.7	13
300,000 - 5,000,000	97.0	47
thereof 300,000 - 500,000	2.6	7
thereof 500,000 - 1,000,000	5.4	7
thereof 1,000,000 - 5,000,000	88.9	33
above 5,000,000	658.5	30
Total	758.8	97





Breakdown by Size of Loans



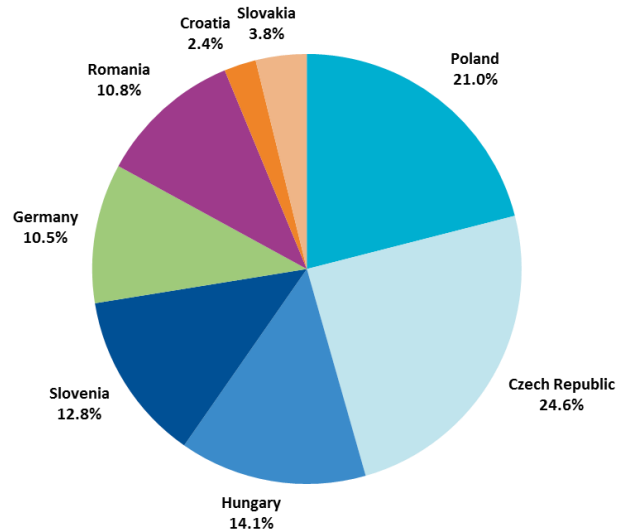
Cover Pool of „Fundierte Bankschuldverschreibungen“

Regional Breakdown of Mortgages in EU

1 2 3

Regional Breakdown EU		in mn EUR	in %
 Austria		0.0	0.0%
 Poland		159.5	21.0%
 Czech Republic		186.4	24.6%
 Hungary		107.0	14.1%
 Slovenia		96.9	12.8%
 Germany		79.6	10.5%
 Romania		82.0	10.8%
 Croatia		18.3	2.4%
 Slovakia		29.1	3.8%
Total EU		758.8	100.0%

Regional Breakdown EU



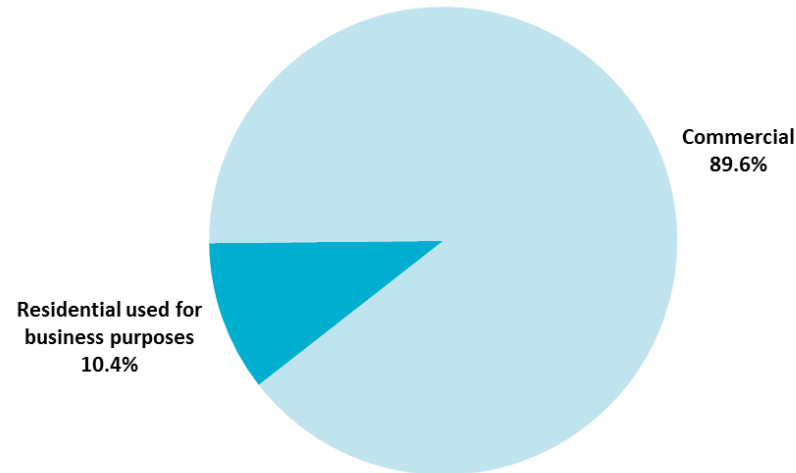
Cover Pool of „Fundierte Bankschuldverschreibungen“

Breakdown by Type of Use

1 2 3

Mortgages Breakdown by Type of Use	in mn EUR	Number
Residential used for business purposes	78.9	54
Commercial	679.9	53
thereof Office	287.7	22
thereof Trade	367.5	25
thereof Tourism	17.6	1
thereof Agriculture	0.0	0
thereof mixed Use / Others	7.1	5
Total	758.8	107

Mortgages / Type of Use



Cover Pool of „Fundierte Bankschuldverschreibungen“

Breakdown by Type of Use

1 2 3

- Bank Austria's Mortgage **Cover Pool Value** accounts for **€ 758.8 mn** as of 30 June 2018
 - **All mortgages in cover pool are located outside Austria**
 - Main concentration in Poland (21.0%) and the Czech Republic (24.6%)
- **Breakdown of cover pool by type of use:**
 - 10.4% residential real estate (thereof 0% subsidized)
 - 89.6% commercial real estate, divided as follows:
 - Office 37.9%
 - Trade 48.5%
 - Tourism 2.3%
 - Other / Mixed use 0.9%



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