

Bank Austria



Bank Austria – Cover Pool of Covered Bonds

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

Investor Relations

Vienna, November 2018

Banking that matters.



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 September 2018 amounts to EUR 6,638 mn
- Average volume of loans is approx. € 1.6 mn
- Average seasoning is 7.7 years



Public Sector

Parameters of Cover Pool and Issues

1 2 3

- Total Value of the Cover Pool as of 30 September 2018 (EUR equivalent): 6,638 mn
 - thereof in EUR: 4,727 mn
 - thereof in CHF: 178 mn
 - thereof public sector bonds in EUR equivalent: 1,733 mn

Parameters of Cover Pool	
Weighted Average Life (in years incl. Amortization)	7.3
Contracted Weighted Average Life (in years)	10.2
Average Seasoning (in years)	7.7
Total Number of Loans	4,142
Total Number of Debtors	1,464
Total Number of Guarantors	323
Average Volume of Loans (in EUR)	1,602,598
Stake of 10 Biggest Loans	26.2%
Stake of 10 Biggest Guarantors	28.3%
Stake of Bullet Loans	55.7%
Stake of Fixed Interest Loans	49.3%
Amount of Loans 90 Days Overdue	0
Average Interest Rate	1.5%

Parameters of Issues:	
Total Number	32
Average Maturity (in years)	3.5
Average Volume (in EUR)	115,301,738

- 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	1,008	15.2%
Maturity 12 - 60 months	1,230	18.5%
thereof Maturity 12 - 36 months	459	6.9%
thereof Maturity 36 - 60 months	771	11.6%
Maturity 60 - 120 months	1,687	25.4%
Maturity longer than 120 months	2,713	40.9%
Total	6,638	100.0%








Maturity of Issued Covered Bonds	in mn EUR	in %
Maturity up to 12 months	580	15.7%
Maturity 12 - 60 months	2,717	73.6%
thereof Maturity 12 - 36 months	2,000	54.2%
thereof Maturity 36 - 60 months	717	19.4%
Maturity 60 - 120 months	113	3.1%
Maturity longer than 120 months	280	7.6%
Total	3,690	100.0%

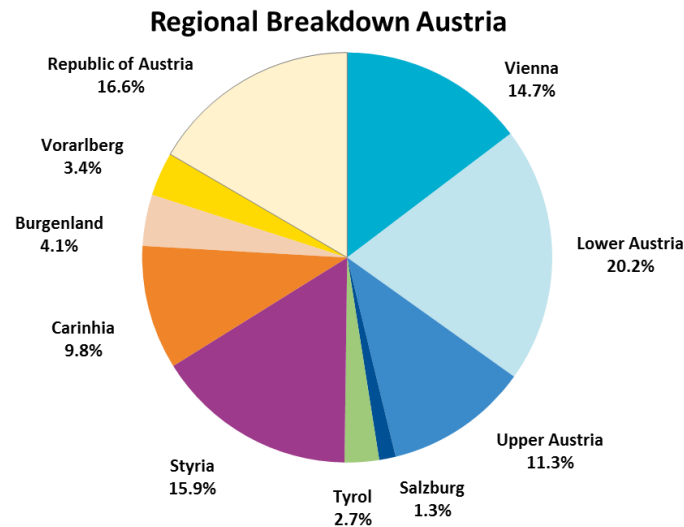


Public Sector

Regional Breakdown of Assets^{*)} in Austria

1 2 3

Regional Breakdown Austria		in mn EUR	in %
 Vienna		974	14.7%
 Lower Austria		1,340	20.2%
 Upper Austria		752	11.3%
 Salzburg		86	1.3%
 Tyrol		180	2.7%
 Styria		1,057	15.9%
 Carinthia		649	9.8%
 Burgenland		269	4.1%
 Vorarlberg		229	3.4%
 Republic of Austria		1,101	16.6%
Total Austria		6,638	100.0%

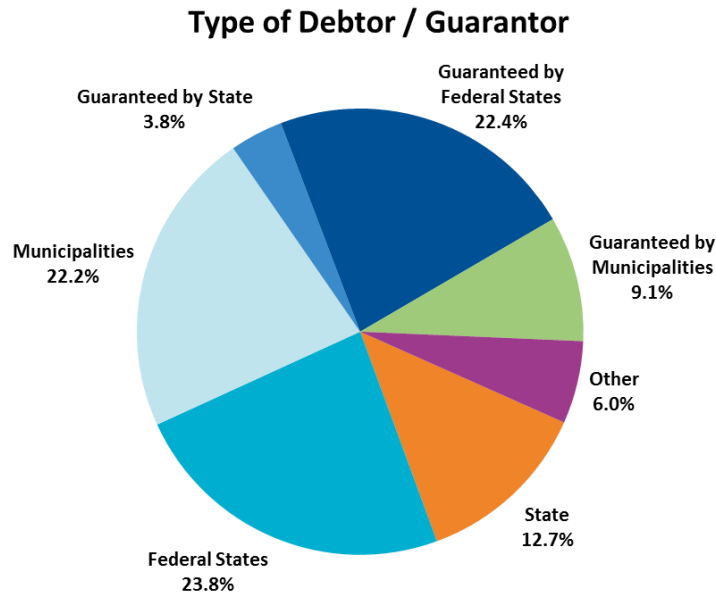


Public Sector

Assets Volume Breakdown by Type of Debtor / Guarantor

1 2 3

Assets: Type of Debtor / Guarantor	in mn EUR	Number
State	846	5
Federal States	1,577	46
Municipalities	1,474	2,612
Guaranteed by State	255	130
Guaranteed by Federal States	1,485	247
Guaranteed by Municipalities	604	534
Other	397	568
Total	6,638	4,142



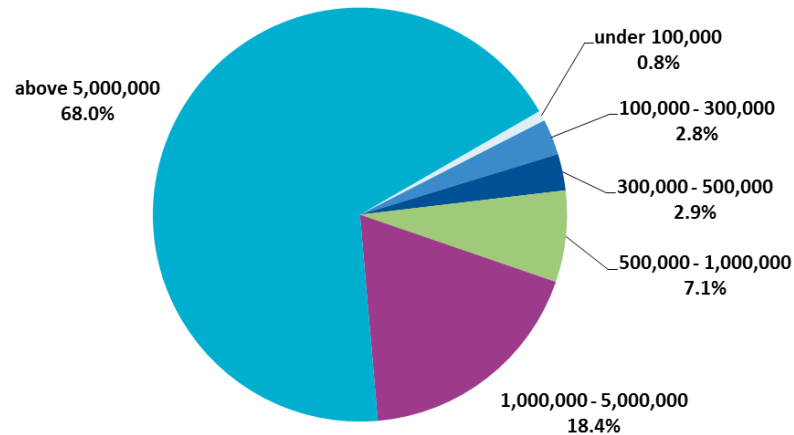
Public Sector

Volume Breakdown by Size of Assets

1 2 3

Volume Breakdown by Size of Assets	in mn EUR	Number
below 300,000	240	2,247
thereof under 100,000	54	1,230
thereof 100,000 - 300,000	186	1,017
300,000 - 5,000,000	1,882	1,765
thereof 300,000 - 500,000	189	482
thereof 500,000 - 1,000,000	474	660
thereof 1,000,000 - 5,000,000	1,218	623
above 5,000,000	4,517	130
Total	6,638	4,142

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

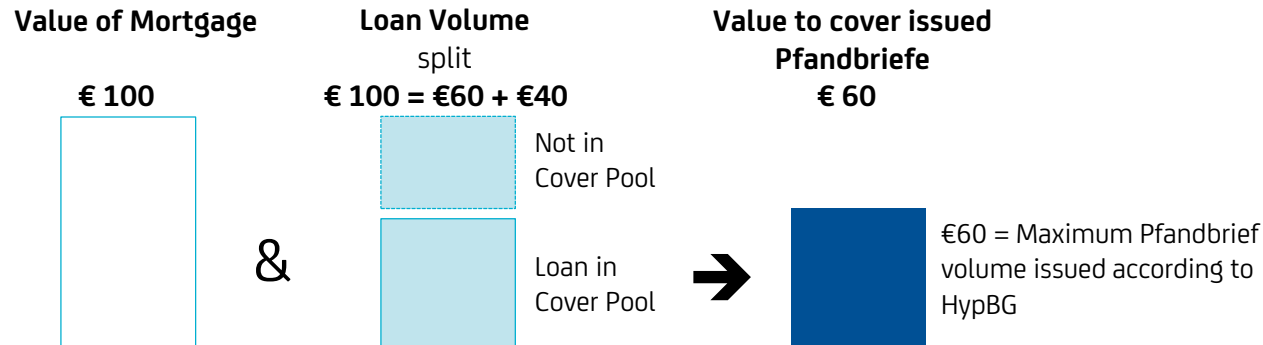
Bank Austria's Whole Loan Approach

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)

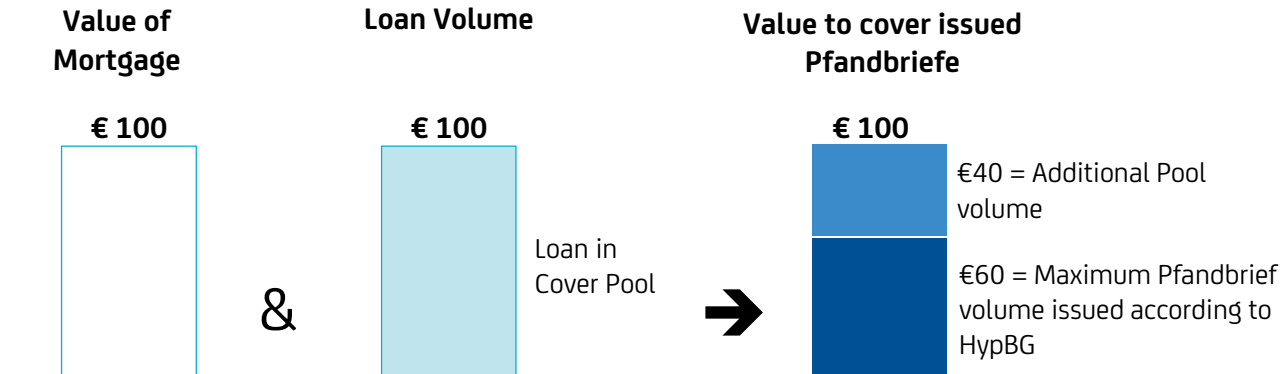
Scenario I: Split Loan Approach = Minimum Approach



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): 12,381 mn
 - thereof in EUR: 11,094 mn
 - thereof in CHF: 1,138 mn
 - thereof substitute cover in EUR: 149 mn

Parameters of Cover Pool	
Weighted Average Life (in years incl. Amortization)	9.9
Contracted Weighted Average Life (in years)	16.3
Average Seasoning (in years)	6.1
Total Number of Loans	44,120
Total Number of Debtors	38,602
Total Number of Mortgages	40,998
Average Volume of Loans (in EUR)	277,266
Stake of 10 Biggest Loans	10.7%
Stake of 10 Biggest Debtors	14.0%
Stake of Bullet Loans	21.6%
Stake of Fixed Interest Loans	30.0%
Amount of Loans 90 Days Overdue	0
Average Interest Rate	1.3%

Parameters of Issues:	
Total Number	85
Average Maturity (in years)	4.4
Average Volume (in EUR)	62,976,368

- 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	98	0.8%
Maturity 12 - 60 months	1,212	9.9%
thereof Maturity 12 - 36 months	488	4.0%
thereof Maturity 36 - 60 months	724	5.9%
Maturity 60 - 120 months	2,202	18.0%
Maturity longer than 120 months	8,721	71.3%
Total	12,233	100.0%

Maturity of Issued Covered Bonds	in mn EUR	in %
Maturity up to 12 months	130	2.4%
Maturity 12 - 60 months	3,613	67.5%
thereof Maturity 12 - 36 months	1,636	30.6%
thereof Maturity 36 - 60 months	1,977	36.9%
Maturity 60 - 120 months	1,287	24.1%
Maturity longer than 120 months	322	6.0%
Total	5,353	100.0%



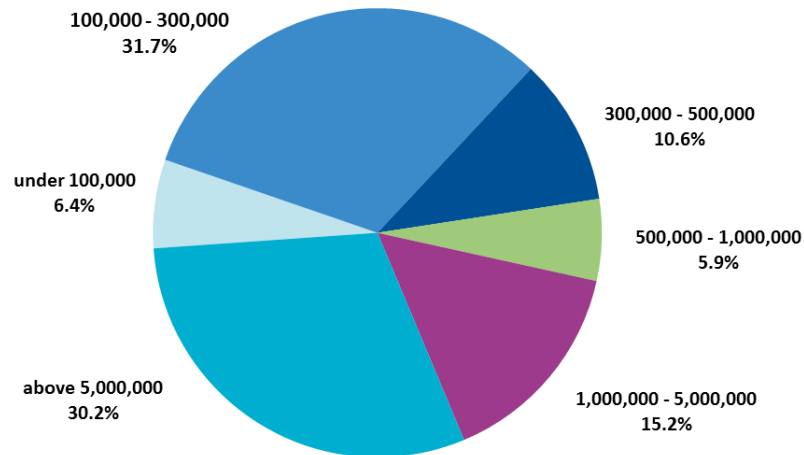
Mortgage Cover Pool

Assets Volume Breakdown

1 2 3

Volume Breakdown by Size of Mortgages	in mn EUR	Number
below 300,000	4,660	35,293
thereof under 100,000	781	13,647
thereof 100,000 - 300,000	3,879	21,646
300,000 - 5,000,000	3,879	5,519
thereof 300,000 - 500,000	1,297	3,545
thereof 500,000 - 1,000,000	719	1,063
thereof 1,000,000 - 5,000,000	1,864	911
above 5,000,000	3,694	186
Total	12,233	40,998






Breakdown by Size of Mortgages



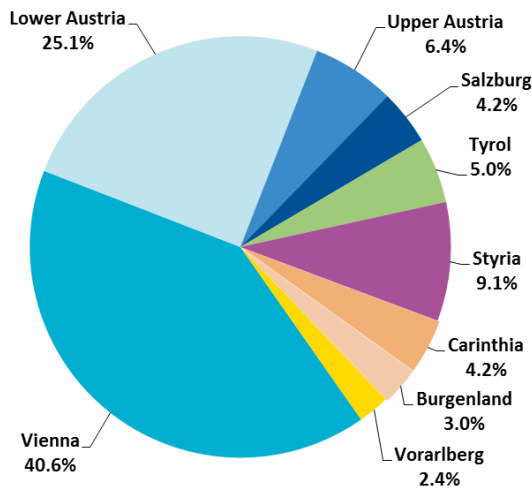
Mortgage Cover Pool

Regional Breakdown ^{*)} of Mortgages in Austria

1 2 3

Regional Breakdown Austria		in mn EUR	%
 Vienna		4,967	40.6%
 Lower Austria		3,065	25.1%
 Upper Austria		778	6.4%
 Salzburg		517	4.2%
 Tyrol		618	5.0%
 Styria		1,115	9.1%
 Carinthia		515	4.2%
 Burgenland		363	3.0%
 Vorarlberg		295	2.4%
Total		12,233	100.0%

Regional Breakdown Austria

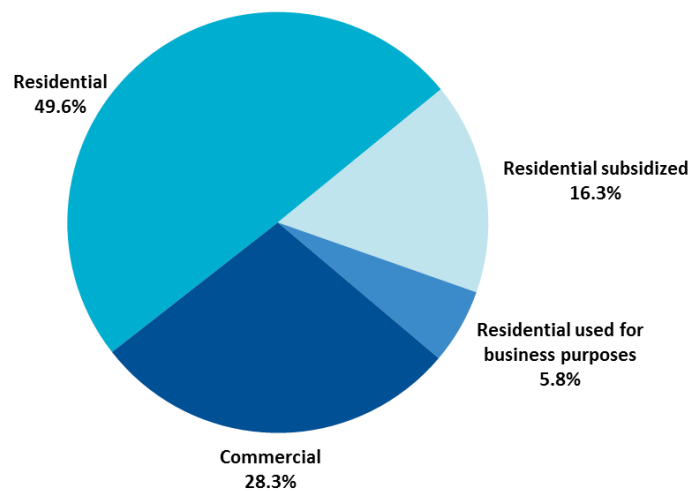


Mortgage Cover Pool Breakdown^{*)} by Type of Use

1 2 3

Mortgages Breakdown by Type of Use	in mn EUR	Number
Residential	6,075	36,638
Residential subsidized	1,992	2,142
Residential used for business purposes	706	1,194
Commercial	3,460	1,024
thereof Office	1,525	158
thereof Trade	835	64
thereof Tourism	251	140
thereof Agriculture	37	202
thereof mixed Use / Others	812	460
Total	12,233	40,998

Mortgages / Type of Use



Mortgage Cover Pool

Breakdown^{*)} by Type of Use

1 2 3

- Bank Austria's Mortgage **Cover Pool Value** accounts for **€ 12,233 mn** as of 30 September 2018 (without substitute cover)
- **All mortgages in cover pool are located in Austria**
 - The main concentration is in the City of Vienna (40.6%) and the state of Lower Austria (25.1%)
- **Breakdown of cover pool by type of use:**
 - 71.7% residential real estate (thereof 16.3% subsidized)
 - 28.3% commercial real estate, divides as follows:
 - Office 12.5%
 - Trade 6.8%
 - Tourism 2.0%
 - 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 September 2018 amounts to EUR 758.0 mn
- Average volume of loans is approx. € 8.1 mn
- Average seasoning is 6.4 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 September 2018 (EUR equivalent): 758.0 mn
 - thereof in EUR: 758.0 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)	6.4
Total Number of Loans	94
Total Number of Debtors	53
Total Number of Mortgages	104
Average Volume of Loans (in EUR)	8,063,556
Stake of 10 Biggest Loans	56.9%
Stake of 10 Biggest Debtors	59.7%
Stake of Bullet Loans	2.1%
Stake of Fixed Interest Loans	38.1%
Amount of Loans 90 Days Overdue	0
Average Interest Rate	2.0%

Parameters of Issues:	
Total Number	2
Average Maturity (in years)	2.7
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	120.3	15.9%
Maturity 12 - 60 months	416.0	54.9%
thereof Maturity 12 - 36 months	329.4	43.5%
thereof Maturity 36 - 60 months	86.5	11.4%
Maturity 60 - 120 months	215.6	28.4%
Maturity longer than 120 months	6.1	0.8%
Total	758.0	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%



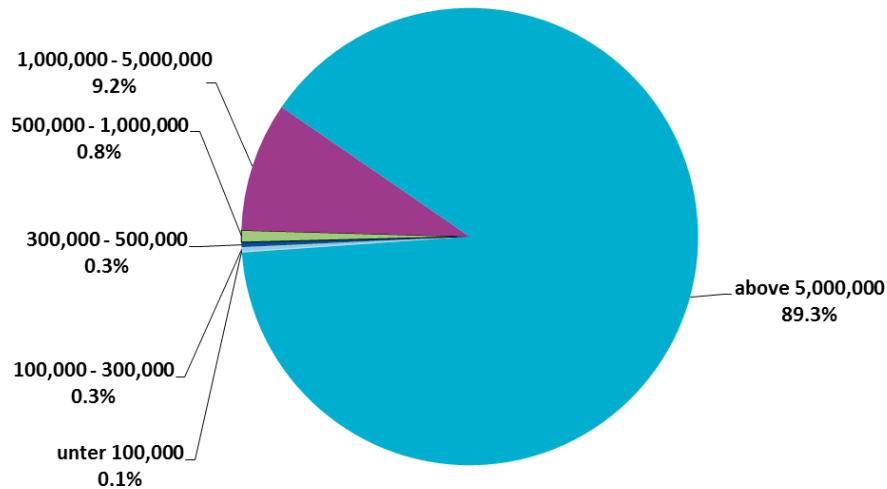
Cover Pool of „Fundierte Bankschuldverschreibungen“

Assets Volume Breakdown

1 2 3

Volume Breakdown by Size of Loans	in mn EUR	Number
below 300,000	2.9	19
thereof under 100,000	0.6	8
thereof 100,000 - 300,000	2.3	11
300,000 - 5,000,000	78.3	43
thereof 300,000 - 500,000	2.6	7
thereof 500,000 - 1,000,000	6.3	8
thereof 1,000,000 - 5,000,000	69.4	28
above 5,000,000	676.8	32
Total	758.0	94



Breakdown by Size of Loans



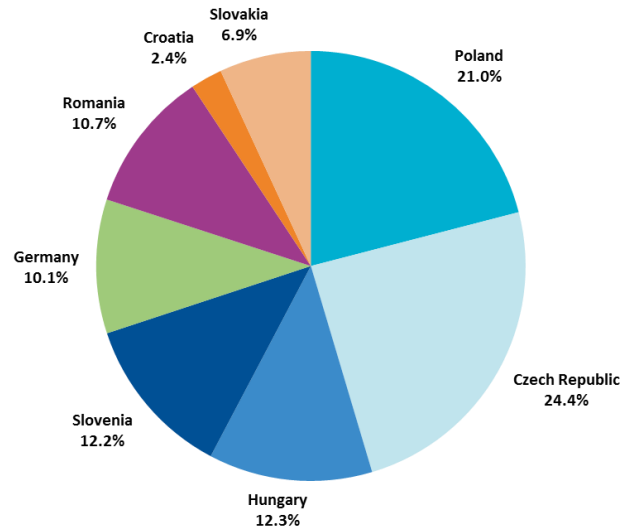
Cover Pool of „Fundierte Bankschuldverschreibungen“

Regional Breakdown of Mortgages in EU

1 2 3

Regional Breakdown EU		in mn EUR	in %
	Austria	0.0	0.0%
	Poland	159.0	21.0%
	Czech Republic	185.1	24.4%
	Hungary	93.5	12.3%
	Slovenia	92.5	12.2%
	Germany	76.4	10.1%
	Romania	81.1	10.7%
	Croatia	18.1	2.4%
	Slovakia	52.3	6.9%
Total EU		758.0	100.0%

Regional Breakdown EU



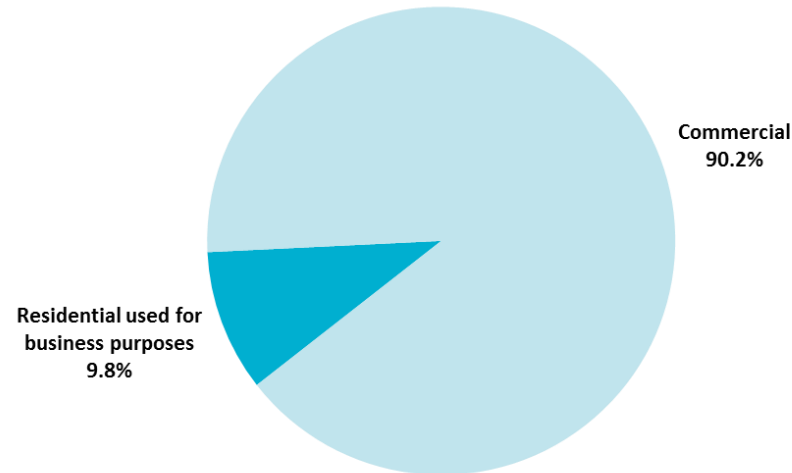
Cover Pool of „Fundierte Bankschuldverschreibungen“

Breakdown by Type of Use

1 2 3

Mortgages Breakdown by Type of Use	in mn EUR	Number
Residential used for business purposes	74.2	52
Commercial	683.8	52
thereof Office	273.9	18
thereof Trade	361.9	27
thereof Tourism	17.3	1
thereof Agriculture	0.0	0
thereof mixed Use / Others	30.6	6
Total	758.0	104

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 **€ 758.0 mn** as of 30 September 2018
 - **All mortgages in cover pool are located outside Austria**
 - Main concentration in Poland (21.0%) and the Czech Republic (24.4%)
- **Breakdown of cover pool by type of use:**
 - 9.8% residential real estate (thereof 0% subsidized)
 - 90.2% commercial real estate, divided as follows:
 - Office 36.1%
 - Trade 47.8%
 - Tourism 2.3%
 - Other / Mixed use 4.0%



Your Contacts

CFO Finance

UniCredit Bank Austria AG

Martin Klauzer

Head of Planning & Finance

Tel. +43 (0) 50505 82511

martin.klauzer@unicreditgroup.at

Giuseppe Sapienza

Head of Finance

Tel. +43 (0) 50505 82641

giuseppe.sapienza@unicreditgroup.at

Gabriele Wiebogen

Senior Advisor - Finance

Tel. +43 (0) 50505 82337

gabriele.wiebogen@unicreditgroup.at

Erich Sawinsky

Head of Cover Pool Management

Tel. +43 (0) 50505 82673

erich.sawinsky@unicreditgroup.at

CFO Accounting, Reporting, Tax & Corporate Relations

UniCredit Bank Austria AG

Günther Stromenger

Head of Corporate Relations

Tel. +43 (0) 50505 57232

guenther.stromenger@unicreditgroup.at

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UniCredit Bank Austria AG

CFO Finance

Rothschildplatz 1

A-1020 Vienna



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UniCredit Bank Austria AG
Rothschildplatz 1
A-1020 Vienna

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