

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 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 from 2014 to 3Q15, Bank Austria has a sound capital base to meet the new capital adequacy requirements (Basel 3).

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)

Disclosure Capital requirements according to CRR Article 438 – Bank Austria Group

30.09.2015

in Tsd. EUR

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	7.442.957	595.437
Art. 112 b) Exposures to regional governments or local authorities	497.432	39.795
Art. 112 c) Exposures to public sector entities	214.912	17.193
Art. 112 d) Exposures to multilateral development banks	190	15
Art. 112 e) Exposures to international organisations	0	0
Art. 112 f) Exposures to institutions	1.747.590	139.807
Art. 112 g) Exposures to corporates	32.771.986	2.621.759
Art. 112 h) Retail exposures	12.490.525	999.242
Art. 112 i) Exposures secured by mortgages on immovable property	2.511.739	200.839
Art. 112 j) Exposures in default	4.450.086	356.007
Art. 112 k) Exposures associated with particularly high risk	108.924	8.714
Art. 112 l) Exposures in the form of covered bonds	11	1
Art. 112 m) Items representing securitisation positions	17.525	1.402
Art. 112 n) Exposures to institutions and corporates with a short-term credit assessment	1.123.139	89.851
Art. 112 o) Exposures in the form of units or shares in collective investment undertakings ("CIUs")	16.138	1.291
Art. 112 p) Equity exposures	3.201.112	256.089
Art. 112 q) Other items	3.098.155	247.852
Standardised approach total	69.692.422	5.575.394

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:

- (i) each of the approaches provided in Article 155;
- (ii) exchange traded exposures, private equity exposures in sufficiently diversified portfolios, and other exposures;
- (iii) exposures subject to supervisory transition regarding own funds requirements;
- (iv) 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	471.745	37.740
Art. 147 (2) b) Exposures to institutions	3.212.149	256.972
Art. 147 (2) c) Exposures to corporates	33.274.304	2.661.944
Art. 147 (2) d) Retail exposures	6.899.845	551.988
Art. 154 (2) (3) Retail - Secured by real estate SME	210.259	16.821
Art. 154 (3) Retail - Secured by real estate non-SME	2.617.295	209.384
Art. 154 (4) Retail - Qualifying revolving	393.869	31.509
Art. 154 (2) Retail - Other SME	478.032	38.243
Art. 154 (1) Retail - Other non-SME	3.200.391	256.031
Art. 147 (2) e) Equity exposures	693.615	55.489
Art. 155 (3) PD-/LGD-Approach	264.728	21.178
Art. 155 (2) Simple risk weight approach	185.247	14.820
Art. 155 (4) Internal models approach	0	0
Art. 48 (4) Art. 471 (2) Equity exposures subject to risk weights	243.640	19.491
Art. 147 (2) f) Items representing securitisation positions	290.251	23.220
Art. 147 (2) g) Other non credit-obligation assets	0	0
IRB approach total	44.841.909	3.587.353

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	0	26.160	0	2.093
Category 2	96.397	151.620	7.712	12.130
Category 3		538.366		43.069
Category 4		310.016		24.801
Category 5		0		0

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

	RWA	Capital requirement
Simple risk weight approach Total	185.247	14.820
Private equity exposures in sufficiently diversified portfolios	17.988	1.439
Exchange traded equity exposures	586	47
All other equity exposures	166.673	13.334

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	1.371.423	109.714

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
Standard-ansatz 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	0	0
	i) Position risk	0	0
	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	121.657	9.733
	i) Foreign-exchange risk	121.656	9.732
	ii) Settlement risk	1	0
	iii) Commodities risk	0	0
Internes Modell Art. 92 (3) b-c	Risk exposure amount for Position, foreign exchange and commodities risks under internal models (IM)	3.685.776	294.862
	Total risk exposure amount for Position, Foreign exchange and Commodities risks resp. Settlement risk	3.807.433	304.595

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)	2.301.491	184.119
Chapter 3	Standardised (STA) / Alternative Standardised (ASA) approaches	3.308.637	264.691
Chapter 4	Advanced measurement approaches (AMA)	6.379.888	510.391
	Total Risk Exposure Amount For Operational Risk (Opr)	11.990.016	959.201