



Disclosure Report as of 31 March 2018
pursuant to Part 8 of the Capital Requirements Regulation (CRR) /
Disclosure by Institutions (Pillar 3)

Disclosure of UniCredit Bank Austria AG as of 31 March 2018

UniCredit Bank Austria AG („Bank Austria“) is regarded as significant subsidiary of UniCredit S.p.A. pursuant to Article 13 (1) of EU Regulation No. 575/2013 ("CRR") and therefore is subject to the disclosure requirements of CRR (Article 13 (1) in connection with Part 8 CRR).

By means of this disclosure report, Bank Austria fulfills these information requirements on the basis of Bank Austria subgroup. These reports are being published on an annual (with year-end data) and on a quarterly basis on the website of Bank Austria (www.bankaustria.at/en) at „About Us “ / „Investor Relations“ / „Disclosure“.

The information required by Article 437 b) and c) CRR – i.e. a description of the main features of Bank Austria’s capital instruments and their final terms – are being published separately as well on the website of Bank Austria at „About Us “ / „Investor Relations“ / „Disclosure“.

Article 450 CRR requires disclosure of Bank Austria’s remuneration policy and practices for all staff categories if their roles have a major impact on the risk profile of the bank. This information is also disclosed in a separate report which is done annually (as of year-end) and is published in the following year also on the website of Bank Austria at „About Us “ / „Investor Relations“ / „Disclosure“.

Bank Austria Group Disclosure (Pillar III) – 31 March 2018

Disclosure pursuant to Article 437 in combination with Article 492 CRR

Capital resources and RWA

Consolidated capital resources and risk-weighted assets

Consolidated capital resources	(€ million)	
	31 Mar. 2018	31 Dec. 2017
Paid-in capital instruments (excl. own Common Equity Tier 1 instruments)	1,681	1,681
Reserves and minority interests	6,338	6,330
Adjustments to Common Equity Tier 1	-1,464	-1,485
Transitional adjustments to Common Equity Tier 1	0 ¹⁾	97
Common Equity Tier 1 (CET1)	6,555	6,623
Additional Tier 1 capital and qualifying Additional Tier 1 instruments issued by subsidiaries	0	0
Adjustments to Additional Tier 1	-5	45
Transitional adjustments to Additional Tier 1	58 ¹⁾	-45
Additional Tier 1 (AT1)	53	0
Tier 1 capital (T1=CET1+AT1)	6,608	6,623
Tier 2 capital and qualifying Tier 2 instruments issued by subsidiaries	851	867
Adjustments to Tier 2 capital	74	69
Transitional adjustments to Tier 2 capital	35 ¹⁾	-80
Tier 2 capital (T2)	960	856
Total regulatory capital (TC=T1+T2)	7,568	7,479

¹⁾ according to the Austrian CRR Supplementary Regulation (CRR-Begleitverordnung) of 11 Dec. 2013

Capital ratios		
	31 Mar. 2018	31 Dec. 2017
Common Equity Tier 1 ratio	19.6% ¹⁾	19.9%
Tier 1 ratio	19.8% ¹⁾	19.9%
Total capital ratio	22.7% ¹⁾	22.5%

¹⁾ based on all risks

Disclosure Capital requirements pursuant to Article 438 CRR - Bank Austria Group

The capital planning, budgeting and monitoring processes within UniCredit Bank Austria are carried out by the responsible local functions and are in line with the respective UniCredit Holding guidelines.

The 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.

After full implementation of the Basel 3 framework (2019), stricter capital requirements will apply with a minimum of Common Equity Tier 1 Capital of 4.5%, Total Tier 1 Capital of 6% and Total Capital of 8% of RWAs.

In addition, all banks are required 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%). According to legislation (*Kapitalpuffer-Verordnung / KP-V*) and starting with 1.1.2016, the countercyclical buffer for Austrian exposure was set to 0%. In addition, systemic risk buffers can be set by the authorities. Currently, according to KP-V, a systemic risk buffer of 2% is foreseen starting with 2019. A transition regulation foresees a gradual increase (2016 0.25%; 2017 0.5%; 2018 1% and 2019 2%).

Should an authority impose the systemic risk buffer and the systemic bank surcharge (*O-SII/D-SII buffer*) is applicable, the higher of the two should apply.

Due to the expiry of transitional provisions regarding capital and RWA, the total capital ratio increased slightly in the first quarter 2018 vs. fourth quarter 2017. Bank Austria continues to have a solid capital base to meet the own funds requirements pursuant to Art. 92 CRR / Art. 129 CRD IV.

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

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

(in € mn)

Exposure classes		RWA	Capital requirement
Art. 112 a)	Exposures to central governments or central banks	654.1	52.3
Art. 112 b)	Exposures to regional governments or local authorities	12.6	1.0
Art. 112 c)	Exposures to public sector entities	22.0	1.8
Art. 112 d)	Exposures to multilateral development banks	0.0	0.0
Art. 112 e)	Exposures to international organisations	-	-
Art. 112 f)	Exposures to institutions	392.3	31.4
Art. 112 g)	Exposures to corporates	3,806.5	304.5
Art. 112 h)	Retail exposures	419.3	33.5
Art. 112 i)	Exposures secured by mortgages on immovable property	231.6	18.5
Art. 112 j)	Exposures in default	148.4	11.9
Art. 112 k)	Exposures associated with particularly high risk	47.6	3.8
Art. 112 l)	Exposures in the form of covered bonds	0.0	0.0
Art. 112 m)	Items representing securitisation positions	-	-
Art. 112 n)	Exposures to institutions and corporates with a short-term credit assessment	10.9	0.9
Art. 112 o)	Exposures in the form of units or shares in collective investment undertakings ("CIUs")	0.2	0.0
Art. 112 p)	Equity exposures	1,535.2	122.8
Art. 112 q)	Other items	763.0	61.0
Standardised approach total		8,043.8	643.5

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;

(in € mn)

Exposure classes		RWA	Capital requirement
Art. 147 (2) a)	Exposures to central governments and central banks	240.9	19.3
Art. 147 (2) b)	Exposures to institutions	3,081.0	246.5
Art. 147 (2) c)	Exposures to corporates	11,249.7	900.0
Art. 147 (2) d)	Retail exposures	5,124.5	410.0
Art. 154 (2) (3)	Retail - Secured by real estate SME	186.4	14.9
Art. 154 (3)	Retail - Secured by real estate non-SME	1,961.5	156.9
Art. 154 (4)	Retail - Qualifying revolving	444.0	35.5
Art. 154 (2)	Retail - Other SME	392.8	31.4
Art. 154 (1)	Retail - Other non-SME	2,139.7	171.2
Art. 147 (2) e)	Equity exposures	1,425.1	114.0
Art. 155 (3)	PD-/LGD-Approach	879.7	70.4
Art. 155 (2)	Simple risk weight approach	173.1	13.8
Art. 155 (4)	Internal models approach	-	-
Art. 48 (4)	Equity exposures subject to risk weights	372.3	29.8
Art. 471 (2)			
Art. 147 (2) f)	Items representing securitisation positions	84.1	6.7
Art. 147 (2) g)	Other non credit-obligation assets	637.9	51.0
IRB approach total		21,843.2	1,747.5

EU OV1 – Overview of RWAs (Template 4 - Art. 438 CRR)

(in € mn)

Categories			RWA		Capital requirements
			31.03.2018	31.12.2017	31.03.2018
	1	Credit risk (excluding CCR)	26,709.3	26,332.6	2,136.7
Art 438(c)(d)	2	Of which the standardised approach	5,860.7	6,261.8	468.9
Art 438(c)(d)	3	Of which the foundation IRB (FIRB) approach	-	-	-
Art 438(c)(d)	4	Of which the advanced IRB (AIRB) approach	20,675.5	19,988.1	1,654.0
Art 438(d)	5	Of which equity IRB under the simple riskweighted approach or the IMA	173.1	82.8	13.8
Art 107, Art 438(c)(d)	6	CCR	711.0	836.5	56.9
Art 438(c)(d)	7	Of which mark to market	82.9	97.3	6.6
Art 438(c)(d)	8	of which Original Exposure	-	-	-
	9	of which standardised approach	-	-	-
	10	Of which internal model method (IMM)	540.1	708.8	43.2
Art 438(c)(d)	11	Of which risk exposure amount for contributions to the default fund of a CCP	33.9	2.7	2.7
Art 438(c)(d)	12	Of which CVA	54.0	27.7	4.3
Art 438(e)	13	Settlement Risk	-	0.2	-
Art 449(o)(i)	14	Securitisation exposures in banking book (after the cap)	84.1	122.7	6.7
	15	Of which IRB approach	32.4	57.7	2.6
	16	Of which IRB supervisory formula approach (SFA)	51.6	64.9	4.1
	17	Of which internal assessment approach (IAA)	-	-	-
	18	Of which standardised approach	-	-	-
Art 438(e)	19	Market Risk	196.1	302.2	15.7
	20	Of which the standardised approach	16.3	21.0	1.3
	21	Of which IMA	179.9	281.2	14.4
Art 438(e)	22	Large exposures	-	-	-
Art 438(f)	23	Operational Risk	3,211.0	3,196.1	256.9
	24	of which Basic Indicator Approach	-	-	-
	25	of which Standardised Approach	677.1	678.3	54.2
	26	of which Advanced Measurement Approach	2,533.9	2,517.8	202.7
Art 437(2), 48,60	27	Amounts below the thresholds for deduction (subject to 250% risk weight)	2,470.5	2,452.7	197.6
Art 500	28	Floor adjustment	-	-	-
	29	Total	33,381.9	33,243.0	2,670.6

Changes in credit risk (reduction in the standardised approach, increase in the advanced IRB approach) are mainly driven by the phase-out of grandfathering rules; partially offset by new methodology concerning rating model inheritance within rating groups. The decrease in position 10 is due to a higher volume of eligible bond collateral for reverse repo transactions. The reduction of market risk RWA is predominantly caused by an improved curve construction for the risk factor scenario generation of VaR, respectively, stressed VaR.

EU CR8 – RWA flow statements of credit risk exposures under the IRB approach (Template 23 - Art. 438 I)

(in € mn)

Description		a	b	Comments
		RWA amounts	Capital requirements	
1	RWAs as at the end of the previous reporting period	20,070.8	1,605.7	
2	Asset size	-322.7	-25.8	1)
3	Asset quality	118.0	9.4	2)
4	Model updates	0.0	0.0	
5	Methodology and policy	777.0	62.2	3)
6	Acquisitions and disposals	0.0	0.0	
7	Foreign exchange movements	76.6	6.1	
8	Other	128.8	10.3	4)
9	RWAs as at the end of the reporting period	20,848.6	1,667.9	

- 1) Exposure dynamic mainly driven by institutions and other assets
- 2) New LGD values after recalibration of the local LGD model and usual portfolio movements
- 3) Increase mainly driven by phase-out of grandfathering (equities & exposures to governments) partially offset by new methodology concerning rating model inheritance within rating groups
- 4) Other data quality actions

CRR Leverage Ratio - Disclosure

Reference date 31 March 2018

Entity name UniCredit Bank Austria AG

Level of application subconsolidated

Table LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		Applicable amount in EUR mn
1	Total assets as per published financial statements	100,297.7
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation or entities which are not fully/proportionally consolidated for accounting purposes but are inside the scope of regulatory consolidation	136.0
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429 (13) of Regulation (EU) No 575/2013)	0.0
4	Adjustments for derivative financial instruments	-1,378.7
5	Adjustment for securities financing transactions (SFTs)	310.4
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	11,097.1
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio total exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	0.0
EU-6b	(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	0.0
7	Other adjustments	-1,372.3
8	Leverage ratio total exposure measure	109,090.2

Table LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures in EUR mn
On-balance sheet exposures (excluding derivatives and SFTs)		
1.0	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	93,070.0
2.0	(Asset amounts deducted in determining Tier 1 capital)	-1,304.4
3.0	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	91,765.6
Derivative exposures		
4.0	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	449.1
5.0	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	803.7
EU-5a	Exposure determined under Original Exposure Method	0.0
6.0	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	0.0
7.0	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-109.2
8.0	(Exempted CCP leg of client-cleared trade exposures)	0.0
9.0	Adjusted effective notional amount of written credit derivatives	356.8
10.0	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0.0
11.0	Total derivative exposures (sum of lines 4 to 10)	1,500.4
SFT exposures		
12.0	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	4,416.7
13.0	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0.0
14.0	Counterparty credit risk exposure for SFT assets	310.4
EU-14a	Deroation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	0.0
15.0	Agent transaction exposures	0.0
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	0.0
16.0	Total securities financing transaction exposures (sum of lines 12 to 15a)	4,727.1
Other off-balance sheet exposures		
17.0	Off-balance sheet exposures at gross notional amount	38,633.3
18.0	(Adjustments for conversion to credit equivalent amounts)	-27,536.1
19.0	Other off-balance sheet exposures (sum of lines 17 to 18)	11,097.1
Exempted exposures in accordance with Article 429 (7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)		
EU-19a	(Intragroup exposures (solo basis) exempted in accordance with Article 429 (7) of Regulation (EU) No 575/2013 (on and off balance sheet))	0.0
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	0.0
Capital and total exposure measure		
20.0	Tier 1 capital	6,607.9
21.0	Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	109,090.2
Leverage ratio		
22	Leverage ratio	6.1%
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	TRANSITIONAL
EU-24	Amount of derecognised fiduciary items in accordance with Article 429 (11) of Regulation (EU) No 575/2013	0.0

Table LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		CRR leverage ratio exposures in EUR mn
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	93,070.0
EU-2	Trading book exposures	1.1
EU-3	Banking book exposures, of which:	93,068.9
EU-4	Covered bonds	0.1
EU-5	Exposures treated as sovereigns	21,250.0
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	1,913.1
EU-7	Institutions	11,342.5
EU-8	Secured by mortgages of immovable properties	12,162.1
EU-9	Retail exposures	5,408.5
EU-10	Corporate	34,577.4
EU-11	Exposures in default	1,107.3
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	5,307.9

Declaration by the Manager charged with preparing the financial reports

The undersigned Kurt Bachinger, in his capacity as the Manager charged with preparing the financial reports of UniCredit Bank Austria AG

DECLARES

that the information disclosed in this document corresponds to the document results, books and accounts records.

Vienna – June 11, 2018



Kurt Bachinger

Declaration pursuant to the EBA Guidelines 2016/11 on disclosure requirements under Part Eight of Regulation (EU) No 575/2013

The undersigned Gregor Hofstätter-Pobst (Chief Financial Officer) and Kurt Bachinger (as Manager charged with preparing the financial reports) of UniCredit Bank Austria AG

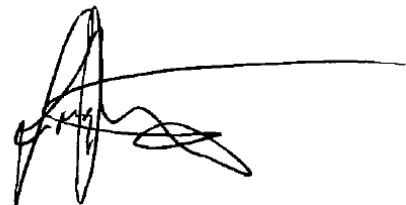
CERTIFY

that, pursuant to the EBA Guidelines 2016/11 on disclosure requirements under Part Eight of Regulation (EU) No 575/2013 (“CRR”) 4.2 paragraph – section C, disclosures provided according to the aforementioned Part Eight have been prepared in accordance with the internal control processes agreed upon at the management body level.

Vienna – June 11, 2018



Kurt Bachinger



Gregor Hofstätter-Pobst