

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 stricter requirements for regulatory capital with a minimum of Common Equity Tier 1 Capital of 4.5%¹ 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 in 2013, 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)

31.12.2014

in € tsd.

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	7.296.485	583.719
Art. 112 b) Exposures to regional governments or local authorities	340.993	27.279
Art. 112 c) Exposures to public sector entities	221.665	17.733
Art. 112 d) Exposures to multilateral development banks	0	0
Art. 112 e) Exposures to international organisations	0	0
Art. 112 f) Exposures to institutions	1.428.277	114.262
Art. 112 g) Exposures to corporates	32.509.463	2.600.757
Art. 112 h) Retail exposures	12.921.827	1.033.746
Art. 112 i) Exposures secured by mortgages on immovable property	2.540.910	203.273
Art. 112 j) Exposures in default	4.870.601	389.648
Art. 112 k) Exposures associated with particularly high risk	166.296	13.304
Art. 112 l) Exposures in the form of covered bonds	0	0
Art. 112 m) Items representing securitisation positions	16.962	1.357
Art. 112 n) Exposures to institutions and corporates with a short-term credit assessment	401.487	32.119
Art. 112 o) Exposures in the form of units or shares in collective investment undertakings ("CIUs")	14.566	1.165
Art. 112 p) Equity exposures	3.220.109	257.609
Art. 112 q) Other items	2.945.860	235.669
Standardised approach total	68.895.502	5.511.640

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	306.172	24.494
Art. 147 (2) b) Exposures to institutions	4.280.506	342.440
Art. 147 (2) c) Exposures to corporates	31.912.114	2.552.969
Art. 147 (2) d) Retail exposures	5.957.196	476.576
Art. 154 (2) (3) Retail - Secured by real estate SME	89.850	7.188
Art. 154 (3) Retail - Secured by real estate non-SME	2.317.817	185.425
Art. 154 (4) Retail - Qualifying revolving	379.017	30.321
Art. 154 (2) Retail - Other SME	355.475	28.438
Art. 154 (1) Retail - Other non-SME	2.815.037	225.203
Art. 147 (2) e) Equity exposures	784.087	62.727
Art. 155 (3) PD-/LGD-Approach	57.725	4.618
Art. 155 (2) Simple risk weight approach	497.352	39.788
Art. 155 (4) Internal models approach	0	0
Art. 48 (4) Equity exposures subject to risk weights	229.009	18.321
Art. 471 (2) Items representing securitisation positions	639.020	51.122
Art. 147 (2) g) Other non credit-obligation assets	0	0
IRB approach total	43.879.095	3.510.328

Exposures under Specialised lending slotting criteria in accordance with Table 1 of Article 153(5)

	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
Remaining Maturity				
Category 1	0	77.347	0	6.188
Category 2	82.570	167.983	6.606	13.439
Category 3		332.577		26.606
Category 4		291.125		23.290
Category 5		0		0

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

	RWA	Capital requirement
Simple risk weight approach Total	497.352	39.788
Private equity exposures in sufficiently diversified portfolios	26.348	2.108
Exchange traded equity exposures	586	47
All other equity exposures	470.418	37.633

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	1.377.641	110.211

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	9.931	795
	<i>i) Position risk</i>	9.931	795
	<i>ii) Large exposures exceeding the limits specified in Articles 395 to 401, to the extent an institution is permitted to exceed those limits</i>	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	121.165	9.693
	<i>i) Foreign-exchange risk</i>	121.153	9.692
	<i>ii) Settlement risk</i>	11	1
	<i>iii) Commodities risk</i>	0	0
Internes Modell Art. 92 (3) b-c	Risk exposure amount for Position, foreign exchange and commodities risks under internal models (IM)	4.512.310	360.985
	Total risk exposure amount for Position, Foreign exchange and Commodities risks resp. Settlement risk	4.643.406	371.472

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)	2.267.557	181.405
Chapter 3	Standardised (STA) / Alternative Standardised (ASA) approaches	3.251.943	260.155
Chapter 4	Advanced measurement approaches (AMA)	6.548.710	523.897
	Total Risk Exposure Amount For Operational Risk (Opr)	12.068.210	965.457

¹ National Discretion (CET1 4%) exercised in Austria for 2014 according to §1 CRR-Begleitverordnung of Financial Market Authority (FMA)