

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 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)

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

30.06.2015
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	7.136.868	570.949
Art. 112 b) Exposures to regional governments or local authorities	490.182	39.215
Art. 112 c) Exposures to public sector entities	210.002	16.800
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	1.396.312	111.705
Art. 112 g) Exposures to corporates	33.847.488	2.707.799
Art. 112 h) Retail exposures	13.024.596	1.041.968
Art. 112 i) Exposures secured by mortgages on immovable property	2.552.118	204.169
Art. 112 j) Exposures in default	4.508.963	360.717
Art. 112 k) Exposures associated with particularly high risk	115.393	9.231
Art. 112 l) Exposures in the form of covered bonds	10	1
Art. 112 m) Items representing securitisation positions	19.790	1.583
Art. 112 n) Exposures to institutions and corporates with a short-term credit assessment	1.116.477	89.318
Art. 112 o) Exposures in the form of units or shares in collective investment undertakings ("CIUs")	18.101	1.448
Art. 112 p) Equity exposures	3.190.951	255.276
Art. 112 q) Other items	3.262.550	261.004
Standardised approach total	70.889.798	5.671.184

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	294.021	23.522
Art. 147 (2) b) Exposures to institutions	3.764.445	301.156
Art. 147 (2) c) Exposures to corporates	33.643.919	2.691.514
Art. 147 (2) d) Retail exposures	7.159.512	572.761
Art. 154 (2) (3) Retail - Secured by real estate SME	233.137	18.651
Art. 154 (3) Retail - Secured by real estate non-SME	2.785.438	222.835
Art. 154 (4) Retail - Qualifying revolving	396.677	31.734
Art. 154 (2) Retail - Other SME	522.748	41.820
Art. 154 (1) Retail - Other non-SME	3.221.513	257.721
Art. 147 (2) e) Equity exposures	699.764	55.981
Art. 155 (3) PD-/LGD-Approach	64.056	5.124
Art. 155 (2) Simple risk weight approach	392.068	31.365
Art. 155 (4) Internal models approach	0	0
Art. 48 (4) Equity exposures subject to risk weights	243.640	19.491
Art. 471 (2) Items representing securitisation positions	284.974	22.798
Art. 147 (2) g) Other non credit-obligation assets	0	0
IRB approach total	45.846.635	3.667.731

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	25.686	0	2.055
Category 2	110.581	157.200	8.847	12.576
Category 3		523.165		41.853
Category 4		301.819		24.146
Category 5		0		0

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

	RWA	Capital requirement
Simple risk weight approach Total	392.068	31.365
Private equity exposures in sufficiently diversified portfolios	26.348	2.108
Exchange traded equity exposures	586	47
All other equity exposures	365.134	29.211

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	1.365.752	109.260

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	3.138	251
	i) Position risk	3.138	251
	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	25.995	2.080
	i) Foreign-exchange risk	25.995	2.080
	ii) Settlement risk	0	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)	5.338.679	427.094
	Total risk exposure amount for Position, Foreign exchange and Commodities risks resp. Settlement risk	5.367.812	429.425

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	3.294.155	263.532
Chapter 4	Advanced measurement approaches (AMA)	6.379.888	510.391
	Total Risk Exposure Amount For Operational Risk (OpR)	11.975.534	958.043