

## Qualitative Disclosure pursuant to Article 438 CRR (Capital Requirements)

### Regulatory developments - Basel 3 / CRD IV, CRR

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 from December 2015 (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%). Where an authority imposes the systemic risk buffer and the systemic bank surcharge (O-SII/D-SII buffer) is applicable, the higher of the two should apply.

In the third quarter 2016 the total capital ratio - also given the EUR 1bn shareholder contribution - shows a significant improvement vs fourth quarter 2015 and also second quarter 2016. Thus, Bank Austria fulfills with its capital base the relevant capital requirements acc. Art 92 CRR / Art 129 CRD IV.

You may find below the classification of 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

30.09.2016

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                                       | 7.357.754         | 588.620             |
| Art. 112 b) Exposures to regional governments or local authorities                                  | 446.612           | 35.729              |
| Art. 112 c) Exposures to public sector entities                                                     | 183.949           | 14.716              |
| Art. 112 d) Exposures to multilateral development banks                                             | 150               | 12                  |
| Art. 112 e) Exposures to international organisations                                                | 0                 | 0                   |
| Art. 112 f) Exposures to institutions                                                               | 1.123.437         | 89.875              |
| Art. 112 g) Exposures to corporates                                                                 | 31.767.289        | 2.541.383           |
| Art. 112 h) Retail exposures                                                                        | 13.363.261        | 1.069.061           |
| Art. 112 i) Exposures secured by mortgages on immovable property                                    | 2.043.434         | 163.475             |
| Art. 112 j) Exposures in default                                                                    | 3.619.020         | 289.522             |
| Art. 112 k) Exposures associated with particularly high risk                                        | 82.402            | 6.592               |
| Art. 112 l) Exposures in the form of covered bonds                                                  | 11                | 1                   |
| Art. 112 m) Items representing securitisation positions                                             | 15.558            | 1.245               |
| Art. 112 n) Exposures to institutions and corporates with a short-term credit assessment            | 642.662           | 51.413              |
| Art. 112 o) Exposures in the form of units or shares in collective investment undertakings ("CIUs") | 16.042            | 1.283               |
| Art. 112 p) Equity exposures                                                                        | 3.136.405         | 250.912             |
| Art. 112 q) Other items                                                                             | 3.579.175         | 286.334             |
| <b>Standardised approach total</b>                                                                  | <b>67.377.159</b> | <b>5.390.173</b>    |

#### 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 | 389.650           | 31.172              |
| Art. 147 (2) b) Exposures to institutions                          | 3.092.605         | 247.408             |
| Art. 147 (2) c) Exposures to corporates                            | 33.421.324        | 2.673.706           |
| Art. 147 (2) d) Retail exposures                                   | 7.405.594         | 592.448             |
| Art. 154 (2) (3) Retail - Secured by real estate SME               | 260.597           | 20.848              |
| Art. 154 (3) Retail - Secured by real estate non-SME               | 2.848.688         | 227.895             |
| Art. 154 (4) Retail - Qualifying revolving                         | 479.582           | 38.367              |
| Art. 154 (2) Retail - Other SME                                    | 558.976           | 44.718              |
| Art. 154 (1) Retail - Other non-SME                                | 3.257.750         | 260.620             |
| Art. 147 (2) e) Equity exposures                                   | 601.391           | 48.111              |
| Art. 155 (3) PD-LGD-Approach                                       | 320.334           | 25.627              |
| Art. 155 (2) Simple risk weight approach                           | 65.786            | 5.263               |
| Art. 155 (4) Internal models approach                              | 0                 | 0                   |
| Art. 48 (4) Equity exposures subject to risk weights               | 215.270           | 17.222              |
| Art. 471 (2)                                                       |                   |                     |
| Art. 147 (2) f) Items representing securitisation positions        | 361.744           | 28.940              |
| Art. 147 (2) g) Other non credit-obligation assets                 | 0                 | 0                   |
| <b>IRB approach total</b>                                          | <b>45.272.309</b> | <b>3.621.785</b>    |

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                   | 100.631                      | 0                   | 8.050                        |
| Category 2         | 106.024             | 256.376                      | 8.482               | 20.510                       |
| Category 3         |                     | 303.830                      |                     | 24.306                       |
| Category 4         |                     | 469.999                      |                     | 37.600                       |
| Category 5         |                     | 0                            |                     | 0                            |

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

|                                                                 | RWA           | Capital requirement |
|-----------------------------------------------------------------|---------------|---------------------|
| <b>Simple risk weight approach Total</b>                        | <b>65.786</b> | <b>5.263</b>        |
| Private equity exposures in sufficiently diversified portfolios | 20.427        | 1.634               |
| Exchange traded equity exposures                                | 419           | 34                  |
| All other equity exposures                                      | 44.941        | 3.595               |

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 | 1.241.277 | 99.302              |

**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 | 14               | 1                   |
|                                 | i) Position risk                                                                                                                                                            | 14               | 1                   |
|                                 | 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                                | 458.572          | 36.686              |
|                                 | i) Foreign-exchange risk                                                                                                                                                    | 458.572          | 36.686              |
|                                 | 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)                                                                        | 3.005.399        | 240.432             |
|                                 | <b>Total risk exposure amount for Position, Foreign exchange and Commodities risks resp. Settlement risk</b>                                                                | <b>3.463.985</b> | <b>277.119</b>      |

**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)                                 | 1.957.047         | 156.564             |
| Chapter 3 | Standardised (STA) / Alternative Standardised (ASA) approaches | 2.652.008         | 212.161             |
| Chapter 4 | Advanced measurement approaches (AMA)                          | 5.532.264         | 442.581             |
|           | <b>Total Risk Exposure Amount For Operational Risk (Opr)</b>   | <b>10.141.319</b> | <b>811.305</b>      |