

## 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 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 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 first quarter 2017 the total capital ratio – due to lower RWA level - shows a significant improvement vs third and fourth 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

**31.03.2017**

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	692.439	55.395
Art. 112 b) Exposures to regional governments or local authorities	19.110	1.529
Art. 112 c) Exposures to public sector entities	54.601	4.368
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	708.328	56.666
Art. 112 g) Exposures to corporates	3.545.492	283.639
Art. 112 h) Retail exposures	410.898	32.872
Art. 112 i) Exposures secured by mortgages on immovable property	260.799	20.864
Art. 112 j) Exposures in default	179.981	14.399
Art. 112 k) Exposures associated with particularly high risk	70.367	5.629
Art. 112 l) Exposures in the form of covered bonds	92	7
Art. 112 m) Items representing securitisation positions	0	0
Art. 112 n) Exposures to institutions and corporates with a short-term credit assessment	15.668	1.253
Art. 112 o) Exposures in the form of units or shares in collective investment undertakings ("CIUs")	68	5
Art. 112 p) Equity exposures	2.450.621	196.050
Art. 112 q) Other items	816.727	65.338
<b>Standardised approach total</b>	<b>9.225.191</b>	<b>738.015</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	32.934	2.635
Art. 147 (2) b) Exposures to institutions	2.460.495	196.840
Art. 147 (2) c) Exposures to corporates	10.370.325	829.626
Art. 147 (2) d) Retail exposures	5.847.484	467.799
Art. 154 (2) (3) Retail - Secured by real estate SME	198.018	15.841
Art. 154 (3) Retail - Secured by real estate non-SME	2.398.914	191.913
Art. 154 (4) Retail - Qualifying revolving	436.392	34.911
Art. 154 (2) Retail - Other SME	380.568	30.445
Art. 154 (1) Retail - Other non-SME	2.433.592	194.687
Art. 147 (2) e) Equity exposures	550.056	44.005
Art. 155 (3) PD-/LGD-Approach	431.445	34.516
Art. 155 (2) Simple risk weight approach	104.334	8.347
Art. 155 (4) Internal models approach	0	0
Art. 48 (4) Equity exposures subject to risk weights	14.276	1.142
Art. 471 (2) Items representing securitisation positions	320.101	25.608
Art. 147 (2) g) Other non credit-obligation assets	563.857	45.109
<b>IRB approach total</b>	<b>20.145.252</b>	<b>1.611.620</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	0	0	0
Category 2	0	0	0	0
Category 3	0	0	0	0
Category 4	0	0	0	0
Category 5	0	0	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>104.334</b>	<b>8.347</b>
Private equity exposures in sufficiently diversified portfolios	7.835	627
Exchange traded equity exposures	0	0
All other equity exposures	96.500	7.720

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	1.013.351	81.068

**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>i) Position risk</i>	0	0
	<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	382	31
	<i>i) Foreign-exchange risk</i>	0	0
	<i>ii) Settlement risk</i>	382	31
	<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)	138.592	11.087
	<b>Total risk exposure amount for Position, Foreign exchange and Commodities risks resp. Settlement risk</b>	<b>138.973</b>	<b>11.118</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)	0	0
Chapter 3	Standardised (STA) / Alternative Standardised (ASA) approaches	692.345	55.388
Chapter 4	Advanced measurement approaches (AMA)	3.100.435	248.035
	<b>Total Risk Exposure Amount For Operational Risk (OpR)</b>	<b>3.792.781</b>	<b>303.422</b>