

CRR Leverage Ratio - Disclosure

Disclosure according to Article 451 CRR

| | |
|----------------------|---------------------------|
| Reference date | 31 December 2016 |
| Entity name | UniCredit Bank Austria AG |
| Level of application | subconsolidated |

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

| | | Applicable amount in kEUR |
|-------|---|---------------------------|
| 1 | Total assets as per published financial statements | 105.785.426 |
| 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 | 178.374 |
| 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 |
| 4 | Adjustments for derivative financial instruments | (2.347.209) |
| 5 | Adjustment for securities financing transactions (SFTs) | 214.709 |
| 6 | Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures) | 11.372.537 |
| 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 |
| 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 |
| 7 | Other adjustments | (843.007) |
| 8 | Leverage ratio total exposure measure | 114.360.830 |

Table LRCom: Leverage ratio common disclosure

| | | CRR leverage ratio exposures in kEUR |
|--|---|--------------------------------------|
| On-balance sheet exposures (excluding derivatives and SFTs) | | |
| 1 | On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral) | 94.570.939 |
| 2 | (Asset amounts deducted in determining Tier 1 capital) | (1.033.887) |
| 3 | Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2) | 93.537.052 |
| Derivative exposures | | |
| 4 | Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin) | 736.544 |
| 5 | Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method) | 791.040 |
| EU-5a | Exposure determined under Original Exposure Method | 0 |
| 6 | Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures) | 11.372.537 |
| 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 |
| 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 |
| 7 | Other adjustments | (843.007) |
| 8 | Leverage ratio total exposure measure | 114.360.830 |
| SFT exposures | | |
| CRR leverage ratio exposures in kEUR | | |
| 1 | On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral) | 94.570.939 |
| 2 | (Asset amounts deducted in determining Tier 1 capital) | (1.033.887) |
| 3 | Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2) | 93.537.052 |
| Other off-balance sheet exposures | | |
| 4 | Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin) | 736.544 |
| 5 | Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method) | 791.040 |
| EU-5a | Exposure determined under Original Exposure Method | 0 |
| 6 | Gross exempted exposures in accordance with Article 429 (7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet) accounting framework | 0 |
| 7 | (Deductions of receivables assets for cash variation margin provided in derivatives transactions) | (456.858) |
| 8 | (Exempted CCP leg of client-cleared trade exposures) | 0 |
| 9 | Adjusted effective notional amount of written credit derivatives | 354.263 |
| 10 | (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | 0 |
| 11 | Total derivative exposures (sum of lines 4 to 10) | 1.424.989 |
| Leverage ratio | | |
| 12 | Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions | 7.811.543 |
| 13 | (Netted amounts of cash payables and cash receivables of gross SFT assets) | 0 |
| 14 | Choice on transitional arrangements and amount of derecognised fiduciary items | 214.709 |
| EU-14a | Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013 | 0 |
| 15 | Agent transaction exposures | 0 |

| Table LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) | | |
|--|--|--------------------------------------|
| | | CRR leverage ratio exposures in kEUR |
| EU-1 | Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which: | 94.570.939 |
| EU-2 | Trading book exposures | 299 |
| EU-3 | Banking book exposures, of which: | 94.570.640 |
| EU-4 | Covered bonds | 3.852 |
| EU-5 | Exposures treated as sovereigns | 23.401.106 |
| EU-6 | Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns | 1.807.703 |
| EU-7 | Institutions | 9.505.013 |
| EU-8 | Secured by mortgages of immovable properties | 11.872.981 |
| EU-9 | Retail exposures | 6.103.542 |
| EU-10 | Corporate | 34.028.058 |
| EU-11 | Exposures in default | 1.230.772 |
| EU-12 | Other exposures (eg equity, securitisations, and other non-credit obligation assets) | 6.617.613 |

| Table LRQua: Disclosure on qualitative items | |
|--|---|
| 1 | <p>Description of the processes used to manage the risk of excessive leverage:</p> <p>Group Risk Appetite Framework represents the foundation for risk management within UniCredit Bank Austria Subgroup. This framework envisages comprehensive governance, processes, tools and procedures for the widespread management of risks. The leverage risk is included in the Group Risk Appetite Framework, therefore, the relevant procedures and resources are applied to this kind of risk.</p> <p>The quantitative tools to assess the leverage risk are coming from Group Risk Appetite KPIs that include also the leverage ratio metric. This KPI has its own targets, triggers and limit levels that are periodically monitored within the regular reporting activity. The monitoring and the periodical reporting is submitted to the Risk Committee (on a quarterly basis) and to the Board of Directors.</p> <p>The Group Risk Appetite process identifies the governance mechanism, managerial involvement and escalation process under normal and stressed operating conditions. The defined escalation process is activated at relevant organizational levels in order to ensure an adequate reaction when triggers or limits are breached.</p> |
| 2 | <p>Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers:</p> <p>The main drivers for the changes in the leverage ratio between December 2016 and June 2016 were:</p> <p>Tier 1 capital decreased from June 2016 to December 2016 by 9 billion EUR. The main factors for this change are as follow:</p> <ul style="list-style-type: none"> - in Q3 the capital injection of 1 billion euro in UniCredit Bank Austria from UniCredit Group - in Q4 the transfer of CEE business to UniCredit Group had a direct impact of minus 9 billion EUR - the other difference of minus 1 billion is mainly due to additional deduction for significant investments in financial sector entities and deferred tax assets above relevant CET1 thresholds <p>The change in leverage exposure is mainly due to the following factors:</p> <ul style="list-style-type: none"> - the leverage ratio exposure was reduced by 128 billion EUR due to the CEE business transfer concluded in Q4 2016 - increase of leverage ratio exposure in total 1 billion EUR recorded by UniCredit Bank Austria, there of plus 3 billion EUR in relation with reverse repo transactions and Other Assets minus 2 billion EUR. <p>Overall, the leverage ratio decreased from 6.2% to 5.6%.</p> |