

STATEMENT

In accordance with the provisions of art. 30 of Accounting Law no 82/1991, we state that we assume the responsibility for the preparation of the interim consolidated financial statements related to the 1st semester of 2014 and that we confirm the followings:

1. Accounting policies used for the preparation of the interim consolidated financial statements related to the 1st semester of 2015 are in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS"), in force at the reporting date 30 June 2015.
2. The interim consolidated financial statements prepared for the period ended at 30 June 2015 provides a true and fair view of the assets, liabilities, financial position and profit and loss account of the credit institution UniCredit Tiriac Bank SA.
3. Half-yearly report has been prepared in accordance with the Regulation no. 1/2006 issued by Romanian Securities Exchange Commission and presents fairly and completely the information at the reporting date.
4. UniCredit Tiriac Bank SA is running its business in according with the going concern principle.

Rasvan Catalin Radu
Executive President



Mihaela-Alina Lupu
Executive Vicepresident



UniCredit Tiriac Bank S.A.

Bulevardul Expozitiei nr. 1F,
Sector 1, Bucuresti
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Banca membra a UniCredit Group, societate administrata in sistem dualist, cu sediul in Romania, Bucuresti, Bulevardul Expozitiei nr. 1F, sector 1, inregistrata in Registrul Comertului sub nr. J40/7706/1991, in Registrul Bancar sub nr. RB-PJR-40-011/18.02.1999 si inregistrata la ANSPDCP cu notificarea nr. 10964, cod unic de inregistrare 361536, atribut fiscal RO, capital social subscris si varsat 379.075.291,20 RON- Cod SWIFT: BACXROBU



Half Yearly Report for 1st Semester of 2015

This Half yearly report is prepared in accordance with CNVM Regulation no.1/ 2006.

Date of Report: 31 July 2015

Name of the legal entity:	UniCredit Tiriac Bank S.A.
Corporate address:	Romania, Bucharest, 1F, Expozitiei Bd., 1st District
Corporate Contact Details:	Tel +40 21 200 2000; Website: www.unicredit-tiriac.ro Email: office@unicredittiriac.ro
Trade Register Registration Number:	J40/7706/1991
Sole Registration Code:	RO361536
Bank Register No:	RB-PJR - 40 - 011/1999
Operator of personal data nb. ANSPDCP	10964
Subscribed and paid-up share capital:	RON 379,075,291.20

The regulated capital market on which the issued bonds are traded:	Bursa de Valori Bucuresti (BVB) - Bucharest Stock Exchange (www.bvb.ro)
Main characteristics of the bonds issued by UniCredit Tiriac Bank S.A.:	55,000 corporate bonds having a nominal value of RON 10,000/bond, market symbol UCT18 (ISIN ROUCTBDBC014). (http://www.bvb.ro/FinancialInstruments/Details/FinancialInstrumentsDetails.aspx?s=UCT18)

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1.1 Main strategic aspects regarding the business development in 1st semester

The UniCredit Tiriac Group (the "Group") consists of UniCredit Tiriac Bank S.A. (the "Bank") as parent company and its subsidiaries, UniCredit Consumer Financing IFN S.A. ("UCFIN"), UniCredit Leasing Corporation IFN S.A ("UCLC"), ALLIB Leasing SRL ("ALLIB"), Debo Leasing IFN SA ("DEBO") and UniCredit Insurance Broker SRL ("UCIB").

The interim condensed consolidated financial statements as at and for the six months ended 30 June 2015 comprise the Bank and its subsidiaries as well as the comparative information as of 30 June 2014.

In the 1st semester of 2015, UniCredit Tiriac Bank Group, consisting of UniCredit Tiriac Bank and its subsidiaries focused its attention and resources on consolidation of market positions, risk management, growth and sound development of its business aiming meanwhile at the safeguarding of the Bank's assets and capital, value creation for customers, society and shareholders through enhancement of the quality of products and services, strong management of credit, market and operational risks and internal controls fully aligned with statutory and UniCredit Group regulations and best international practices.

The main achievements of the Group for the first semester of 2015 were summarized below:

- Strengthening of capital position by fully reinvesting the 2014 net profit of the Group as approved by the Annual General Shareholders Meeting held on 11th of April 2015;
- Consolidation of the market position;
- Further improvement of the quality of service, reflected in a short response time and improvement in the complaint management system, targeting further better customer relationship management and increasing customer satisfaction;
- Further development of supporting systems, with focus on Information Computer Technology and processes;
- Launching of two new credit card products aiming to improve the consumer relationship.



1.2 Assets, Liabilities, Equity

The structure and the evolution of the main categories of assets, liabilities and equity of the Group as of 30 June 2015 are presented below, compared also with 31 December 2014 year for the Group:

	30 June 2015	31 December 2014	Change
	RON	RON	%
Assets			
Cash and cash equivalents	3,080,864,975	4,355,627,566	(29)
Financial assets held for trading	207,593,267	256,170,739	(19)
Derivatives used for hedging	17,246,535	12,433,477	39
Fair value changes of the hedged items in portfolio hedge	386,480	550,694	(30)
Loans and advances to banks	615,362,150	534,259,738	15
Loans and advances to customers	18,324,109,801	18,074,610,272	1
Net lease receivables	2,607,014,490	2,445,023,397	7
Available-for-sale	5,547,517,038	5,948,499,011	(7)
Property and equipment	196,462,787	223,946,409	(12)
Intangible assets	138,833,085	145,965,564	(5)
Current tax asset	9,079,342	21,330,327	(57)
Deferred tax assets	59,813,095	53,974,538	11
Other assets	258,783,141	291,069,030	(11)
Non-current assets and disposal groups classified as held for sale	6,015,446	923,771	551
Total assets	31,069,081,632	32,364,384,533	(4)
Liabilities			
Financial liabilities held for trading	99,617,058	114,778,678	(13)
Derivatives used for hedging	73,242,988	95,420,025	(23)
Deposits from banks	4,408,115,406	3,596,087,426	23
Loans from banks and other financial institutions	7,854,254,226	8,101,282,753	(3)
Deposits from customers	14,113,065,082	15,888,033,085	(11)
Debt securities issued	550,392,003	550,317,133	0
Subordinated liabilities	385,662,124	386,494,077	0
Provisions	173,121,938	214,022,848	(19)
Current tax liabilities	2,998,633	3,635,321	(18)
Other liabilities	286,483,980	334,335,859	(14)
Total liabilities	27,946,953,438	29,284,407,205	(5)
Equity			
Share capital	1,101,604,066	1,101,604,066	0
Share premium	55	55	0
Revaluation reserve on property and equipment	10,755,806	10,751,615	0
Cash flow hedging reserve	(50,933,456)	(62,830,271)	(19)
Reserve on available for sale financial assets	18,346,608	94,919,980	(81)
Other reserves	240,534,612	240,534,612	0
Retained earnings	1,703,726,214	1,604,671,803	6
Total equity	3,024,033,905	2,989,651,860	1
Non-controlling interests	98,094,289	90,325,468	9
Total Group equity	3,122,128,194	3,079,977,328	1
Total liabilities and equity	31,069,081,632	32,364,384,533	(4)



1.2 Assets, Liabilities, Equity (continued)

At the end of 1st Semester of 2015, total assets were RON 31,069.1 mio, compared to RON 32,364.4 mio as of 31 December 2014 (decrease by 4%).

The main significant changes of assets were for the following categories:

- 1. Cash and cash equivalents:** decrease by RON 1,274.7 mio (29%) from RON 4,355.6 mio in December 2014 to RON 3,080.9 mio in June 2015.
- 2. Loans and advances to customers:** Increase by RON 249.5 mio (1%) from RON 18,074.6 mio in December 2014 to RON 18,324.1 mio in June 2015. The non-performing loans with 90 days overdue are 10.05% of the loan portfolio as at 30 June 2015 (31 December 2014: 11.49%) The structure of loan portfolio consists of 74 % for legal entities and 26 % for individuals (31 December 2014: 74 % for corporate and 26% for individuals).
The credit risk provisions increased at RON 2,129.5 mio. (31 December 2014: RON 2,287.9 mio).
- 3. Available-for-sale:** Decrease by RON 401 mio (7%) from RON 5,948.5 mio in Decembrie 2014 to RON 5,547.6 mio in June 2015.
- 4. Net lease receivables:** Increase by RON 162 mio (7%) from RON 2,445 mio in December 2014 to RON 2,607 mio in June 2015.

The main significant increase of liabilities were for the following categories:

- 1. Deposits from banks:** Increase by RON 812.1 mio (23%) from RON 3,596 mio (31 December 2014) to RON 4,408.1 mio (30 June 2015).
- 2. Deposits from customers:** Decrease by RON 1,775 mio (11%) from RON 15,888 mio (31 December 2014) to RON 14,113 mio (30 June 2015).
- 3. Subordinated loans:** decrease by RON 0.8 mio from RON 386.5 mio (31 December 2014) to RON 385.7 mio as at 30 June 2015.



1.3. Income statement

Income statement for the first semester for 2015 and 2014 is presented below:

	Six months ended 30 June 2015	Six months ended 30 June 2014	Change
	RON	RON	%
Net interest income	417,645,873	416,005,730	0
Net fee and commission income	143,063,064	142,739,752	0
Net income from trading	122,262,213	114,119,388	7
Fair value adjustment in hedge accounting	(437,201)	10,440,245	(104)
Net gains on disposal of financial assets and liabilities not held for trading	51,474,525	63,856,236	(19)
Dividends and similar income	1,243,143	186,271	567
Other operating income	19,079,916	7,466,964	156
Operating income	754,331,533	754,814,586	0
Personnel expenses	(172,586,881)	(168,486,617)	2
Depreciation and impairment of tangible assets	(18,770,183)	(24,953,155)	(25)
Amortisation and impairment of tangible assets	(22,080,033)	(15,294,564)	44
Other administrative costs	(160,286,590)	(159,223,348)	1
Other net operating expense	(18,161,907)	(8,433,585)	115
Operating expenses	(391,885,594)	(376,391,269)	4
Net operating result	362,445,939	378,423,317	(4)
Net impairment losses on financial assets	(234,026,745)	(263,594,577)	(11)
Net provision releases	3,155,400	26,907,704	(88)
Net (losses)/releases from other investment activities	(2,750,085)	715,258	(485)
Net loss on investments in associates	-	(351,447)	(100)
Profit before taxation	128,824,509	142,100,255	(9)
Income tax	(21,993,079)	(20,768,820)	6
Net profit for the period	106,831,430	121,331,435	(12)
Attributable to:			
Equity holders of the parent	99,043,198	106,716,647	(7)
Non-controlling interests	7,788,232	14,614,788	(47)
Net profit for the year	106,831,430	121,331,435	(12)

The net profit as at 30 June 2015 is RON 107 mio, lower by 12% than that for the same period of the previous year (RON 121 mio).

The total operational income were RON 754.3 mio as at 30 June 2015, recording a slight decrease comparing with that of 30 June 2014 in amount of RON 754.8 mio, while total operational expenses increase from RON 376.4 mio as at 30 June 2014 by 4.1% to RON 392 mio as at 30 June 2015.

As at 30 June 2015, the cost/income ratio, one of the main indicator closely monitored by the Management has the level of 52% (30 June 2014: 49.9%).



1.4. Cash flows

The structure of cash flows is summarized by the statement of cash flows:

<i>In RON</i>	Six months ended 30 June 2015	Six months ended 30 June 2014	Change %
Cash flows used in operating activities	(1,125,737,177)	(1,980,042,683)	(43.1)
Cash flows used in investing activities	(22,081,499)	(86,113,054)	(74.4)
Cash flows generated used in financing activities	(126,943,915)	(68,560,919)	85.2
Net decrease in cash and cash equivalents	(1,274,762,591)	(2,134,716,656)	(40.3)
Cash and cash equivalents at 1 January	4,355,627,566	5,235,422,569	(16.8)
Cash and cash equivalents at 30 June	3,080,864,975	3,100,705,913	(0.6)

The liquidity ratio calculated in accordance with NBR Regulation 25/2011 was between 1.07 and 13.29 (depending on the residual maturity of the assets and the liabilities) during the period January – June 2015 (January – June 2014: between 1.24 and 16.77).

1.5. Main financial and prudential indicators

		1 Semester 2015	1 Semester 2014
Financial indicators	ROE (%)	6.84	7.93
	ROA (%)	0.69	0.84
Prudential indicators	Own funds ratio CET 1 (%)	12	12
	Total own funds ratio (%)	13	13

2. Activity analysis

2.1. Presentation of main events, factors of uncertainty that can affect the Bank's liquidity

The NBR continued the easing cycle during 2015, reducing the monetary policy rate by a cumulated 1 percentage point throughout the first half of the year to 1.75%, in light of the negative inflation expectations (-1.6% at the end of June 2015) due to the VAT cut and due to supply-side shocks from falling oil prices. At the same time, the NBR cut the minimum reserve requirements (MRR) to 8% for RON-denominated liabilities (from 10%) and left the FCY-denominated liabilities unchanged at 14%, releasing liquidity of around RON 2.8 bn in the interbanking market.

Despite some recovery of new lending to individuals with positive impact on the stock of credit (+2.5% yoy FX-adjusted in June 2015), the effect of the banks' balance sheet cleanup in 2014 left deep marks on the credit.



stock, especially for companies (-4.4% yoy in June 2015). In contrast, bank deposits soared (+7.1%yoy in June 2015), both from individuals (+7.3% yoy) and companies (+6.8% yoy), thus boosting interbank liquidity and resulting in a loan-to-depo ratio of 93% at the end of June 2015 (from 104.6 at the end of 2014).

The exchange rate against the euro remained relatively stable in the 4.40-4.50 interval for most of the first half of 2015, supported by strong fundamentals. External uncertainties (such as the Swiss National Bank discontinuing the minimum exchange rate of 1.20 for EURCHF, the Greek debt problems and risk-off episodes in light of the expected normalization of monetary policy in the US) triggered some volatility of the exchange rate. However, the depreciation pressures were only temporary during 1H2015, with the EURRON showing a strong preference for the above-mentioned interval.

There have been no aspects or uncertain factors which affect or might affect the Group's liquidity compared to the reporting period of previous year. The Group has not been in the situation to not respect its financial obligations during the respective reporting period.

2.2. Presentation and analysis of the effects on the financial position of the Group regarding the capital expenditures, current or in advanced, compared to those related to the same reporting period of the previous year

Tangible and intangible assets were in amount of RON 335.3 mio as of 30 June 2015 compared to RON 354.5 mio (31 december 2014), representing a small decrease by 4.4% due to normal depreciation of these assets counterbalanced by the increase related to the capitalization of the expenses related to upgrade, development and improvement of the IT software applications of the Group.

2.3. Presentation and analysis of the events, transactions, economic changes which significantly affect the operational income

The business transactions related to 1st semester of 2015 have been properly and correctly recorded in the Group's ledgers, based on the appropriate legal evidence and documents. The law requirements regarding the organization and running of the accounting activity have been met, respecting all accounting principles, rules and accounting methods provided by the applicable laws and regulations.

The data presented for the 1st semester of 2015 have taken into account the organization and management of the accounting activity in accordance with the Law no 82 / 1991, republished and with further amendments and updates, NBR Order 27/16.12.2010 amended by NBR Order no. 29/28.12.2011 for approval of the accounting regulations in accordance with International Financial Reporting Standards („IFRS”) applicable to credit institutions starting with 01.01.2012.

All the state budget liabilities have properly booked and paid in accordance with local regulations in force.



3. Changes which impact the shareholders equity and management of the Group

3.1. Description of the cases where the entity has not respected its financial obligations during the respective reporting period:

- Not applicable.

3.2. Description of any change of the rights of the holders of the securities issued by the Group:

- Not applicable.

3.3. Changes in the Group governing bodies:

The following changes in the governing body of the Group have been incurred:

- Appointment on 16.04.2015 of Mr Carlo Vivaldi as Supervisory Board member of UniCredit Tiriac Bank. (The appointment becomes effective only after approval of the National Bank of Romania);
- Resignation from the mandate as member of the Bank's Supervisory Board of UniCredit Tiriac Bank of Mr.Gianni Franco Papa starting with 16.04.2015.

4. Significant transactions

The merger process between the 2 subsidiaries of the Bank, UniCredit Leasing Corporation IFN S.A ("UCLC", controlling stake of 99.90%) and UniCredit Leasing Romania SA ("UCLRO", controlling stake of 99.98%), was completed on 1st of June 2015, when UCLRO was dissolved as a result of its absorption by UCLC.

5. Annexes

There are attached to the present report the following documents:

- 5.1. Interim Condensed Consolidated Financial Statements as of 30 June 2015 prepared in accordance with IAS 34 "Interim Financial Reporting", reviewed by external independent auditor Deloitte.
- 5.2. Statement of the Directorate members who has assumed the responsibility for the preparation of the interim consolidated financial statements related to the 1st semester of 2015.

Rasvan Catalin Radu
Presedinte Executiv



Mihaela Alina Lupu
Executive Vicepresident

