

Half-yearly Report

As at 30 of June 2017

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

Date of Report: 28 iulie 2017

Name of the legal entity: UniCredit Bank S.A.
Corporate address: Romania, Bucharest, no. 1F, Expozitiei Bd., 1st District
Corporate Contact Details: Tel +40 21 200 2000
Website: www.unicredit.ro
Email: office@unicredit.ro
Trade Register Registration Number: J40/7706/1991
Sole Registration Code: R0361536
Bank Register No: RB-PJR - 40 - 011/1999
Operator of personal data nb. 10964
ANSPDCP:
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 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>)

14,600 corporate bonds having a nominal value of RON 10,000/bond, market symbol UCT20 (ISIN ROUCTBDBC022).

(<http://www.bvb.ro/FinancialInstruments/Details/FinancialInstrumentsDetails.aspx?s=UCB20>)

28,050 corporate bonds having a nominal value of RON 10,000/bond, market symbol UCT22 (ISIN ROUCTBDBC030).

(<http://www.bvb.ro/FinancialInstruments/Details/FinancialInstrumentsDetails.aspx?s=UCB30>)

18,350 corporate bonds having a nominal value of RON 10,000/bond, market symbol UCT24 (ISIN ROUCTBDBC048).

(<http://www.bvb.ro/FinancialInstruments/Details/FinancialInstrumentsDetails.aspx?s=UCB48>)

1. ECONOMICAL – FINANCIAL STANDING

1.1. Company's presentation

UniCredit Bank S.A. (the „Bank”) is the new brand name of UniCredit Tiriac Bank SA starting with August 2015, having its current registered office at 1F, Expozitiei Boulevard, District 1, Bucharest, Romania. The bank was established as a Romanian commercial bank as Banca Comerciala Ion Tiriac S.A. in 1991, which merged with HVB Bank Romania SA on 01.09.2006, resulting Banca Comerciala HVB Tiriac S.A. As a result of the merger by absorption of the former UniCredit Romania S.A. (the absorbed bank) by Banca Comerciala HVB Tiriac S.A. (the absorbing bank), the Bank is licensed by the National Bank of Romania to conduct banking activities. The Bank provides banking services in local currency („RON”) and in foreign currency to individuals and companies. UniCredit Bank is part of UniCredit, the European financial group with the most extensive network in Central and Eastern Europe and one of the most important in Europe. UniCredit Bank is a "one-stop-shop" for financial services, serving more than 650,000 customers.

UniCredit Bank S.A. is a joint stock company incorporated in 1991, registered with the Trade Register Bucharest under number J40/7706/1991, sole registration number (CUI) 361536, registered with the Banking Register under number RB-PJR-40-011/18.02.1999 (http://www.bnro.ro/files/d/RegistreBNR/InstitCredit/ban1_raport.html).

As of 30 June 2017, UniCredit Group (the "Group") consists of UniCredit 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"), Debo Leasing IFN SA ("DEBO") and UniCredit Insurance Broker SRL ("UCIB"); the Group structure has not been changed since 31 December 2015.

The businesses of the subsidiaries and the percentage stake of the Bank in its subsidiaries are presented in the interim condensed consolidated financial statements prepared in accordance with IFRS as endorsed by EU for the period ended at 30 June 2017, which have to be read together with the consolidated financial statements for the year ended at 31 December 2016.

*Please see **Note Reporting entity** presented in the notes to the interim condensed consolidated financial statements for the period ended 30 June 2017.*

At 30 June 2017, the Group has conducted its activity through 158 branches (in 2016: 160) opened in Romania.

1.2. Consolidated financial statements

1.2.1. Assets, Liabilities, Equity

The structure and the evolution of the main categories of assets, liabilities and equity of the Group are presented below:

	30 June	31 December	2017/2016
	2017	2016	Variance
Assets			
Cash and cash equivalents	4,234,740,907	5,806,429,168	-27.1%
Financial assets at fair value through profit or loss	404,984,902	393,119,265	3.0%
Derivatives assets designated as hedging instruments	22,387,088	17,325,503	29.2%
Fair value changes of the hedged items in portfolio hedge	-	26,783	-100.0%
Loans and advances to banks	1,556,597,757	737,782,299	111.0%
Loans and advances to customers	21,424,903,435	20,476,755,183	4.6%
Net lease receivables	3,441,665,476	3,157,684,553	9.0%
Financial assets available for sale	6,417,271,437	6,371,453,618	0.7%
Property and equipment	233,698,784	263,863,595	-11.4%
Intangible assets	144,886,639	158,409,354	-8.5%
Current tax assets	-	-	
Deferred tax assets	55,290,352	58,521,224	-5.5%
Other assets	199,896,165	161,416,898	23.8%
Non-current assets and disposal groups classified as held for sale	1,319,971	2,913,821	-54.7%
Total assets	38,137,642,913	37,605,701,264	1.4%
Liabilities			
Financial liabilities at fair value through profit or loss	89,138,874	99,316,461	-10.2%
Derivatives liabilities designated as hedging instruments	65,657,049	98,730,581	-33.5%
Deposits from banks	3,363,106,620	3,173,396,014	6.0%
Loans from banks and other financial institutions	6,984,330,219	7,433,468,355	-6.0%
Deposits from customers	22,607,498,893	21,995,286,812	2.8%
Debt securities issued	551,121,519	551,024,752	0.0%
Subordinated liabilities	324,220,848	323,260,540	0.3%
Provisions	77,242,201	67,301,041	14.8%
Current tax liabilities	26,043,945	49,968,517	-47.9%
Other liabilities	429,478,386	292,333,298	46.9%
Total liabilities	34,517,838,554	34,084,086,371	1.3%
Equity			
Share capital	1,101,604,066	1,101,604,066	0.0%
Share premium	55	55	0.0%
Reserve on available for sale financial assets	30,760,994	36,697,652	-16.2%
Cash flow hedging reserve	(45,058,903)	(50,940,452)	11.5%
Revaluation reserve on property and equipment	10,919,762	10,892,930	0.2%
Other reserves	244,827,555	240,534,612	1.8%
Retained earnings	2,130,907,965	2,053,856,522	3.8%
Total equity^a	3,473,961,494	3,392,645,385	2.4%
Non-controlling interest	145,842,865	128,969,508	13.1%
Total Group Equity	3,619,804,359	3,521,614,893	2.8%
Total liabilities and equity	38,137,642,913	37,605,701,264	1.4%

At the end of June 2017, total assets were RON 38,137.6 mio, compared to RON 37,605.7 mio as of 31 December 2016 (increase by 1.4%).

The main significant changes (increase/decrease) of Group assets were for the following categories:

- **Derivatives assets designated as hedging instruments:** increase by RON 5 mio (+19.2%) from RON 17.3 mio as at 31 December 2016 to RON 22.3 mio as at 30 June 2017.
- **Fair value changes of the hedged items in portfolio hedge:** decrease by RON 27k (-100%) from RON 27k in December 2016 to RON 0 in June 2017.
- **Loans and advances to banks:** increase by RON 818.8 mio (111%) from RON 737.8 mio in December 2016 to RON 1,556.6 mio in June 2017.
- **Loans and advances to customers:** increase by 948.1 mio (+4.6%) from RON 20,476.8 mio in December 2016 to RON 21,424.9 mio in June 2017.
- **Net lease receivables:** increase by 283.98 mio (+9%) from RON 3,157.7 mio in December 2016 to RON 3,441.7mio in June 2017.
- **Non-current assets and disposal groups classified as held for sale:** decrease by 1.6 mio (-54.7%) from RON 2.9mio to RON 1.3mio in June 2017.

The main significant changes (increase/decrease) of Group liabilities/equity positions were for the following categories:

- **Derivative liabilities at fair value through profit or loss:** decrease by RON 10.1mio (-10.2%) from RON 99.2 mio (31 December 2016) to RON 89.1 mio (30 June 2017).
- **Derivatives liabilities designated as hedging instruments:** decrease by RON 33.1 mio (-33.1%) from RON 98.7 mio as at 31 December 2016 to RON 65.6 mio as at 30 June 2017.
- **Deposits from banks:** increase by RON 189.7 mio (6%) from RON 3,173.4 mio (31 December 2016) to RON 3,363.1 mio (30 June 2017).
- **Deposits from customers:** increase by RON 612.2 mio (2.8%) from RON 21,995.3 mio (31 December 2016) to RON 22,607.5 mio (30 June 2017).
- **Current tax liabilities:** decrease by RON 23.9 mio (-47.9%) from RON 49.9mio (31 Decembrie 2016) to RON 26mio (30 June 2017).
- **Cash flow hedging reserve:** increase by RON 5.8mio (11.5%) from RON -50.9 mio (31 December 2016) to RON -45 mio RON (30 June 2017).

1.2.2. Income statement

Income statement for the 6 months period for 2017 and 2016 is presented below:

	30 Iunie 2017	30 Iunie 2017/20 2016	2016 16
	RON	RON	
Interest income	634,028,262	643,030,110	-1.4%
Interest expense	-158,059,285	-173,452,692	-8.9%
Net interest income	475,968,977	469,577,418	1.4%
Fee and commission income	231,301,984	196,863,219	17.5%
Fee and commission expense	-40,239,959	-36,483,578	10.3%
Net fee and commission income	191,062,025	160,379,641	19.1%
Net income from trading and other financial instruments at fair value through profit or loss	131,032,864	111,717,332	17.3%
Fair value adjustments in hedge accounting	-3,126,981	3,320,461	-194.2%
Net income on disposals of financial assets and liabilities which are not at fair value through profit or loss	53,854,471	102,603,385	-47.5%
Dividends incomes	2,115,561	1,843,154	14.8%
Other operating income	9,548,670	4,392,686	117.4%
Operating income	860,455,587	853,834,078	0.8%
Personnel expenses	-183,028,328	-173,974,402	5.2%
Depreciation and impairment of tangible assets	-23,402,799	-19,075,240	22.7%
Amortisation and impairment of intangible assets	-25,557,109	-25,524,486	0.1%
Other administrative costs	-210,046,643	-175,022,525	20.0%
Other operating costs	-7,479,654	-14,326,341	-47.8%
Operating expenses	-449,514,533	-407,922,994	10.2%
Net operating income	410,941,054	445,911,083	-7.8%
Net impairment losses on financial assets	-126,880,972	-149,396,420	-15.1%
Net provision losses	-10,095,423	-17,184,729	-41.3%
Net gains/(loss) from other investment activities	-3,282,233	-274,513	1095.7%
Profit / (Loss) before taxation	270,682,426	279,055,422	-3.0%
Income tax	-45,478,388	-53,066,771	-14.3%
Net profit for the year	225,204,038	225,988,651	-0.3%
Attributable to:			
Equity holders of the parent	208,330,681	213,697,744	-2.5%
Non-controlling interests	16,873,357	12,290,906	37.3%
Net profit for year	225,204,038	225,988,650	-0.3%

Cash flows

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

	30 June 2017	30 June 2016	2017/2016 Variance
Operating activities			
Profit before taxation	270,682,426	279,055,421	-3.0%
Ajustari pentru elemente nemonetare:			
Amortizarea și deprecierea imobilizărilor	48,959,908	44,599,727	9.8%
Pierdere netă din deprecierea activelor financiare	126,880,972	149,396,420	-15.1%
Modificarea valorii juste a instrumentelor financiare derivate la valoare justă prin contul de profit sau pierdere	-25,115,605	-7,192,703	249.2%
Other items for which the cash effects are investing or financing	762,660	7,401,908	-89.7%
Other non-cash items	28,319,093	122,102,726	-76.8%
Operating profit before changes in operating assets and liabilities	450,489,454	595,363,499	-24.3%
Change in operating assets:			
Decrease in financial assets at fair value through profit or loss	-97,275,696	148,270,212	-165.6%
(Increase) in loans and advances to banks	-817,341,279	-206,251,968	296.3%
(Increase) in loans and advances to customers	-1,079,104,890	-814,173,682	32.5%
(Increase)/decrease in lease receivable	-301,899,129	-352,286,979	-14.3%
(Increase) in other assets	-28,866,022	-11,450,730	152.1%
Change in operating liabilities:			
Increase / (Decrease) in deposits from banks	187,486,342	-1,612,920,201	-111.6%
Increase in deposits from customers	617,516,510	1,277,022,096	-51.6%
Decrease in other liabilities	7,122,749	11,455,460	-37.8%
Income tax paid	-66,561,684	10,483,135	-734.9%
Cash flows used in operating activities	-1,128,433,645	-957,864,194	17.8%
Investing activities			
Acquisition of property and equipment and intangible assets	-19,929,975	-30,801,095	-35.3%
Proceeds from sale of equity investments	13,362,274	45,225,829	-70.5%
Dividends received	2,115,561	1,843,154	14.8%
Cash flows used in investing activities	-4,452,140	16,267,888	-127.4%
Financing activities			
Dividends paid	-677,815	-107,021,634	-99.4%
Repayments of loans from financial institutions	-2,978,356,188	-1,157,942,104	157.2%
Drawdowns from loans from financial institutions	2,540,231,527	533,980,543	375.7%
Cash flows used in financing activities	-438,802,476	-730,983,195	-40.0%
Net (decrease)/increase in cash and cash equivalents	-1,571,688,261	-1,672,579,501	-6.0%
Cash and cash equivalents at 1 January	5,760,947,655	4,594,566,616	25.4%
Cash and cash equivalents at 30 June	4,189,259,395	2,921,987,115	43.4%

The liquidity ratio in RON equivalent calculated in accordance with NBR Regulation 25/2011 was between 1.11 and 18.62 (depending on the residual maturity of the assets and the liabilities), in 2016: between 1.19 and 20.80.

DESCRIPTION OF GROUP'S ACTIVITY

2.1. Main results of the Group's activity and significant transactions

During 2017, UniCredit Bank Group, consisting of UniCredit 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 added 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.

UniCredit Bank has obtain a consolidated net profit of RON 225 mio in 2017, 0.3% slightly lower yoy.

UniCredit Bank had RON 860.5 mio consolidated operational income, higher by 0.8% comparing with the same period of 2016. This evolution is generated, mainly, by increase of loans' volumes and deposits' volumes of comparing with the same period of the previous year. The operational expenses with a level of RON 449.5mio, greater by 10.2% comparing with the same period period of the previous period of 2016 mainly dreaven by methodology adjustments for booking contribution to resolution fund.

Therefore, the consolidated net operational profit of UniCredit Bank's Group for first semester ended at 30 June 2017 is RON 225.2 mio, lower by 0.3% comparing with the same period of 2016. The net profit attributable to the parent and minority interest is RON 208 mio, lower by 2.5% comparing to 2016.

UniCredit Bank's financial indicators show a balanced position: the annualized return on equity (ROE) was 13.2% at the end of 2016, while the annualized return on assets (ROA) has reached 1.2%. Cost-income ratio was at 52%, down from the previous year.

The Bank continued to carefully consider the potential risks and actual mirrored their appropriate level of provisioning. Thus, expense loan provisions reached 126.9 million lei on 30 June 2017. The rate of provisioning of loans in the balance sheet was 6.8% and the annualized cost of risk 112 bp. NPL ratio, including exposures improbability of obligations to pay loans (** EBA definition), was located at 8.06%.

The volume of consolidated assets at June 30th 2017 amounted to RON 38.1 billion, compared with RON 37.6 billion at the year end 2016. The gross loan portfolio, including leasing, increased by RON 1.2 billion compared to year end 2016. The factors that influenced this development were the increase of volumes of companies' clients, of the consumer loans of individuals and have been increased funding to customers in the segment companies, consumer loans for individuals, and of leasing finance.

For the same period, customer deposits are at a level of RON 22.6 billion , up 2.8% over the preavious year end.

In the sphere of activity for corporate clients, one of the relevant transactions in the first part of the year was the "club loan" financing granted by UniCredit Bank and BRD-Groupe Société Générale to A & D Pharma, the largest pharmaceutical group in Romania. The syndicated loan, with a total value of over EUR 177 million, was granted for a five-year period, each of the financial institutions involved participating in an equal amount (approximately EUR 88.6 million). The transaction was jointly arranged by the two banks - BRD and UniCredit Bank being the main mandated arrangers - BRD assuming the role of coordinator for credit documentation, and UniCredit Bank assuming the facilitator and guarantee agent roles. With the new contract, the A & D Pharma Group refinanced a syndicated credit line contracted in 2015 and accessed a new 57m-euro credit facility, benefiting from the favorable financial market context, on the context of the current high appetite of banks for crediting viable companies with good financial performance and further development prospects.

In the retail segment, the bank continued its efforts to digitize its business and innovate its offer of products and services. Thus, in the first half of the year, Mobile Banking has been developed by adding new features that enable users to make multiple operations directly from the mobile phone and make UniCredit one of the most advanced of its kind in the market. Among the most important are access and signing of payments with fingerprint. Thus, UniCredit customers who have compatible phones may choose to authenticate payments up to 800 lei (or equivalent in foreign currency) by reading the fingerprint without having to enter the PIN code. This functionality improves the user experience, while enhancing security standards. Moreover, through an offer launched during this period, users who make a term deposit via Mobile or Online Banking receive an additional 0.15 percentage points interest as for interest for the same type of deposit opened in the branch.

Meanwhile, **UniCredit Consumer Financing** continued to strengthen its position in the segment of consumer loans in H1 2017 recording a significant increase in sales volume comparing to the same period of the previous year.

Furthermore, **UniCredit Leasing Corporation** new financed volumes for the first half of 2017 contributed to the growth of the finance lease portfolio by 9% comparing to 30 June 2016, reaching a level of 3.44 billion lei.

The business transactions related to 2017 have been properly and correctly recorded in the Group's ledgers, based on the appropriate legal evidence and documents. All 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 first half of the financial year 2017 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 and with NBR Order 27/16.12.2010 with further updates and amendments. All the state budget liabilities have properly booked and paid in accordance with local regulations in force.

The external auditor of the Bank, Deloitte Audit SRL, has reviewed the consolidated financial information for the 6 month period ended at 30 June 2017 in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

The review opinion states that nothing has come to Auditor attention that causes to believe that the interim condensed consolidated financial information of the Bank is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting"

The review results are presented in the external auditor Deloitte Audit SRL report attached to the consolidated financial information.

2.2. Main events, factors of uncertainty that can affect the Group's liquidity compared to previous year

The NBR maintained the monetary policy rate unchanged at 1.75% throughout 2016. The minimum reserve requirements for FCY-denominated liabilities was cut by 4pp to 10% in 2016 (-2pp starting from January 2016 and another -2pp starting from October 2016), releasing around RON 4.2bn of liquidity in the interbank market. The minimum reserve requirements for RON-denominated liabilities was kept unchanged at 8%.

Annual inflation ended 2016 at -0.5% yoy after having stayed in negative territory during 2016, being still affected by the VAT cut for food products in June 2015 from 24% to 9% and by another cut to the general VAT by 4pp (to 20%) in January 2016. The prices of food products and oil started to increase in 2016 after contracting in 2013-2015, but the increase was modest, implying no significant upward pressure to inflation. Although the ECB and the regional central banks kept an easing bias throughout the year, the NBR continued to keep the key rate unchanged at 1.75% throughout 2016 in order to counterbalance the effects of the pro-cyclical fiscal policy at a time when the excess demand has been widening further, pointing to upward price pressures building up.

The NBR's latest inflation report showed expectations of higher inflation for the end of 2018, at 3.4%, up from 3.2% at the November 2016 forecasting round. We expect more limited excess demand pressures, as we expect a significant slowdown in growth during 2017, reason for which we believe the first hike may be postponed until November 2017 or even 2018 if the inflation forecast is revised downwards. The NBR may increase the deposit facility rate before mid-2017 to signal an upcoming tightening cycle. Market liquidity remained abundant throughout the year, with ROBOR rates stabilizing at very low levels. The surplus liquidity jumped at year-end, supported by high government spending. In its last press conference, the NBR Governor mentioned he expects the 3M ROBOR to stay near the current levels in 1H17 and increase gradually in 2H17, as inflationary pressures intensify.

The clean-up of banks' balance sheet continued in 2016 via sales of nonperforming loans, impacting the stock of credit, especially the one of companies. Lending to households picked up (+4.5%yoy in December 2016; FCY-adjusted), but the stock of credit to companies continued to contract from 2015 (-2.3%yoy in December 2016; FCY-adjusted), as

companies prefer first to reinvest their profit, second to borrow from parent companies, third to widen the commercial credit between companies and the last option is taking banking loans.

At the same time, new lending is done predominantly in LCY for both individuals and companies. As a result, the credit stock kept its currency structure in line with the one at the end of 2015, with the stock of RON-denominated loans continuing to outstrip the stock in foreign currency and reaching a share of 57.2% in total private sector loans at the end of December 2016, up from 50.7% in December 2015 and a minimum of 35.6% in May 2012. During 2016, above 80% of the new loans granted were in local currency. The fact that the weight of the credit denominated in local currency has increased strengthens the transmission of the monetary policy, helps mitigate risks to financial stability and enhances the robustness of the economy. The main drivers for this change were the central bank's efforts and regulations to protect customers against depreciation risks, together with LCY interest rates slipping to historical lows. The loan-to-depo ratio dropped to 80% at the end of December 2016.

There have been no aspects or factors which have affected or might affect the Group's liquidity during the reporting period.

The Group has not been in the situation to not meet its financial obligations during the respective reporting period.

2.3. Tangible and intangible assets of the Group

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 gross amount of RON 793.8 mio as of 30 June 2017 compared to RON 776.3 mio as of 31 December 2016 representing an increase of 2.3% (in net amounts RON 325.5 mio as of 30 June 2017 compared to RON 353.5 mio as of 31 December 2016, representing a decrease by 7.9%) due mainly to additions made as normal to support the current business activity.

Description of the location and characteristics of production capacities owned by the Bank

As of 30 June 2017, the Bank owned the following buildings in which it is performing its activity through its branches: Bucuresti („Norilor”, „Marasesti”, „Panduri”, „Traian”, „Nicolae Titulescu”, „Magheru” branches), Braila, Buzau, Calafat, Cluj-Napoca, Constanta, Craiova, Focsani, Lugoj, Oradea, Piatra Neamt, Pitesti, Satu Mare. The remaining buildings in which the Group runs its activities are rented. The bank has closed 2 branches in 2017 located in rented office spaces.

Description and wearing of the assets owned by the Bank

Net tangible assets were in amount of RON 192 mio as of 30 June 2017, out of which own buildings and lands are 35.8%.

2.4. Description of the competition, market share of Bank's products/services and its competitors

UniCredit Bank is an universal bank that provides services for retail (individuals and SMEs) as well as for companies. These services include opening bank accounts, domestic and foreign payments, foreign currency exchanges, short, medium and long term financing, etc. UniCredit Consumer Financing provides retail consumer loans for individuals. Group is also present in Romania through leasing entities which provides leases to retail and corporate customers.

3. CHANGES WHICH IMPACT THE SHAREHOLDERS EQUITY AND MANAGEMENT OF THE GROUP

3.1. Changes in the administration of the Group

On 17th of April 2008, General Meeting of Shareholders adopted the dual tier governance system, through which the management of UniCredit Bank SA is ensured by the Management Board, respectively by Supervisory Board, Management Board members not being able to be in the same time members of the Supervisory Board.

Presentation of the Supervisory Board members as of 30 June 2017

Supervisory Board of UniCredit Bank as of 31 December 2016 consisted of:

1. Corneliu Dan PASCARIU, President of Supervisory Board
2. Heinz Meidlinger
3. Stefano Cotini

Presentation of the Management Board members as of 30 June 2017

Management Board of UniCredit Bank as of 30 June 2017 consisted of:

1. Catalin Rasvan Radu, Romanian citizen, born on 12.02.1966, Executive President (CEO), President of Management Board
2. Daniela Margareta Bodirca, Romanian citizen, born on 28.04.1976, Executive Vicepresident, Member of Management Board
3. Alina Marinela Dragan, Romanian citizen, born on 17.09.1978, Executive Vicepresident, Member of Management Board
4. Marco Giuseppe Esposito, Italian citizen, born on 07.10.1959, Executive Vicepresident, Member of Management Board
5. Mihaela Alina Lupu, Romanian citizen, born on 08.11.1975, Executive Vicepresident, Member of Management Board
6. Marco Cravario, Italian citizen, born on 28.05.196, First Executive Vice-President (Deputy CEO)
7. Jakub Dusilek, Czech citizen, born on 17.12.1974, Executive Vicepresident, Member of Management Board

During 2017, there have been the following changes in the governing bodies of UniCredit Bank regarding:

⇒ Supervisory Board's members:

- The appointment of Mrs Jutta Liebenwein Schoeffmann as a member in the Supervisory Board starting with 20th February 2017 – undergoing prior approval by NBR;
- The appointment of Mr Stefano Porro as a member in the Supervisory Board starting with 20th February 2017 – undergoing prior approval by NBR;
- The appointment of Mr Luca Pierluigi Rubaga as a member in the Supervisory Board starting with 20th February 2017 – undergoing prior approval by NBR;
- The appointment of Mr Zeynep Nazan Somer Ozelgin as a member in the Supervisory Board starting with 20th February 2017 – undergoing prior approval by NBR;

⇒ Management Board's members:

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3.2. Changes in the shareholders' equity of the Bank

The structure of the Bank's shareholder structure remained unchanged during 2017. UniCredit SpA owns 98.3280% from the share capital of Bank as of 30 June 2017.

Please see also the details of the Note 22 Issued Capital from the Condensed Interim Consolidated Financial Statements for the period ended at 30 June 2017.

3.3. Description of Bank's policy regarding dividends

In April 2017, the General Shareholders Meeting of the Bank approved the distribution of RON 126.986.295 of the net profit for the financial year 2016 as dividends, which will be paid in due legal time.

4. CAPITAL MARKET FOR THE BONDS ISSUED BY THE BANK

4.1. Description of the market in Romania and other countries on where the issued bonds are traded

In June 2013, the Group issued 55,000 medium term bonds denominated in RON on Bucharest Stock Exchange having the following characteristics: symbol UCT18, ISIN ROUCTBDBC014, nominal value of RON 10,000 / bond, a fixed interest of 6.35% per annum, interest coupon half-yearly payable and redemption date on 15th of June 2018.

Out of 10 interest coupons of the bonds issue, there have been paid 8 coupons to the bond holders. Information regarding these bonds are presented on the Bucharest Stock Exchange website

(<http://www.bvb.ro/FinancialInstruments/Details/FinancialInstrumentsDetails.aspx?s=UCT18>).

In July 2017, the Bank issued 61,000 medium and long term bonds denominated in RON listed on Bucharest Stock Exchange with nominal value of 10,000/bond, having the following characteristics:

- Symbol UCB20, ISIN ROUCTBDBC022, number of instruments 14,600, floating rate ROBOR 6M + 0.65%, interest coupon half-yearly payable and redemption date on 15 July 2020
- Symbol UCB22, ISIN ROUCTBDBC030, number of instruments 28,050, floating rate ROBOR 6M + 0.85%, interest coupon half-yearly payable and redemption date on 15 July 2022
- Symbol UCB24, ISIN ROUCTBDBC048, number of instruments 18,350, floating rate ROBOR 6M + 1.05%, interest coupon half-yearly payable and redemption date on 15 July 2024

4.2. In case the reporting entity has issued bonds and/or other securities, description of the way the entities settle the obligations to the holders of those securities

The coupon payments are made in accordance with the provisions of the Chapter „Bonds terms and conditions”, paragraph **9 Payments** in the „BONDS ISSUE PROSPECTUS” published on the Financial Supervision Authority’s website (<http://www.asfromania.ro>) – direct link:

(<http://www.asfromania.ro/supraveghere/supraveghere-capital/emitenți-capital-supraveghere/oferte-publice-capital-supraveghere/prospecte-amendamente/1891-prospectele-amendamentele-certIFICATELE-pentru-ofertele-de-vanzare-aprobate-de-a-s-f-c-n-v-m>).

5. OTHER ASPECTS

5.1. Appraisal of the Banks' respectively Group's personnel and related aspects

UniCredit Bank had 3,327 employees as of 30 June 2017.

In respect of the employees training, 90% have university degree , while 10% have a high-school degree. The Bank is preoccupied continuously to train and develop professionally its employees, organising courses for improving the technical knowledge, as well as competences specifiv to banking activity.

In respect of the trade union aspect, 49% of the employees are members of the Trade Union and 51% are not members.

5.2. Description of the relationship reports between management and employees, and any conflictual elements related to these reports

There are subordination relationships between employees and their managers, formally managed through performance evaluation system performed once per year.

Meanwhile, within the organization, professional training courses have been held for development of the managerial competences of managers, which aimed mainly at aspects related to employees' motivation, providing feedback, efficient management and organisation of teams, as well as activities regarding the improvement of performance and employees productivity, motivation, their commitment and cooperation, as well as these aspects between managers and employees.

5.2. Appraisal of the issuer activity on the enviroment

There are no (existing or future) litigations regarding the breach of environment protection legislation.



6. ANNEXES

There are attached to the present report the following documents:

6.1. List of Bank's subsidiaries and its controlled entities

The list of subsidiaries and of entities controlled by the Bank as of 30 June 2017 is presented in the Annex 1.

6.2. Related parties lists

The list of related parties is presented in the Annex 2.

6.3. Financial statements and auditor report

Consolidated Interim Financial Statements as of 30 June 2017 are prepared in accordance with IFRS as endorsed by European Union and reviewed by external independent auditor Deloitte Audit SRL.

6.4. Compliance statement

Statement of the Directorate Members who have assumed the responsibility for the preparation of the Interim condensed consolidated financial statements for the six months period ended 30 June 2017.

Rasvan Catalin Radu
Executive President



Mihaela Alina Lupu
Executive Vicepresident



Annex 1

The list of subsidiaries and entities controlled by the Bank

The list of UniCredit Tiriac Bank SA's subsidiaries controlled as of 30 June 2017 consists of:

No	Legal entity name	Shareholding (%)	Entity type	Sole fiscal code	Trade Register No.	General Banking/IFN Register No.
1	UniCredit Consumer Financing IFN S.A.	50.10%	Subsidiary – directly controlled	24332910	J40/13865/2008	RG-PJR-41-110247
2	UniCredit Leasing Corporation IFN S.A.	99.98%	Subsidiary – directly and indirectly controlled	14600820	J40/3396/2002	RG-PJR-41-110176 RS-PJR-41-110031
3	Debo Leasing IFN SA *	99.97%	Subsidiary – indirectly controlled	15948432	J40/16182/2003	RG-PJR-41-110197
4	UniCredit Insurance Broker SRL *	99.98%	Subsidiary – indirectly controlled	15514018	J40/8111/2003	-

*) These legal entities are directly controlled by UniCredit Leasing Corporation IFN S.A.

Annex 2

List of related parties

The list of UniCredit Bank SA's related parties as of 30 June 2017 consists of:

No.	Related party name	Related party type
1	UNICREDIT BANK AUSTRIA AG	Unicredit Group
2	UniCredit Bank Austria AG	Unicredit Group
3	YAPI VE KREDI BANKASI AS	Unicredit Group
4	UNICREDIT BANK AG, GERMANY	Unicredit Group
5	UNICREDIT BANK HUNGARY ZRT	Unicredit Group
6	UNICREDIT SPA	Unicredit Group
7	UNICREDIT BANK CZECH REP. AND SLOVAKIA	Unicredit Group
8	UNICREDIT BANK AUSTRIA AG	Unicredit Group
9	UNICREDIT BANK AG, GERMANY	Unicredit Group
10	UNICREDIT BANK AG, NEW YORK BRANCH	Unicredit Group
11	UNICREDIT BANK CZECH REP. AND SLOVAKIA,SLOVAKIA BR	Unicredit Group
12	UNICREDIT BULBANK AD	Unicredit Group
13	UNICREDIT BANKA SLOVENIJA D D	Unicredit Group
14	UNICREDIT BANK IRELAND PLC	Unicredit Group
15	UniCredit SpA London Branch	Unicredit Group
16	ZAGREBACKA BANKA DD	Unicredit Group
17	UNICREDIT BANK AG LONDON BRANCH	Unicredit Group
18	UniCredit SPA	Unicredit Group
19	UNICREDIT BANK AG, HONG KONG	Unicredit Group
20	AO UniCredit Bank	Unicredit Group
21	UNICREDIT BANK SERBIA JSC	Unicredit Group
22	UniCredit Luxembourg SA	Unicredit Group
23	FactorBank AG	Unicredit Group
24	UNICREDIT CAIB SECURITIES ROMANIA SA	Unicredit Group
25	UNICREDIT LEASING FLEET MANAGEMENT SRL	Unicredit Group
26	UNICREDIT LEASING CORPORATION IFN S.A.	Unicredit Group
27	UNICREDIT INSURANCE BROKER S.R.L.	Unicredit Group
28	PIONEER ASSET MANAGEMENT S.A.I. SA	Unicredit Group
29	DEBO LEASING IFN SA	Unicredit Group
30	HVB-PWC ESCROW ACCOUNT	Unicredit Group
31	UNICREDIT FACTORING S.p.A.	Unicredit Group
32	UNICREDIT CONSUMER FINANCING IFN S.A.	Unicredit Group
33	PIONEER ASSET MANAGEMENT S.A	Unicredit Group

No.	Related party name	Related party type
34	U.B.I.S.AUSTRIA GMBH VIENA SUC.BUCURESTI	Unicredit Group
35	UNICREDIT FACTORING EAD	Unicredit Group
36	PIONEER ASSET MANAGEMENT A.S	Unicredit Group
37	UCTAM RO SRL	Unicredit Group
38	U.B.I.S. SCPA MILANO SUCURSALA BUCURESTI	Unicredit Group
39	YAPI KREDI BANK MOSCOW	Unicredit Group
40	ANI LEASING IFN SA	Unicredit Group
41	MEDIOFACTORING S.P.A.	Unicredit Group
42	ROLAND BERGER STRATEGY CONSULTANTS GMBH	Unicredit Group
43	EUROPEAN INVESTMENT FUND	Unicredit Group
44	YAPI KREDI FAKTORING A.S.	Unicredit Group
45	Alberto Garbarino	Management
46	Cezarina Morar	Management
47	Ignat Bogdan	Management
48	Cotiga Mircea Marian	Management
49	Daniela Panaitescu	Management
50	Milosoiu Simona Nicoleta	Management
51	Ramona Balasanian	Management
52	Tanasescu Ienciu Serban Mihai	Management
53	Adina Enescu	Management
54	Adina Iovu	Management
55	Adrian Codirlasu	Management
56	Adrian Pirvulescu	Management
57	Alexandra Ivanov	Management
58	Alina Dragan	Management
59	Ana Dutu	Management
60	Andrea D'Alessandro	Management
61	Andreea Adamescu	Management
62	Andrei Bratu	Management
63	Ani Cirstea	Management
64	Bogdan Oniga	Management
65	Catalin Lefter	Management
66	Catalin Rasvan Radu	Management
67	Ciprian Paltineanu	Management
68	Claudia Mocanu	Management
69	Cristian Badoi	Management
70	Dan Corneliu Pascariu	Management
71	Daniel Popescu	Management
72	Daniela Bodirca	Management
73	Diana Ciubotariu	Management

No.	Related party name	Related party type
74	Dragos Birlog	Management
75	Eduard Biscleanu	Management
76	Elena Florea	Management
77	Eugenia Bolboros	Management
78	Gabriel Jeflea	Management
79	Giovanni SCOTTO DI FRECA	Management
80	Ioana Ciucu	Management
81	Jakub Dusilek	Management
82	Leonard Palea	Management
83	Manuta Dumitrache	Management
84	Marco Cravario	Management
85	Mihaela Lupu	Management
86	Razvan Breten	Management
87	Septimiu Postelnicu	Management
88	Simona Petrescu	Management
89	Sorin Dragulin	Management
90	Stela Moghina	Management
91	Viviana Traistaru	Management
92	Heinz Meidlinger	Management
93	Stefano Cotini	Management
94	Marco Esposito	Management

DECLARATIE

in conformitate cu prevederile art. 31 din Legea contabilitatii nr. 82/1991

S-au intocmit **“Situatiile Financiare interimare consolidate condensate”** ale **Grupului UniCredit Bank S.A. (“Grupul”)** la **30 iunie 2017**, in conformitate cu prevederle Ordinului Bancii Nationale a Romaniei nr. 27/2010 pentru aprobarea Reglementarilor Contabile conforme cu Directivele europene, cu modificarile si completarile ulterioare, pentru:

Persoana juridica: UNICREDIT BANK S.A.

Judetul: 41 - Directia Generala de Administrare Mari Contribuabili, MUN.BUCURESTI

Adresa: localitatea BUCURESTI, sectorul 1, B-dul Expozitiei, nr.1F, tel. 021/200.20.00

Numar din Registrul Comertului: J40/7706/1991

Forma de proprietate: 34 – Societati comerciale pe actiuni

Activitatea preponderenta (cod si denumire clasa CAEN): 6419 – Alte activitati de intermediari monetare

Cod de identificare fiscala: RO 361536.

Persoanele care au obligatia gestionarii Grupului isi asuma raspunderea pentru intocmirea “Situatiilor Financiare interimare consolidate condensate” la 30 iunie 2017.

Situatiile financiare au fost intocmite in conformitate cu Ordinul Bancii Nationale a Romaniei nr.27/2010 pentru aprobarea Reglementărilor contabile conforme cu directivele europene, cu modificarile si completarile ulterioare si confirmam ca:

- a) politicile contabile aplicate la intocmirea situatiilor financiare anuale consolidate sunt in conformitate cu reglementarile contabile aplicabile;
- b) situatiile financiare anuale consolidate ofera o imagine fidela a pozitiei financiare, a performantei financiare si a celorlalte informatii referitoare la activitatea Grupului.

Presedinte Executiv,

Catalin Rasvan Radu



Vicepresedinte Executiv,

Mihaela Alina Lupu

