UniCredit

PRESS RELEASE

UNICREDIT: RESULTS OF THE 2010 EU-WIDE STRESS TEST

- UniCredit Group was subject to the 2010 EU-wide stress testing exercise coordinated by the Committee of European Banking Supervisors (CEBS), in cooperation with the European Central Bank, and Bank of Italy.

- UniCredit Group acknowledges the outcomes of the EU-wide stress tests.

- This stress test complements the risk management procedures and regular stress testing programmes set up in UniCredit Group under the Pillar 2 framework of the Basel II, CRD[1] requirements and Bank of italy prudential rules.

- The exercise was conducted using the scenarios, methodology and key assumptions provided by CEBS (see the aggregate report published on the CEBS website[2]). As a result of the assumed shock under the adverse scenario, the estimated consolidated Tier 1 capital ratio would change to 8.1% in 2011 compared to 8.6% as of end of 2009. An additional sovereign risk scenario would have a further impact of 0.3 percentage point on the estimated Tier 1 capital ratio, bringing it to 7.8% at the end of 2011, compared with the CRD regulatory minimum of 4%.

- The results of the stress suggest a buffer of 8.245 mln EUR of the Tier 1 capital against the threshold of 6% of Tier 1 capital adequacy ratio for UniCredit Group agreed exclusively for the purposes of this exercise. This threshold should by no means be interpreted as a regulatory minimum (the regulatory minimum for the Tier 1 capital ratio is set to 4%), nor as a capital target reflecting the risk profile of the institution determined as a result of the supervisory review process in Pillar 2 of the CRD.

- Bank of Italy has held rigorous discussions of the results of the stress test with UniCredit Group.

- Given that the stress test was carried out under a number of key common simplifying assumptions (e.g. constant balance sheet) the information on benchmark scenarios is provided only for comparison purposes and should in no way be construed as a forecast.

- In the interpretation of the outcome of the exercise, it is imperative to differentiate between the results obtained under the different scenarios developed for the purposes of the EU-wide exercise. The results of the adverse scenario should not be considered as representative of the current situation or possible present capital needs. A stress testing exercise does not provide forecasts of expected outcomes since the adverse scenarios are designed as "what-if" scenarios including plausible but extreme assumptions, which are therefore not very likely to materialise. Different stresses may produce different outcomes depending on the circumstances of each institution.

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[1] Directive EC/2006/48 – Capital Requirements Directive (CRD)

[2] See: http://stress-test.c-ebs.org/results.htm

- The CEO of UniCredit Group Alessandro Profumo commented "we appreciate the decision to make public the results of the stress test, an important step towards clearing any doubt on the solidity of the European banking sytem. We are very happy with the results of UniCredit Group in the stess test, with the stressed tier I at 7.8% and, on top of that, a stressed core tier I of 7.4%, confirming the high quality of the Group regulatory capital".

- **Background**

  The objective of the 2010 EU-wide stress test exercise conducted under the mandate from the EU Council of Ministers of Finance (ECOFIN) and coordinated by CEBS in cooperation with the ECB, national supervisory authorities and the EU Commission, is to assess the overall resilience of the EU banking sector and the banks' ability to absorb further possible shocks on credit and market risks, including sovereign risks.

  The exercise has been conducted on a bank-by-bank basis for a sample of 91 EU banks from 20 EU Member States, covering at least 50% of the banking sector, in terms of total consolidated assets, in each of the 27 EU Member States, using commonly agreed macro-economic scenarios (benchmark and adverse) for 2010 and 2011, developed in close cooperation with the ECB and the European Commission.

  More information on the scenarios, methodology, aggregate and detailed individual results is available from CEBS[3]. Information can also be obtained from the website of Bank of Italy[4].

Milan, July 23, 2010

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[3] See: http://www.c-ebs.org/EU-wide-stress-testing.aspx

[4] In Italian: http://www.bancaditalia.it/vigilanza/stress_test
In English: http://www.bancaditalia.it/vigilanza/stress_test;internal&action=_setlanguage.action?LANGUAGE=en

Template for bank specific publication of the stress test outputs

Name of bank: UNICREDIT

Actual results

At December 31, 2009	mln EUR
Total Tier 1 capital	39.034
Total regulatory capital	54.372
Total risk weighted assets	452.388
Pre-impairment income (including operating expenses)	12.248
Impairment losses on financial assets in the banking book	-8.313
1 yr Loss rate on Corporate exposures (%)[1]	1,49%
1 yr Loss rate on Retail exposures (%)[1]	1,20%
Tier 1 ratio (%)	8,6 %

Outcomes of stress test scenarios

The stress test was carried out under a number of key common simplifying assumptions (e.g. constant balance sheet, uniform treatment of securitisation exposures). Therefore, the information relative to the benchmark scenarios is provided only for comparison purposes. Neither the benchmark scenario nor the adverse scenario should in any way be construed as a forecast.

Benchmark scenario at December 31, 2011[2]	mln EUR
Total Tier 1 capital after the benchmark scenario	45.918
Total regulatory capital after the benchmark scenario	59.191
Total risk weighted assets after the benchmark scenario	461.455
Tier 1 ratio (%) after the benchmark scenario	10,0 %

Adverse scenario at December 31, 2011[2]	mln EUR
Total Tier 1 capital after the adverse scenario	38.334
Total regulatory capital after the adverse scenario	52.044
Total risk weighted assets after the adverse scenario	471.173
2 yr cumulative pre-impairment income after the adverse scenario (including operating expenses)[2]	20.374
2 yr cumulative impairment losses on financial assets in the banking book after the adverse scenario[2]	-21.858
2 yr cumulative losses on the trading book after the adverse scenario[2]	-441
2 yr Loss rate on Corporate exposures (%) after the adverse scenario[1, 2]	3,36%
2 yr Loss rate on Retail exposures (%) after the adverse scenario[1, 2]	3,21%
Tier 1 ratio (%) after the adverse scenario	8,1 %

Additional sovereign shock on the adverse scenario at December 31, 2011	mln EUR
Additional impairment losses on the banking book after the sovereign shock[2]	-1.200
Additional losses on sovereign exposures in the trading book after the sovereign shock[2]	-1.608
2 yr Loss rate on Corporate exposures (%) after the adverse scenario and sovereign shock[1, 2, 3]	3,56%
2 yr Loss rate on Retail exposures (%) after the adverse scenario and sovereign shock[1, 2, 3]	3,44%
Tier 1 ratio (%) after the adverse scenario and sovereign shock	7,8 %
Additional capital needed to reach a 6 % Tier 1 ratio under the adverse scenario + additional sovereign shock, at the end of 2011	-

1. Impairment losses as a % of corporate/retail exposures in AFS, HTM, and loans and receivables portfolios
2. Cumulative for 2010 and 2011
3. On the basis of losses estimated under both the adverse scenario and the additional sovereign shock

Exposures to central and local governments

Banking group's exposure on a consolidated basis
Amount in million reporting currency

Name of bank	UNICREDIT
Reporting date	31 March 2010

	Gross exposures	of which Banking book	of which Trading book	Net exposures
Austria	7.738	7.692	47	7.738
Belgium	210	194	16	210
Bulgaria	414	414	0	414
Cyprus	0	0	0	0
Czech Republic	1.344	1.344	0	1.344
Denmark	2	1	1	2
Estonia	0	0	0	0
Finland	40	32	8	40
France	847	630	217	847
Germany	20.051	14.299	5.751	19.906
Greece	801	649	152	801
Hungary	1.535	1.486	49	1.535
Iceland	21	21	0	21
Ireland	80	58	21	80
Italy	38.832	22.871	15.961	38.832
Latvia	15	15	0	15
Liechtenstein	0	0	0	0
Lithuania	1	1	0	1
Luxembourg	0	0	0	0
Malta	0	0	0	0
Netherlands	103	88	15	103
Norway	1	0	1	1
Poland	6.984	6.561	423	6.984
Portugal	186	41	145	186
Romania	1.069	1.014	55	1.064
Slovakia	470	437	33	470
Slovenia	410	379	31	410
Spain	560	529	31	537
Sweden	13	7	6	13
United Kingdom	38	0	38	36