

Declaration of the Management Body of the credit institution UniCredit Bank
on
2016 year's overall risk profile of the Bank

Developing a strong risk management culture is one of the main strategic objectives of UniCredit Bank. Risk management culture is promoted within departments directly responsible with risk management, but also within operational structures and to each employee of the institution.

Risk management includes determining, for overall performed activity and for each significant activity, the risk tolerance, while ensuring business continuity on sound and prudent basis. The set-up of targeted risk profile is done on an yearly basis, by considering market and macroeconomic conditions, past performance (historical) and UniCredit Bank' strategy in the immediately timeframe following (12 months). In 2016, a **moderate** risk profile was assumed in UniCredit Bank.

In order to meet the strategic objectives regarding the Bank's risk appetite, its limits have been translated into operative limits regarding general and specific significant risks management related indicators, as well regarding limits on the distribution of the loan portfolio by zones / geographical areas, sectors of activity, counterparty categories, type of products, residence, country and currency.

These general and specific indicators have been periodically monitored during 2016 - year, the bank fitting in the assumed risk profile.

For example, we present the following key indicators on consolidated level, as of 31.12.2016:

Capital Adequacy calculated in accordance with Regulation no. 5/2013:

- Core Tier 1 ratio (Tier1 Capital/ Risk Weighted Assets)	11.62%
- Total capital ratio (Own funds/ Risk Weighted Assets)	12.43%
- Leverage ratio	7.09%

Profitability & Risk

- Net Operating Profit/ Risk Weighted Assets	1.30%
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Financing & Liquidity

- Cash Horizon (during 90 days Horizon)	Cash in > Cash out
- Structural Liquidity (Long term liabilities and capital/ Long term assets)	107.13%

Catalin Rasvan Radu

Executive President

