

P r e s s R e l e a s e

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Solid business performance of UniCredit Bank Serbia

Despite persistent challenging circumstances and turbulences influencing the decrease in number of banks on the local market in 2013, UniCredit Bank managed to further reinforce its position of strong, stable and reliable player, one of the most important pillars of Serbian banking system. The bank confirmed its position number 3 on the market in terms of total assets, at the same time additionally strengthening customer business and broadening the range of customer services. In line with its strategy, UniCredit continued to engage itself in the process of increasing reputation on the local market, as well as the level of customer satisfaction.

As in the previous years, in 2013 UniCredit Bank Serbia managed to keep high level of efficiency. Bank's operating profit reached RSD 8.7 billion, marking a strong increase of 6.5% in comparison to 2012. In line with Group's strategy, focused on developing strong roots in local markets, UniCredit continued to demonstrate strong commitment to Serbia, as is evidenced by the increase of balance sheet by 3% yoy to nearly RSD 252 billion. At the end of 2013, net profit of bank in Serbia reached RSD 3.8 billion, followed by an 8% increase in net interest income and net fee and commission income.

Customer focus, re-shaping of service model and tailor-made products aligned with the needs of different client segments, additionally contributed to 7.4% increase in customer base of UniCredit Bank Serbia, exceeding 210,000. Consequently, client's deposits grew by 2% in comparison to the previous year, exceeding the amount of RSD 113 billion. Even though the local market was characterized by lack of credit worthy demand, the bank in Serbia managed to gain suitable clients and continued to show its commitment and determination to support expected future development of the country and customer's financial needs. The volume of approved loans in 2013 reached almost RSD 159 billion, with upturn in retail lending which increased by 9% yoy.

Claudio Cesario, CEO of UniCredit Bank Serbia stated: 'I am very proud to say that once again we win the game versus the environment. We managed to deal successfully with adverse circumstances in 2013, while maintaining high level of capitalization. Thanks to the strong focus on acquiring new clients, with sound credit quality, we strongly increased our customer base, both in retail and corporate segment. But, what is more important is that, despite an overall negative trend on the market, we increased the number of employees, to 1,046 and continued to invest in people development.'

In relation to UniCredit Bank Serbia business performance in 2013, Ljiljana Berić, CFO stated: Despite the difficult environment and lack of demand, we increased our operating profitability and kept high level of efficiency. As an evidence, we managed to overperform the market when looking into numerous important parameters, as cost/income ratio, capital adequacy ratio, return on equity and level of non performing loans, are concerned. We are well positioned for expected recovery of local economy and able to exploit all future market opportunities.'

UniCredit Bank Serbia is a member of UniCredit Group, one of Europe's leading financial groups with a strong presence in 20 countries. Through its network of approximately 9,000 branches and more than 148,000 employees the Group is present in approximately 50 markets (according to the data of September 30th 2013). In Central and Eastern Europe, UniCredit operates the largest international banking network with nearly 3,600 branches. UniCredit operates in Austria, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Germany, Hungary, Italy, Latvia, Lithuania, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine.

* all figures are according to the local standards