

Notification template for Article 131 CRD – Global Systemically Important Institutions (G-SIIs)

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1. Notifying national authority					
1.1 Name of the notifying authority	Banca d'Italia				
2. Description of the measure					
2.1 Concerned institution(s)	<table border="1"> <thead> <tr> <th>BANK</th> <th>LEI CODE</th> </tr> </thead> <tbody> <tr> <td>Unicredit Group spa</td> <td>549300TRUWO2CD2G5692</td> </tr> </tbody> </table>	BANK	LEI CODE	Unicredit Group spa	549300TRUWO2CD2G5692
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2.2 Level of the buffer applied	<table border="1"> <thead> <tr> <th>BANK</th> <th>G-SII BUFFER</th> </tr> </thead> <tbody> <tr> <td>Unicredit Group spa</td> <td>1.00%</td> </tr> </tbody> </table>	BANK	G-SII BUFFER	Unicredit Group spa	1.00%
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Unicredit Group spa	1.00%				
2.3 Names of subsidiaries	Not applicable.				
3. Timing of the measure					
3.1 Timing of the Decision	12 December 2017				
3.2 Timing of the Publication	15 December 2017				
3.3 Disclosure	The designated institutions will be notified and the G-SII capital buffer requirements will be published on Banca d'Italia webpage on 15 December 2017.				
3.4 Timing of Application	1 January 2019, according to the phase-in regime set out in art. 162(5) of the CRD IV.				

3.5 Phasing in	<p>4-years phase-in period, reaching fully implementation by 1 January 2019.</p> <p>According to the G-SII score, Unicredit Group is allocated to the first bucket, corresponding to a G-SII capital buffer equal to 1.00 per cent of total risk weighted assets. In accordance with the transitional provision set out in art. 162(5) of the CRD IV, the bank is required to hold a G-SII capital buffer equal to 1.00 per cent of total risk-weighted assets starting from 1 January 2019.</p>
4. Reason for activation of the G-SII buffer	
4.1 Indicators used for designation of the G-SII (Article 131.2)	<p>Indicators are the ones set out in the BCBS and EBA methodology. For more information, please refer to the annex.</p>
4.2 Scores and buckets (Article 131.2 and 131.9)	<p>Based on end-2016 data, UCG attained an overall score of 134 bps and it has therefore been allocated to the first bucket corresponding to a G-SII buffer of 1.00 per cent.</p> <p>Sub-category scores are as follows:</p> <ul style="list-style-type: none"> • Size: 128 • Interconnectedness: 168 • Substitutability: 63 • Complexity: 84 • Cross-border activity: 229
5. Cross-border and cross-sector impact of the measure	
5.1 Assessment of cross-border effects and the likely impact on the internal market (Recommendation ESRB/2015/2)	<p>Not expected.</p>
5.2 Assessment of leakages and regulatory arbitrage within the notifying Member State	<p>Leakages or regulatory arbitrage are not expected.</p>

6. Combinations and timing of the G-SII notified	
6.1 combinations between G-SII and O-SII buffers (Article 131.14)	<p>UCG, identified as G-SII, also has a O-SII status and it is subject to an O-SII capital buffer (1.00 per cent when fully implemented from 1 January 2021).</p> <p>During the phase-in period, which is presented in the table below, the G-SII buffer will prevail.</p>

	<p align="center">G-SII and O-SII Buffer requirements during the remaining <i>phase-in</i> period</p> <table border="1"> <thead> <tr> <th align="left">BANK</th> <th></th> <th align="center">From 1 Jan 2018</th> <th align="center">From 1 Jan 2019</th> </tr> </thead> <tbody> <tr> <td></td> <td align="center">G-SII</td> <td align="center">0.75%</td> <td align="center">1.00%</td> </tr> <tr> <td>Unicredit Group spa</td> <td align="center">O-SII</td> <td align="center">0.25%</td> <td align="center">0.50%</td> </tr> </tbody> </table>	BANK		From 1 Jan 2018	From 1 Jan 2019		G-SII	0.75%	1.00%	Unicredit Group spa	O-SII	0.25%	0.50%
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Unicredit Group spa	O-SII	0.25%	0.50%										
6.2 Combinations with SRB buffers (Article 131.14 + Article 133.5)	The SRB does not currently apply in Italy.												
6.3 Interaction with other measures	<p>Unicredit Group has been identified as O-SII. The identification process has followed the methodology set out in the EBA's Guidelines (EBA/GL/2014/10). According to the O-SII score, the bank is allocated to the fifth bucket, corresponding to a O-SII capital buffer equal to 1.00 per cent of total risk-weighted assets when fully implemented. According to the 4-year phase-in period, the bank is required to hold an O-SII capital buffer equal to 0.25 per cent of total risk-weighted assets starting from 1 January 2018 and increasing by 0.25 per cent each year until 1 January 2021. For 2017 the O-SII buffer is set equal to zero. During the stated phase- in period the G-SII buffer will prevail.</p> <p>The countercyclical capital buffer is currently set at zero per cent.</p> <p>The G-SII buffer adds up to the capital conservation buffer (CCoB), which is currently set at 2.50 per cent, with the following phase-in period:</p> <ul style="list-style-type: none"> • 1.875% from January 1, 2018; • 2.50% from January 1, 2019. 												
7. Miscellaneous													
5.1 Contact person(s) at notifying authority	Mr. Antonio Di Cesare Financial Stability Analysis and Coordination Division Email: antonio.dicesare@bancaditalia.it Phone: +39 06 4792 3943												
5.2 Any other relevant information	Not applicable.												