

ATTACHMENT

COMPLETE TEXT OF FITCH RATINGS' PRESS RELEASE

Fitch Upgrades UCI's and HVB's Individual Ratings; Changes Outlooks to Positive

London/Frankfurt/Milan-28 September 2006: Fitch Ratings has today upgraded UniCredito Italiano's ("UCI") Individual rating to 'B' from 'B/C' and Bayerische Hypo- und Vereinsbank's ("HVB") Individual rating to 'C' from 'C/D'. At the same time the agency has revised the Outlooks on both banks' Issuer Default ratings ("IDR") to Positive from Stable. Both IDRs are affirmed at 'A+' for UCI and 'A' for HVB. Their other ratings are affirmed at Short-term 'F1' and Support '1'.

In a related action linked to the agency's expectations of Support, Fitch has also revised the Outlooks on Bank Austria Creditanstalt's ("BACA") and Bank Pekao's IDRs to Positive from Stable and affirmed all other ratings of banks in the group. Please find the rating actions listed below.

The rating action reflects the progress made by UCI's management in integrating HVB and BACA, acquired in October 2005, into the UCI model. "The early signs are that UCI has demonstrated its ability to tackle execution risk arising from the acquisition of a much larger entity. It has continued to reduce credit risk in HVB's German operations, and has reached some of its intermediary targets, notably capital, ahead of initial expectations," says Matthew Taylor, Senior Director in Financial Institutions.

The ratings reflect UCI's sound prospects for consolidating its leading position in the Italian banking market, as well as in the German, Austrian and Central and Eastern European ("CEE") markets. They also reflect the Italian bank's record of strong profitability, sound risk management and its success in integrating acquired banks. They take into account UCI's improving, albeit still indifferent, asset quality and vulnerability to an economic slowdown in Germany and Austria arising from exposure to HVB's German and Austrian business. In addition, the ratings include the execution risk in implementing a complex integration and the new group's modest but strengthening regulatory capital ratios.

On acquiring HVB in October 2005, UCI became a market leader in Bavaria, Italy and Austria and the largest player in the faster growing but more volatile CEE countries. Most of its assets are in stable, wealthy economies. The Italian bank has been one of Europe's most consistently profitable banking groups to date. In H106 UCI's operating profit rose, thanks to loan growth and as favourable markets benefited trading and fee income. Earnings from capital markets are likely to become more client-driven, but may remain subject to some volatility. At 10% in H106, the trading earnings composed a larger proportion of operating revenues than in many peers. In H106, Fitch estimates that CEE banks contributed to around 16% of UCI's operating profit, a percentage which is likely to rise. Fitch considers that UCI's plans for integration and boosting revenues are sound and likely to be implemented successfully. This plan should allow the bank to grow while keeping loan impairment charges stable at 61 bp of risk weighted assets and achieve its target return on equity for 2008.

Gross impaired loans are improving as a result of intensive work to recover value. However, at end-June 2006 they represented 7.25% of total loans, a worse level than in most major European banks. Impairment allowances are smaller than those seen in many peers but are deemed adequate. Former UCI's impaired loans declined in H106, but remain heavier than those at its international peers.

Market risk is moderate while liquidity is good and increasingly will be managed centrally. Fitch considers UCI's goal of an equity Tier 1 ratio of 6.8% by end-2008 acceptable, up from a projected 6% at end-2006. In view of the execution and asset quality risks in the bank, Fitch considers current capitalisation to be modest and takes a positive view of its improvement.

“The upgrade of HVB’s Individual rating reflects the bank’s improved profitability and the expected benefits from its integration into UCI, including, but not limited to, the envisaged capital gain from selling BACA,” says Thomas von Luepke, Head of German Banking at Fitch. “While HVB will lose the risks and rewards stemming from BACA, the sizeable capital gain will considerably strengthen HVB’s position.” The revision of HVB’s Outlook to Positive is driven by the revision of UCI’s Outlook and Fitch’s expectation that UCI will integrate HVB within its group over the next 18 months.

Growth in HVB’s operating profit in H106 was driven by all businesses, especially its corporates & markets division. In addition, reported H106 net income benefited from EUR807 million in disposal gains. HVB’s focus on increasing its trading and fee income has started to bear fruit. Streamlining its business and reducing staff have helped to cut costs. By developing a sales-oriented culture, aligning efficiency to the best European standards and further improving risk management, UCI plans to take them to a level unprecedented in HVB.

Weak domestic profitability and misjudged credit decisions have adversely affected HVB’s performance. In 2005 its loan impairment charges (“LICs”) totalled EUR1.5 billion. For 2006 the bank has budgeted still high LICs of EUR1.3bn per year (around 0.56% of weighted risks). HVB’s loan book remains sizeable. At end-June 2006 loans managed by the real estate restructuring unit (“RER”) were cut by 56% to EUR6.8bn. The remainder of the RER will be combined with some EUR20bn performing, but non-strategic, assets and will be wound down. A change in loan mix away from large corporates and more stringent risk controls should benefit asset quality.

UCI, Italy

Individual upgraded to ‘B’ from ‘B/C’.

Outlook revised to Positive from Stable.

IDR, Short-term and Support ratings affirmed at ‘A+’, ‘F1’ and ‘1’ respectively.

HVB, Germany

Individual upgraded to ‘C’ from ‘C/D’.

Outlook revised to Positive from Stable.

IDR, Short-term and Support ratings affirmed at ‘A’, ‘F1’ and ‘1’ respectively.

BACA, Austria

Outlook revised to Positive from Stable.

IDR, Short-term, Individual and Support ratings affirmed at ‘A’, ‘F1’, ‘B/C’ and ‘1’ respectively.

Bank Pekao, Poland

Outlook revised to Positive from Stable.

IDR, Short-term, Individual and Support ratings affirmed at ‘A’, ‘F1’, ‘C’ and ‘1’ respectively.

The ratings of all other direct and indirect subsidiaries of UCI are affirmed or unchanged as below.

Zagrebacka Banka, Bosnia Herzegovina

IDR, Short-term, Individual and Support ratings affirmed at ‘BBB+’, ‘F2’, ‘C/D’ and ‘2’ respectively.

Outlook is Stable.

UniCredit Romania, Romania

IDR, Short-term, Individual and Support ratings affirmed at ‘A-’ (A minus), ‘F2’, ‘D’ and ‘1’ respectively. Outlook is Stable.

Banca Comerciala HVB Tiriatic, Romania,

IDR, Short-term and Support ratings affirmed at ‘A-’ (A minus), ‘F2’ and ‘1’ respectively. The Individual rating is unchanged at ‘D’ evolving RatingWatch. (See announcement ‘Fitch withdraws

ratings on Banca Tiriac; rates HVB Tiriac 'A-', dated 19 September 2006 on www.fitchratings.com). The Outlook is Stable.

International Moscow Bank, Russia

IDR 'BBB+' and Support '2' ratings on RatingWatch Positive. (See announcement 'Fitch upgrades bank ratings on changes to country ceilings', dated 17 August 2006 on www.fitchratings.com). Short-term and Individual ratings affirmed at 'F2' and 'C/D' respectively.

Koçbank, Turkey

IDR, Short-term, Individual and Support ratings affirmed at 'BB', 'B', 'D' and '3'. The Outlook is Positive.

Yapi ve Kredi Bankasi, Turkey

IDR, Short-term and Support ratings affirmed at 'BB', 'B', 'D/E' and '3'. The Individual rating is unchanged at 'D/E' Positive RatingWatch. The Outlook is Positive.

Bulbank, Bulgaria

Support rating of '1' is affirmed.

Zivnostenska Banca, Czech Republic

Support rating of '1' is affirmed.

BPH Bank, Poland

Support rating of '1' is affirmed.

UniBanka, Slovakia

Support rating of '1' is affirmed.

Contacts: Italian Banks: Matthew Taylor, London, Tel. +44 20 7417 4345; Francesca Vasciminno, Milan, +39 02 87 90 87 225; German Banks: Thomas von Luepke, Frankfurt, +49 69 7680 76150; Dr. Holger Horn, +49 69 7680 76190.

Fitch's rating definitions and the terms of use of such ratings are available on the agency's public site, www.fitchratings.com. Published ratings, criteria and methodologies are available from this site, at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance and other relevant policies and procedures are also available from the 'Code of Conduct' section of this site. Bank BPH SA and Zivnostenska Banka did not participate in the rating process other than through the medium of their public disclosure.