

Bit Market Services

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Oggetto : 2Q15 and 1H15 Group Results

Testo del comunicato

Vedi allegato.

**GROUP NET PROFIT OF €522 M IN 2Q15 (+2.0% Q/Q, +29.5% Y/Y) EXCEEDING €1 BN IN 1H15,
WITH ALL DIVISIONS POSITIVELY CONTRIBUTING TO QUARTERLY PERFORMANCE**

**CET1 RATIO TRANSITIONAL AT 10.52% AND INCLUDING PIONEER DEAL AT 10.92%.
CET1 RATIO FULLY LOADED PRO-FORMA AT 10.84% INCLUDING AFS RESERVES AS OF TODAY
AND PIONEER DEAL**

**GROUP ASSET QUALITY REMARKABLE IMPROVEMENT AND SOLID COVERAGE RATIO AT 51%.
IMPAIRED LOANS CONTINUED REDUCTION FUELLED BY PORTFOLIO SALES AND HIGHER
COLLECTIONS & BACK TO PERFORMING**

**CORE BANK REVENUES RESILIENT AT €5.7 BN IN 2Q15 (+0.1% Q/Q, +0.1% Y/Y) AND €11.4 BN
IN 1H15 (+1.9% H/H), SUPPORTED BY HIGHER NII AND DIVIDENDS**

All divisions contribute positively to quarterly performance with a Group net profit of €522 m in 2Q15 (+2.0% Q/Q, +29.5% Y/Y), exceeding €1 bn in 1H15 with RoTE¹ at 5.0%.

CET1 ratio transitional rises to 10.52% (+66bps Q/Q) and including Pioneer deal reaches 10.92%. Tier 1 ratio transitional at 11.40% and Total Capital ratio transitional at 14.24%. CET1 ratio fully loaded pro-forma improves to 10.37%² (including AFS reserves³ and Pioneer deal at 10.84%). Basel 3 Leverage ratio⁴ transitional at 4.60% and fully loaded pro-forma at 4.31%.

Group asset quality improvement accelerates in 2Q15, with gross impaired loans further down to €81.7 bn (-1.8% Q/Q). Gross bad loans reduce by -0.2% Q/Q, supported by continued disposals. Other gross impaired loans further shrink by -4.3% Q/Q, due to higher collections and back to performing. UniCredit's coverage ratio on gross impaired loans rises at 51.0%, among the highest in the Italian banking sector.

The Core Bank posts a net profit of €819 m in 2Q15, reaching €1.7 bn in 1H15, supported by net interest income growth (+1.8% Q/Q) and higher dividends (+127% Q/Q), partially offsetting increase in operating costs (+1.6% Q/Q) and LLP (+8.1% Q/Q).

Today, the Board of Directors of UniCredit approved 1H15 results. Federico Ghizzoni, CEO of UniCredit, comments: *"UniCredit posted a net profit exceeding € 1 billion in the first half 2015, an excellent result in a still unfavorable environment for the banking sector, with interest rates at their historical lows. We strengthened our capital ratios, confirming the solidity of our Group; capital should further improve also thanks to Pioneer deal. In contrast with the banking sector in Italy, UniCredit's asset quality improved significantly as a result of the reduction in impaired loans, deriving from a resilient performing loan book and an increase in collections. In a scenario characterized by a moderate economic recovery, both in Italy*

¹RoTE = Annualized net profit / Average tangible equity (excluding Additional Tier 1).

²CET1 ratio fully loaded pro-forma assuming the full absorption of DTA on goodwill tax redemption and tax losses carried forward and Pekao minority excess capital calculated with 12% threshold.

³As of today, we registered a positive impact of rates on AFS reserves following market normalization after Greek turmoil.

⁴Leverage ratios for Jun-15 are based on the Capital Requirement Regulation definition considering the amendments introduced by EC Delegated Act. Leverage ratio fully loaded pro-forma assuming the full absorption of DTA on goodwill tax redemption and tax losses carried forward and Pekao minority excess capital calculated with 12% threshold.

and in Europe, UniCredit showed significant growth in new loans origination. The new medium-long term credit granted to corporates and households, across its key markets, increased by c. 40% in the first half.”

2Q15 KEY FINANCIAL DATA

GROUP

- **Net profit:** €522 m (+2.0% Q/Q, +29.5% Y/Y) and 4.9% RoTE
- **Revenues:** €5.7 bn (-0.3% Q/Q, -1.1% Y/Y)
- **Total costs:** €3.4 bn (+0.5% Q/Q, +3.0% Y/Y) with a cost/income ratio of 59.9% (+0.5pp Q/Q, +2.4pp Y/Y)
- **Asset Quality:** LLP at €913 m (-6.9% Q/Q, -9.0% Y/Y), net impaired loans ratio at 8.4% and coverage ratio at 51.0%
- **Capital adequacy:** CET1 ratio transitional up to 10.52% (+66bps Q/Q) and including Pioneer deal up to 10.92%. Tier 1 ratio transitional at 11.40% and Total Capital ratio transitional at 14.24%. CET1 ratio fully loaded pro-forma stands at 10.37% (including AFS reserves as of today and Pioneer deal at 10.84%)

CORE BANK

- **Net profit:** €819 m (-6.9% Q/Q, +7.9% Y/Y) and 8.9% RoAC⁵
- **Revenues:** €5.7 bn (+0.1% Q/Q and Y/Y)
- **Total costs:** €3.3 bn (+1.6% Q/Q, +3.6% Y/Y) with a cost/income ratio of 58.0% (+1pp Q/Q, +2pp Y/Y)
- **Asset Quality:** LLP at €615 m (+8.1% Q/Q, +2.6% Y/Y), cost of risk at 56bps (+4bps Q/Q, stable Y/Y)

1H15 KEY FINANCIAL DATA

GROUP

- **Net profit:** €1,034 m (-7.3% H/H) and 5.0% RoTE
- **Revenues:** €11.5 bn (+0.9% H/H)
- **Total costs:** €6.9 bn (+1.6% H/H) with a cost/income ratio of 59.7% (stable H/H)
- **Asset Quality:** LLP at €1.9 bn (+2.8% H/H), cost of risk at 79bps (+3bps H/H)

CORE BANK

- **Net profit:** €1.7 bn (-3.9% H/H) and 9.2% RoAC
- **Revenues:** €11.4 bn (+1.9% H/H)
- **Total costs:** €6.6 bn (+2.0% H/H) with a cost/income ratio of 57.6% (stable H/H)
- **Asset Quality:** LLP at €1.2 bn (+5.5% H/H), cost of risk at 55bps (+2bps H/H)

⁵RoAC = Net profit/ Allocated capital. Allocated capital calculated as 9.25% of RWA, including deductions for shortfall and securitizations.

UNICREDIT GROUP – 2Q15 AND 1H15 HIGHLIGHTS

Net profit reaches €522 m in 2Q15, including €98 m of additional charges for the Single Resolution Fund (SRF) and €100 m of impairment related to UkrSotsbank. Net profit above €1 bn in 1H15 with **RoTE** at 5.0%.

Total assets decrease to €875.1 bn (-€25.5 bn Q/Q) driven by a decline in customer loans and trading assets. The reduction in loans to customers (-€8.7 bn Q/Q) is mainly related to the decrease in loans to institutional and market counterparties (-€9.6 bn Q/Q), while the drop in trading activities (-€16.7 bn Q/Q) is counterbalanced by the correspondent trend in trading liabilities (-€17.7 bn Q/Q) as a result of higher medium-long term interest rates.

RWA/Total assets ratio stands at 46.4% in 2Q15 with RWA reduced to €405.9 bn (-€14.7 bn Q/Q) mainly as a result of a decrease both in credit (-€8.0 bn Q/Q) and market RWA (-€6.2 bn Q/Q). Credit RWA reduction is driven by business actions (-€2.0 bn, mainly securitizations), changes in regulation & pro-cyclicality (-€2.8 bn) and volumes & FX effect (-€2.9 bn). Market RWA dynamics is mainly due to business evolution (-€4.2 bn) and amortization of FX hedging in CEE (c. -€2 bn).

Tangible equity lowered to €44.6 bn (-2.4% Q/Q) mainly due to the impact of rates on AFS reserves.

Funding gap⁶ is positive at €1.5 bn (-€16.9 bn Q/Q) thanks to market counterparties volumes evolution.

Asset quality improvement accelerates in 2Q15 with gross impaired loans down to €81.7 bn (-1.8% Q/Q), supported by continued disposals of bad loans and with net impaired loan ratio down to 8.4% (-0.7% Q/Q). Coverage ratio is up to 51.0% (+0.4% Q/Q). **Gross bad loans** are down to €51.3 bn (-0.2% Q/Q) with a resilient coverage ratio at 61.7%. **Other gross impaired loans** decline to €30.5 bn (-4.3% Q/Q), due to higher collections and back to performing. In Italy, asset quality continues to experience positive progress with impaired loans trend of UniCredit S.p.A. consistently better than the Italian banking system (ABI sample⁷) at the June 2015. Gross bad loans are growing at a slower pace and other impaired loans significantly reduced during 2Q15.

CET1 ratio transitional rises to 10.52% (+66bps Q/Q) and including Pioneer deal reaches 10.92%. **Tier 1 ratio transitional** and **Total Capital ratio transitional** stand at 11.40% and 14.24%, respectively (including Pioneer deal 11.80% and 14.64%). **CET1 ratio fully loaded** pro-forma increases at 10.37% (+27bps Q/Q), with positive contributions from quarterly earnings generation (+13bps) and RWA decrease (+37bps), which more than offset the negative components (-22bps). CET1 ratio fully loaded pro-forma increases to 10.84%, including the positive contribution from AFS reserves as at today (+22bps - on the back of market normalization after Greek turmoil) and Pioneer deal (+25bps).

Basel 3 Leverage ratio sets at 4.60% on a transitional basis and pro-forma at 4.31% on a fully loaded basis, confirming the solidity of UniCredit's balance sheet.

Funding plan 2015 executed at 50% for about €13.3 bn (72% issued in Italy) as of end of July.

TLTRO total take-up amounts to €18.0 bn⁸. Redeployment plan on track with the full amount granted to corporates and SMEs in Italy.

⁶Defined as customers loans - (customer deposits + customer securities).

⁷Italian banking association – sample composed by c. 80% of Italian banking system (UCI S.p.A. is excluded), including exposures towards households and non-financial corporations.

⁸TLTRO settlement dates 24/09/14, 18/12/14 and 18/03/15. Out of €18 bn, €15.15 bn have been taken in Italy, €2.6 bn in Austria, €148 m in Czech Republic & Slovakia and €78 m in Slovenia.

CORE BANK – 2Q15 AND 1H15 HIGHLIGHTS

Net profit reaches €819 m in 2Q15 (-6.9% Q/Q, +7.9% Y/Y) and €1.7 bn in 1H15 (-3.9% H/H) with a RoAC of 8.9% in 2Q15. Main contributors to 2Q15 net profit are Commercial Bank Italy with €570 m (+0.6% Q/Q, +5.9% Y/Y and 27.9% RoAC), CIB with €252 m (-29.0% Q/Q, +27.6% Y/Y and 15.4% RoAC) and CEE with €152 m⁹ (-14.8% Q/Q, -46.2% Y/Y and 7.2% RoAC) or €252 m excluding the impact of €100 m of impairment related to Ukrasotsbank (+41.2% Q/Q, -10.8% Y/Y and 11.9% RoAC).

Net operating profit decreases to €1.8 bn in 2Q15 (-4.9% Q/Q, -6.6% Y/Y), slightly increased to €3.6 bn in 1H15 (+0.5% H/H) thanks to revenue generation at €5.7 bn in 2Q15 (+0.1% Q/Q and Y/Y) and at €11.4 bn in 1H15 (+1.9% H/H) almost compensating an increase in operating costs and LLP.

Continued progression in **revenues** in 2Q15 is driven by Commercial Bank Italy with €2.2 bn (+1.0% Q/Q, +2.8% Y/Y), CIB with €993 m (-5.9% Q/Q, +10.3% Y/Y) and CEE with €982 m (+8.1% Q/Q, +0.8% Y/Y).

Net interest income stands at €3.0 bn in 2Q15 (+1.8% Q/Q, -4.4% Y/Y) and at €5.9 bn in 1H15 (-3.5% H/H) with the positive dynamics of lower cost of funding mitigating the negative trend of loan/deposit volumes and customer rates.

Customer loans down to €432.6 bn (-1.7% Q/Q), with commercial loans increasing (+0.5% Q/Q) thanks to Commercial Bank Germany and Commercial Bank Austria (+0.1% and +0.6% Q/Q, respectively) and CIB (+4.1% Q/Q). Institutional and market counterparties down to €36.2 bn (-20.9% Q/Q).

New medium-long term lending in Commercial Banks reaches €15.4 bn (+37.6% H/H): in Italy (+45.3% H/H) supported by mid-corporates (+99.2% H/H), in Germany (+32.2% H/H) supported by household mortgages (+80.3% H/H) as well as in Austria (+19.9% H/H) by household mortgages (+84.2% H/H).

Direct funding¹⁰ reaches €473.6 bn (+1.8% Q/Q) with commercial funding growing up to €405.9 bn (+1.0% Q/Q) as well as institutional and market counterparts up to €67.6 bn (+7.5% Q/Q).

Fees and commissions are stable at €2.0 bn in 2Q15 (-0.1% Q/Q, +3.1% Y/Y), reaching €3.9 bn in 1H15 (+5.2% H/H), sustained by investment service fees at c. €1 bn in 2Q15 (-1.2% Q/Q, +10.6% Y/Y) and transactional fees at €566 m in 2Q15 (+3.9% Q/Q, +0.1% Y/Y) mainly driven by credit card business in CEE & Poland.

Trading income reduces to €462 m in 2Q15 (-25.5% Q/Q, +38.3% Y/Y) reflecting market conditions (-€152 m Q/Q, -€38 m Y/Y) and customer driven activities (-€115 m Q/Q, +€48 m Y/Y). Trading income reaches €1.1 bn in 1H15 (+33.3% H/H).

Dividends and other income¹¹ increase at €275 m in 2Q15 (+72.7% Q/Q, -13.6% Y/Y) reaching €435 m in 1H15 (-8.8% H/H). Yapi Kredi contributes to dividend generation to €87 m in 2Q15 (+23.8% Q/Q and +30.5% Q/Q at current and constant FX respectively).

Total costs reach €3.3 bn in 2Q15 (+1.6% Q/Q, +3.6% Y/Y) and €6.5 bn in 1H15 (+2.0% H/H), with higher staff expenses both in 2Q15 and in 1H15 driven by accrual of variable compensations, while other administrative expenses in 1H15 are down thanks to lower discretionary costs partially mitigating the growth of staff expenses and depreciation. Cost/income ratio at 58.0% in 2Q15 (+1pp Q/Q).

⁹Starting from the beginning of 2Q15, some activities that Bank Austria carries out in its capacity of sub-holding for CEE countries have been shifted from Commercial Bank Austria to CEE division. These activities mainly refer to Corporate Center. In 2Q15, CEE net profit includes also €100 m related to Ukrasotsbank impairment.

¹⁰Direct funding defined as the sum of total customer deposits and customer securities in issue.

¹¹Includes net other expenses / income.

LLP stand at €615 m in 2Q15 leading to a cost of risk of 56bps, driven by a portfolio stabilization, increase coverage in Russia and a single ticket in CIB. Confirmed low and sustainable trend in cost of risk in Germany, Austria and Poland.

Other charges and provisions amount to €313 m as of 2Q15, including additional costs related to SRF and Deposit Guarantee Scheme for a total of €139 m.

Income taxes for the period amount to €379 m, corresponding to an effective tax rate of c. 26%.

Loss from non-current assets held for sale, after tax sets at €121 m in 2Q15, mainly related to Ukrspotsbank (€100 m impairment and c. €40 m 2Q15 loss).

NON-CORE – 2Q15 AND 1H15 HIGHLIGHTS

Acceleration of de-risking continues with **gross customer loans** further down at €69.9 bn in 2Q15 (-€2.2 bn Q/Q, -€10.9 bn Y/Y), mainly due to the decrease of performing loans at €16.1 bn (-€1.0 bn Q/Q, -€8.9 bn Y/Y) and supported by bad loan sales for €734 m gross book value.

Gross impaired loans confirm a downward trend reaching €53.7 bn (-2.1% Q/Q), coupled with a sound coverage ratio at 51.6%. **Gross bad loans** slightly increase to €36.4 bn (+0.4% Q/Q) in line with the natural ageing of the portfolio. Solid coverage ratio above 60%. **Other impaired loans** are down at €17.3 bn (-6.9% Q/Q) confirming the positive de-risking trend, with solid coverage ratio at 32.8%.

Net result strongly improves with a loss of €296 m in 2Q15, reduced from €367 m registered in 1Q15, thanks to lower costs by €35 m and a strong decrease in LLP (from €411 m in 1Q15 to €298 m).

DIVISIONAL HIGHLIGHTS – 2Q15 AND 1H15 HIGHLIGHTS

Commercial Bank Italy continues to perform positively contributing for over 50% of the Core bank's profit with quarterly earnings equal to €570 m (+0.6% Q/Q) reaching €1.1 bn in 1H15 (+9.8% H/H). Revenues are up to €2.2 bn in 2Q15 (+1.0% Q/Q) and to €4.4 bn in 1H15 (+3.0% H/H) offsetting expenses and LLP. Net operating result at €903 m in 2Q15 (+4.1% Q/Q) and at €1.8 bn in 1H15 (+6.2% H/H).

CIB sound results supported by a positive contribution from all businesses with revenues at €993 m in 2Q15 (-5.9% Q/Q, +10.3% Y/Y) reaching €2.0 bn in 1H15 (+8.3% H/H). CIB's strong positioning is reflected also in the current League Table rankings #3 in "Loans & Bonds EMEA in EUR"¹². The positive trend in commercial loans (+4.1% Q/Q, +5.5% Y/Y) is mainly driven by activity in Italy and Austria, with lower RWA (-€4 bn Q/Q) and 18.0% RoAC in 1H15 (+1.3pp H/H) confirming the efficiency of the division.

CEE net profit at €152 m in 2Q15¹³ (-14.8% Q/Q) and €252 m excluding the impact of €100 m of impairment related to Ukrspotsbank (+41.2% Q/Q), with positive operating performance supported by revenue growth more than offsetting costs. Revenues are up to €982 m (+4.4% Q/Q and 6.2% Y/Y at constant FX) with a positive trend of net interest (+0.5 Q/Q, +6.9% Y/Y), dividends (+33.6% Q/Q, +2.4% Y/Y) and sound fees dynamics (+7.6% Q/Q, +1.6% Y/Y) in all CEE countries. Sound asset quality confirmed by a strong coverage ratio at 52.2% in 2Q15 (+3.3% Q/Q).

¹²Source: Dealogic.

¹³Please refer to footnote 9.

UNICREDIT GROUP: RECLASSIFIED INCOME STATEMENT

(€ million)	1H14	1H15	H/H%	2Q14	1Q15	2Q15	Y/Y%	Q/Q%
Net interest	6,256	5,962	-4.7%	3,179	2,963	2,999	-5.7%	+1.2%
Dividends and other income from equity investments	425	387	-8.9%	321	118	269	-16.2%	n.m.
Net fees and commissions	3,853	4,011	+4.1%	1,963	2,014	1,997	+1.7%	-0.8%
Net trading, hedging and fair value income	813	1,092	+34.3%	342	619	473	+38.3%	-23.7%
Net other expenses/income	39	31	-20.8%	(7)	34	(3)	-52.8%	n.m.
OPERATING INCOME	11,387	11,484	+0.9%	5,798	5,749	5,735	-1.1%	-0.3%
Staff expenses	(4,089)	(4,220)	+3.2%	(2,002)	(2,093)	(2,127)	+6.2%	+1.6%
Other administrative expenses	(2,638)	(2,583)	-2.1%	(1,339)	(1,289)	(1,294)	-3.3%	+0.4%
Recovery of expenses	417	401	-3.9%	226	188	213	-5.8%	+13.1%
Amort. deprec. and imp. losses on intang. & tang. assets	(437)	(451)	+3.2%	(221)	(224)	(227)	+2.7%	+1.2%
Operating costs	(6,747)	(6,853)	+1.6%	(3,336)	(3,418)	(3,435)	+3.0%	+0.5%
OPERATING PROFIT (LOSS)	4,640	4,631	-0.2%	2,462	2,331	2,299	-6.6%	-1.4%
Net write-downs on loans and provisions	(1,842)	(1,893)	+2.8%	(1,003)	(980)	(913)	-9.0%	-6.9%
NET OPERATING PROFIT (LOSS)	2,798	2,737	-2.2%	1,459	1,351	1,386	-5.0%	+2.6%
Other charges and provisions	(356)	(623)	+75.3%	(232)	(264)	(359)	+54.8%	+36.1%
Integration costs	(44)	(4)	-91.2%	(40)	(1)	(2)	-93.9%	+73.4%
Net income from investments	47	13	-72.6%	(16)	(5)	18	n.m.	n.m.
PROFIT (LOSS) BEFORE TAX	2,446	2,123	-13.2%	1,171	1,080	1,043	-11.0%	-3.5%
Income tax for the period	(991)	(581)	-41.4%	(582)	(343)	(238)	-59.2%	-30.7%
Profit (Loss) from non-current assets held for sale, after tax	(22)	(180)	n.m.	(26)	(58)	(121)	n.m.	n.m.
PROFIT (LOSS) FOR THE PERIOD	1,433	1,363	-4.9%	563	679	683	+21.5%	+0.6%
Minorities	(172)	(202)	+17.2%	(89)	(102)	(100)	+12.6%	-1.5%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	1,261	1,161	-7.9%	474	577	583	+23.1%	+1.0%
Purchase Price Allocation effect	(145)	(126)	-12.9%	(71)	(65)	(61)	-13.6%	-6.7%
Goodwill impairment	0	0	n.m.	0	0	0	n.m.	n.m.
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	1,116	1,034	-7.3%	403	512	522	+29.5%	+2.0%

Note: Income statement for 2014 differs from the figures disclosed in 2014 as the result of:

- the reclassification of the income arising from the placement fees of Debt Capital Markets “best effort” transactions (i.e. placement of financed instruments without underwriting risks) from “Net trading income” to “Net fees and commission”;
- the reclassification of the margins arising from currency trading with customers of a subsidiary from “Net fees and commission” to “Net trading income”;
- the reclassification of Bank Levy and of contributions to pre-existing Deposit Guarantee Schemes and local Resolution Funds from “Other administrative expenses” and “Net other expenses/income” to “Other charges and provisions” (formerly named “Provision for risks and charges”).

UNICREDIT GROUP: RECLASSIFIED BALANCE SHEET

(€ million)	2Q14	1Q15	2Q15	Y/Y%	Q/Q%
ASSETS					
Cash and cash balances	9,975	9,870	9,962	-0.1%	+0.9%
Financial assets held for trading	84,079	114,356	97,626	+16.1%	-14.6%
Loans and receivables with banks	72,308	89,014	86,192	+19.2%	-3.2%
Loans and receivables with customers	474,798	482,658	473,930	-0.2%	-1.8%
Financial investments	135,773	148,503	153,043	+12.7%	+3.1%
Hedging instruments	13,845	11,482	9,282	-33.0%	-19.2%
Property, plant and equipment	10,509	10,278	10,089	-4.0%	-1.8%
Goodwill	3,536	3,668	3,617	+2.3%	-1.4%
Other intangible assets	1,854	2,020	2,028	+9.4%	+0.4%
Tax assets	16,887	14,595	15,117	-10.5%	+3.6%
Non-current assets and disposal groups classified as held for sale	3,325	3,915	3,751	+12.8%	-4.2%
Other assets	9,789	10,291	10,490	+7.2%	+1.9%
Total assets	836,679	900,649	875,126	+4.6%	-2.8%
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits from banks	109,863	130,422	121,454	+10.6%	-6.9%
Deposits from customers	401,490	423,162	435,898	+8.6%	+3.0%
Debt securities in issue	159,515	150,625	144,961	-9.1%	-3.8%
Financial liabilities held for trading	63,637	90,224	72,501	+13.9%	-19.6%
Financial liabilities designated at fair value	649	539	460	-29.1%	-14.6%
Hedging instruments	15,018	16,408	12,543	-16.5%	-23.6%
Provisions for risks and charges	9,570	10,449	10,017	+4.7%	-4.1%
Tax liabilities	1,779	1,892	1,427	-19.8%	-24.6%
Liabilities included in disposal groups classified as held for sale	1,401	1,479	1,448	+3.3%	-2.1%
Other liabilities	21,585	20,408	20,951	-2.9%	+2.7%
Minorities	3,234	3,711	3,272	+1.1%	-11.8%
Group Shareholders' Equity:	48,937	51,331	50,195	+2.6%	-2.2%
- <i>Capital and reserves</i>	47,640	50,655	50,163	+5.3%	-1.0%
- <i>Available-for-sale assets fair value reserve and cash-flow hedging reserve</i>	182	164	(1,003)	n.m.	n.m.
- <i>Net profit (loss)</i>	1,116	512	1,034	-7.3%	n.m.
Total liabilities and Shareholders' Equity	836,679	900,649	875,126	+4.6%	-2.8%

CORE BANK: RECLASSIFIED INCOME STATEMENT

(€ million)	1H14	1H15	H/H%	2Q14	1Q15	2Q15	Y/Y%	Q/Q%
Net interest	6,141	5,927	-3.5%	3,127	2,937	2,990	-4.4%	+1.8%
Dividends and other income from equity investments	425	387	-8.9%	321	118	269	-16.2%	n.m.
Net fees and commissions	3,737	3,933	+5.2%	1,907	1,968	1,966	+3.1%	-0.1%
Net trading, hedging and fair value income	812	1,082	+33.3%	334	620	462	+38.3%	-25.5%
Net other expenses/income	52	48	-8.5%	(2)	41	6	n.m.	-84.6%
OPERATING INCOME	11,167	11,377	+1.9%	5,686	5,685	5,693	+0.1%	+0.1%
Staff expenses	(4,013)	(4,150)	+3.4%	(1,967)	(2,057)	(2,093)	+6.4%	+1.8%
Other administrative expenses	(2,315)	(2,288)	-1.2%	(1,177)	(1,140)	(1,148)	-2.4%	+0.7%
Recovery of expenses	344	338	-1.8%	176	172	166	-5.7%	-3.3%
Amort. deprec. and imp. losses on intang. & tang. assets	(434)	(450)	+3.8%	(218)	(224)	(226)	+3.9%	+1.2%
Operating costs	(6,418)	(6,550)	+2.0%	(3,185)	(3,249)	(3,301)	+3.6%	+1.6%
OPERATING PROFIT (LOSS)	4,749	4,827	+1.7%	2,501	2,436	2,391	-4.4%	-1.8%
Net write-downs on loans and provisions	(1,123)	(1,185)	+5.5%	(599)	(569)	(615)	+2.6%	+8.1%
NET OPERATING PROFIT (LOSS)	3,626	3,643	+0.5%	1,902	1,867	1,776	-6.6%	-4.9%
Other charges and provisions	(341)	(564)	+65.6%	(237)	(251)	(313)	+31.9%	+24.8%
Integration costs	(27)	(4)	-85.7%	(23)	(1)	(2)	-89.5%	+73.4%
Net income from investments	105	15	-86.0%	42	(5)	20	-53.3%	n.m.
PROFIT (LOSS) BEFORE TAX	3,364	3,090	-8.1%	1,683	1,610	1,480	-12.1%	-8.0%
Income tax for the period	(1,258)	(885)	-29.7%	(740)	(506)	(379)	-48.7%	-25.0%
Profit (Loss) from non-current assets held for sale, after tax	(22)	(180)	n.m.	(26)	(58)	(121)	n.m.	n.m.
PROFIT (LOSS) FOR THE PERIOD	2,084	2,025	-2.8%	918	1,046	980	+6.7%	-6.3%
Minorities	(172)	(202)	+17.2%	(89)	(102)	(100)	+12.6%	-1.5%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	1,911	1,824	-4.6%	829	944	879	+6.1%	-6.8%
Purchase Price Allocation effect	(145)	(126)	-12.9%	(71)	(65)	(61)	-13.6%	-6.7%
Goodwill impairment	0	0	n.m.	0	0	0	n.m.	n.m.
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	1,766	1,697	-3.9%	759	879	819	+7.9%	-6.9%

Note: Income statement for 2014 differs from the figures disclosed in 2014 as the result of:

- the reclassification of the income arising from the placement fees of Debt Capital Markets “best effort” transactions (i.e. placement of financed instruments without underwriting risks) from “Net trading income” to “Net fees and commission”;
- the reclassification of the margins arising from currency trading with customers of a subsidiary from “Net fees and commission” to “Net trading income”;
- the reclassification of Bank Levy and of contributions to pre-existing Deposit Guarantee Schemes and local Resolution Funds from “Other administrative expenses” and “Net other expenses/income” to “Other charges and provisions” (formerly named “Provision for risks and charges”).

NON-CORE: RECLASSIFIED INCOME STATEMENT

(€ million)	1H14	1H15	H/H%	2Q14	1Q15	2Q15	Y/Y%	Q/Q%
Net interest	114	35	-69.5%	52	26	9	-82.8%	-65.0%
Dividends and other income from equity investments	0	0	n.m.	0	0	0	n.m.	n.m.
Net fees and commissions	116	78	-32.8%	56	47	32	-43.8%	-31.8%
Net trading, hedging and fair value income	2	10	n.m.	8	(1)	11	+38.5%	n.m.
Net other expenses/income	(13)	(17)	+26.9%	(5)	(7)	(10)	n.m.	+34.0%
OPERATING INCOME	219	106	-51.5%	112	64	42	-62.5%	-34.7%
Staff expenses	(76)	(70)	-7.3%	(36)	(36)	(34)	-4.8%	-6.5%
Other administrative expenses	(322)	(295)	-8.4%	(162)	(149)	(146)	-9.9%	-1.8%
Recovery of expenses	73	63	-14.0%	50	16	46	-6.1%	n.m.
Amort. deprec. and imp. losses on intang. & tang. assets	(3)	(0)	-87.5%	(3)	(0)	(0)	-92.9%	+15.8%
Operating costs	(328)	(303)	-7.6%	(151)	(169)	(134)	-11.4%	-20.9%
OPERATING PROFIT (LOSS)	(109)	(197)	+80.8%	(39)	(105)	(92)	n.m.	-12.5%
Net write-downs on loans and provisions	(719)	(709)	-1.4%	(404)	(411)	(298)	-26.3%	-27.6%
NET OPERATING PROFIT (LOSS)	(828)	(906)	+9.4%	(443)	(516)	(390)	-12.1%	-24.5%
Other charges and provisions	(15)	(60)	n.m.	5	(13)	(46)	n.m.	n.m.
Integration costs	(17)	0	n.m.	(17)	0	0	n.m.	n.m.
Net income from investments	(58)	(2)	-96.9%	(58)	0	(2)	n.m.	n.m.
PROFIT (LOSS) BEFORE TAX	(918)	(967)	+5.3%	(513)	(529)	(438)	-14.6%	-17.3%
Income tax for the period	267	304	+13.7%	157	163	142	-10.1%	-12.9%
Profit (Loss) from non-current assets held for sale, after tax	0	0	n.m.	(58)	0	0	n.m.	n.m.
PROFIT (LOSS) FOR THE PERIOD	(650)	(663)	+1.9%	(355)	(367)	(296)	-16.6%	-19.2%
Minorities	0	0	n.m.	157	163	142	-10.1%	n.m.
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	(650)	(663)	+1.9%	(355)	(367)	(296)	-16.6%	-19.2%
Purchase Price Allocation effect	0	0	n.m.	(355)	(367)	(296)	-16.6%	n.m.
Goodwill impairment	-	0	n.m.	-	-	-	n.m.	n.m.
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	(650)	(663)	+1.9%	(355)	(367)	(296)	-16.6%	-19.2%

Note: Income statement for 2014 differs from the figures disclosed in 2014 as the result of:

- the reclassification of the income arising from the placement fees of Debt Capital Markets “best effort” transactions (i.e. placement of financed instruments without underwriting risks) from “Net trading income” to “Net fees and commission”;
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UNICREDIT GROUP: EPS EVOLUTION

	1H14	3Q14	FY14	1Q15	1H15
Group net profit (€/000) ¹	1,080,229	1,801,990	1,972,425	512,036	1,000,983
N. of outstanding shares					
-at period end	5,865,730,863	5,865,730,863	5,865,730,863	5,865,730,863	5,969,610,888
-shares cum dividend	5,768,974,457	5,768,974,457	5,768,974,457	5,768,974,457	5,872,854,482
<i>o/w, savings shares</i>	2,449,313	2,449,313	2,449,313	2,449,313	2,480,677
Avg. no. of outstanding shares ²	5,708,947,128	5,729,741,622	5,740,053,411	5,740,053,411	5,786,074,067
Avg. no. of potential dilutive shares	27,477,294	-	8,446,613	-	21,340,930
Avg. no. of diluted shares	5,736,424,422	-	5,748,500,025	-	5,807,414,997
EPS (€) - annualised	0.38	0.42	0.34	0.36	0.35
Diluted EPS (€) - annualised	0.38	-	0.34	-	0.34

Notes: 1. €33,430 thousand was deducted from 2015 net profit of 1,034,413 thousand due to disbursements charged to equity made in connection with the contract of usufruct on treasury shares agreed under the 'Cashes' transaction (€35,466 thousands was deducted from 1H14 net profits). 2. Net of avg. no. of treasury shares and of further 96,756,406 shares held under a contract of usufruct.

UNICREDIT GROUP: STAFF AND BRANCHES

Staff and Branches (units)	2Q14	1Q15	2Q15	Y/YΔ	Q/QΔ
Employees ¹	130,577	128,263	127,475	-3,102	-788
Branches	7,765	7,361	7,121	-644	-240
- <i>o/w, Italy</i>	4,067	3,961	3,927	-140	-34
- <i>o/w, other countries</i>	3,698	3,400	3,194	-504	-206

Note: 1. "Full Time Equivalent" data (FTE): number of employees counted for the rate of presence.

RATINGS

	SHORT-TERM DEBT	MEDIUM AND LONG-TERM	OUTLOOK	STANDALONE RATING
Standard & Poor's	A-3	BBB-	STABLE	bbb-
Moody's	P-2	Baa1	STABLE	ba1
Fitch Ratings	F2	BBB+	STABLE	bbb+

NOTA: S&P lowered Italy's long-term and short-term ratings to "BBB-"/"A-3" on December 5th, 2014 and subsequently took the same rating action on December 18th, 2014 on UniCredit S.p.A.. The outlook is Stable.

Moody's on June 22nd, 2015 implemented its new bank rating criteria and reduced government support assumptions and upgraded UniCredit S.p.A.'s long-term deposit and senior unsecured debt ratings to "Baa1" (from "Baa2"), which is 1 notch higher than Italy. The outlook is Stable.

Fitch on April 1st, 2015 changed UniCredit S.p.A.'s outlook to Stable (from Negative), which was confirmed on May 19th, 2015.

Declaration by the Manager charged with preparing the financial reports

The undersigned, Marina Natale, in her capacity as the Manager charged with preparing UniCredit S.p.A.'s financial reports

DECLARES

That, pursuant to Article 154 bis, paragraph 2, of the "Consolidated Law on Financial Intermediation" the information disclosed in this document corresponds to the accounting documents, books and records.

Milan, August 5th 2015

**Manager charged with
preparing the financial reports**



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UNICREDIT 2Q15 and 1H15 GROUP RESULTS – DETAILS OF CONFERENCE CALL

MILAN, AUGUST 5TH 2015 – 14.30 CET

CONFERENCE CALL DIAL IN

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UK: +44 1 212818003

USA: +1 718 7058794

THE **CONFERENCE CALL** WILL ALSO BE **AVAILABLE** VIA **LIVE AUDIO WEBCAST** AT

<https://www.unicreditgroup.eu/en/investors/group-results.html>, WHERE THE SLIDES WILL BE
DOWNLOADABLE

Fine Comunicato n.0263-230

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