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Testo del comunicato

Vedi allegato.

From this quarter, UniCredit will publish a "Consolidated Interim Report – Press Release" on a voluntary basis for 1Q and 3Q each year, in order to grant continuity with previous quarterly reports

NET PROFIT AT €406 M IN 1Q16 (+165% Q/Q), ABOVE €640 M EXCLUDING INTEGRATION COSTS

STABLE CET1 RATIO FULLY LOADED PRO-FORMA AT 10.85% (-9BPS Q/Q, +75BPS Y/Y)

**FURTHER IMPROVEMENT IN ASSET QUALITY WITH LOWER NET IMPAIRED LOANS AT €38.1 BN (-2.0% Q/Q, -7.1% Y/Y) AND SOLID COVERAGE RATIO OF 51.7% (+0.5P.P. Q/Q, +1.1P.P. Y/Y).
NET BAD LOANS RATIO AT 4.2% IN 1Q16, WITH COVERAGE RATIO OF 61.2%**

SIGNIFICANT INCREASE OF NET OPERATING PROFIT TO €1.4 BN (+44.4% Q/Q) THANKS TO RESILIENT REVENUES (+0.7% Q/Q ADJUSTED FOR ONE-OFFS), LOWER GROUP OPERATING EXPENSES (-2.7% Q/Q) AND REDUCED COST OF RISK (-39BPS Q/Q)

-3.8K FTE Y/Y AND -519 BRANCHES Y/Y ACROSS ALL GEOGRAPHIES SUPPORTING CONTINUED COST REDUCTION (-3.7% Y/Y)

INVESTMENT SERVICES FEES IN CORE BANK UP BY 7.1% Q/Q IN A CHALLENGING FINANCIAL MARKET CONTEXT

CORE BANK COMMERCIAL DEPOSITS INCREASED BY €6.0 BN IN 1Q16, MAINLY IN ITALY AND CEE

NEW MEDIUM-LONG TERM LOAN ORIGINATION OF €15 BN IN 1Q16

**IMPORTANT CONTRIBUTORS TO GROUP RESULTS COMMERCIAL BANK ITALY, CIB AND CEE.
IN CEE NET PROFIT INCREASE OF 93.6% Y/Y AS A RESULT OF HIGHER REVENUES AND LOWER LLP**

DIGITAL TRANSFORMATION: STRENGTHENED LEADERSHIP IN MOBILE BANKING APPLICATIONS WITH LAUNCH OF NEW STATE-OF-THE-ART MOBILE SERVICES. MOBILE USERS UP BY C. 50% SINCE DEC-14

Today, the Board of Directors of UniCredit approved 1Q16 results. Federico Ghizzoni, CEO of UniCredit, comments:

"In the first quarter of 2016, we reported a significantly higher net profit versus the previous quarter of above €640 m excluding negative one-off items, despite an extremely challenging financial environment. Our capital ratios confirm the solidity of our Group and our asset quality continues to improve: impaired loans continuously decrease, net bad loans are stable with a coverage ratio above 61%, the highest among Italian banks. The business performance is more than satisfactory, as reflected in the growth trend of loans and deposits. In particular, the increase in investment fees in Italy is extremely positive. UniCredit is highly committed to support the economy in all its geographical constituencies: new loans origination reached €15 bn in the first quarter. UniCredit's pan-European footprint is a key strength ensuring steady business growth. The implementation of our Strategic Plan is on track: we already achieved tangible results in terms of cost reduction and we are progressing well in the digital transformation of the bank."

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Group net profit reaches €406 m in 1Q16 and stands above €640 m excluding non-recurring items related to restructuring charges in Austria and Italy. RoTE[1] at 3.8% in 1Q16 (6.1% excluding restructuring charges). Strong contributors to bottom line are Commercial Bank Italy, CEE and CIB.

Net operating profit registers a strong performance at €1.4 bn (+44.4% Q/Q; +5.9% Y/Y), thanks to:

i. resilient revenues at €5.5 bn (+0.7% Q/Q, excluding positive one-offs in Germany of €96 m booked in 4Q15 and days & FX impacts of €55 m) supported by fees and trading growth;
ii. lower operating costs at €3.3 bn (-2.7% Q/Q, -3.7% Y/Y) both in staff and administrative expenses;
iii. lower LLP at €755 m (-37.9% Q/Q, -22.9% Y/Y), translating into an improved cost of risk at 63bps (-39bps Q/Q, -19bps Y/Y).

CET1 ratio fully loaded pro-forma[2] is stable at 10.85% (-9bps Q/Q, +75bps Y/Y). CET1 ratio transitional pro-forma stands at 10.50% (-23bps Q/Q), Tier 1 ratio transitional pro-forma at 11.36% and Total Capital ratio transitional pro-forma at 13.98%[3]. Basel 3 **Leverage ratio** transitional[4] pro-forma stands at 4.49% and fully loaded[5] pro-forma at 4.42%.

Group asset quality continues to improve in 1Q16, with net impaired loans further down to €38.1 bn (-2.0% Q/Q, -7.1% Y/Y) with a solid coverage ratio at 51.7%. Net bad loans slightly increase at €20.2 bn with an improved coverage ratio at 61.2%. Net bad loan ratio is stable at 4.2% in 1Q16[6]. Other net impaired loans further shrink by -5.4% Q/Q and -16.0% Y/Y, mainly due to higher collections and back to performing. **In Italy**, asset quality experiences continued positive progress with impaired loans trend of UniCredit S.p.A. consistently better than the Italian banking system (ABI sample[7]) at the end of March 2016, with the highest coverage ratio on gross impaired loans at 53.0%.

The **Core Bank** net profit increases to €973 m in 1Q16 (excluding c. €240 m of restructuring costs). Revenues are resilient at €5.5 bn (-2.6% Q/Q, -3.8% Y/Y), with higher trading and investment fees offsetting the impact of low interests rates. Costs register a downward trend, as provisions do. Commercial Bank Italy confirms its role as largest contributor to net profit followed by CIB and CEE, notwithstanding a challenging and adverse market environment.

New medium-long term loan origination reaches c. €15 bn in 1Q16, of which €7.5 bn in the three Commercial Banks, €3.9 bn in CIB, €2.8 bn in CEE and c. €1 bn in Poland, thanks to UniCredit's pan-European franchise and cross-divisional synergies.

Commercial deposits increase by €6.0 bn to €393.5 bn (+1.5% Q/Q, +9.7% Y/Y), mainly due to growth registered in Commercial Bank Italy to €126.1 bn (+3.4% Q/Q, +14.4% Y/Y) and in CEE to €58.4 bn (+4.6% Q/Q, +17.9% Y/Y at constant FX).

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[1] RoTE = Net Profit / Average tangible equity (excluding Additional Tier 1).

[2] Assuming (i) unaudited 1Q16 earnings net of dividend accrual, (ii) 2015 scrip dividend paid on May 3, 2016, with 78% shares acceptance rate, (iii) the full absorption of DTA on goodwill tax redemption and tax losses carried forward and (iv) Pekao minority excess capital calculated with 12% threshold.

[3] All transitional ratios assuming (i) unaudited 1Q16 earnings net of dividend accrual and (ii) 2015 scrip dividend paid on May 3, 2016, with 78% shares acceptance rate. For regulatory purposes, CET1 ratio transitional stands at 10.31%, Tier 1 ratio transitional at 11.17% and Total Capital ratio transitional at 13.79%

[4] Assuming (i) unaudited 1Q16 earnings net of dividend accrual and (ii) 2015 scrip dividend paid on May 3, 2016, with 78% shares acceptance rate. For regulatory purposes, leverage ratio transitional at 4.42%.

[5] Assuming (i) unaudited 1Q16 earnings net of dividend accrual, (ii) 2015 scrip dividend paid on May 3, 2016, with 78% shares acceptance rate, (iii) the full absorption of DTA on goodwill tax redemption and tax losses carried forward and (iv) Pekao minority excess capital calculated with 12% threshold.

[6] Calculated as €20.2 bn net bad loans divided by €483 bn total net customer loans.

[7] Italian Banking Association – sample composed by c. 80% of Italian banking system (excluding UniCredit S.p.A.), including exposures towards households and non-financial corporations.

Strategic Plan achievements in 1Q16

- The Group continued its effort on **cost reduction**. The number of FTEs declined by 1,050 Q/Q and 3,804 Y/Y as a result of agreements with Workers' Council and Trade Unions. In addition, the Group agreed with Unions to reduce c. 500 executives in Italy. In terms of administrative cost efficiencies, 92 branches Q/Q (519 Y/Y) were successfully closed contributing to €25 m real estate savings Q/Q.
- In terms of Group **simplification**, a reallocation exercise was carried out on several line items from Corporate Centres to Business Divisions in first quarter. The transfer of CEE, via elimination of the Austrian sub-holding and the subsequent direct ownership of CEE subsidiaries by UniCredit S.p.A., is in progress and is to be completed by year-end.
- **Digital transformation:** the delivery model upgrade is accelerating both in mobile banking and in the branch automation areas. Online banking users reached 10.5 m across the Group and mobile banking users reached 4.3 m (c. +50% versus Dec. 2014). In mobile banking, new state-of-the art mobile applications were launched in Italy (Personal Financial Management and account opening), Germany (new banking application) and Poland (enriched payment services). As to branch automation, after a successful pilot phase, a first wave of new evolved self-service machines will be installed in Italy in 2Q16. In parallel, UniCredit is progressing on two main projects to shape the Group's future digital business model: buddybank and UniCredit EVO.

1Q16 Key Financial Data

Group

- **Net profit**: €406 m (+165% Q/Q, -20.8% Y/Y) and 3.8% RoTE (6.1% excluding restructuring charges)
- **Revenues**: €5.5 bn (-2.0% Q/Q, -4.7% Y/Y)
- **Total costs**: €3.3 bn (-2.7% Q/Q, -3.7% Y/Y), cost/income ratio of 60.1% (-0.4p.p. Q/Q, +0.6p.p. Y/Y)
- **Asset Quality**: LLP at €755 m (-37.9% Q/Q, -22.9% Y/Y), cost of risk at 63bps (-39bps Q/Q, -19bps Y/Y); net impaired loan ratio at 7.9% (-0.3p.p. Q/Q, -0.6p.p. Y/Y) and coverage ratio at 51.7%; net bad loan ratio at 4.2% and coverage ratio at 61.2%
- **Capital adequacy**: CET1 ratio fully loaded pro-forma at 10.85% and CET1 ratio transitional pro-forma at 10.50%; Tier 1 ratio transitional pro-forma at 11.36% and Total Capital ratio transitional pro-forma at 13.98%

Core Bank

- **Net profit**: €735 m (+14.5% Q/Q, -16.3% Y/Y) and 8.0 %RoAC[8] (10.6% excluding restructuring charges)
- **Revenues**: €5.5 bn (-2.6% Q/Q, -3.8% Y/Y)
- **Total costs**: €3.2 bn (-3.1% Q/Q, -2.2% Y/Y), cost/income ratio of 58.1% (-0.3p.p. Q/Q, +0.9p.p. Y/Y)
- **Asset Quality**: LLP at €413 m (-42.9% Q/Q, -28.1% Y/Y), cost of risk at 37bps (-29bps Q/Q, -16bps Y/Y)

[8]RoAC = Net profit/ Allocated capital. Allocated capital is calculated as 10% of RWA, including deductions for shortfall and securitizations.

UNICREDIT GROUP – 1Q16 HIGHLIGHTS

Net profit reaches €406m in 1Q16 and above €640 m, excluding non-recurring items related to restructuring charges in Austria and Italy. RoTE stands at 3.8% (6.1% excluding restructuring charges).

Total assets rise to €892.2 bn in 1Q16 (+€31.8 bn Q/Q), pushed by an increase both in financial assets and investments (+€14.9 bn Q/Q), as well as in loans to customers and banks (+€16.1 bn Q/Q). **Total liabilities** increase mainly due to a strong boost in deposits from customer (+€28.0 bn Q/Q).

RWA/Total assets ratio decreases to 44.2% in 1Q16 (-1.2p.p. Q/Q). RWA increase to €394.4 bn in 1Q16 (+€3.8 bn Q/Q) as the result of an increase in credit (+€3.4 bn Q/Q) and market RWA (+€0.8 bn Q/Q), partially compensated by a decrease in operational risk (-€0.4 bn Q/Q). In particular, credit RWA growth is mostly related to business evolution (+€4.1 bn Q/Q) in Commercial Banks Italy and Germany, while market RWA increases mainly on the back of higher trading assets (+€0.5 bn Q/Q).

Commercial funding gap[9] is positive at €12.2 bn (+€2.5 bn Q/Q) mainly due to a decrease in commercial customer securities, partially offset by the increase in both commercial loans and deposits.

Asset quality improvement accelerates in 1Q16 with gross impaired loans further down to €79.0 bn (-0.9% Q/Q, -5.1% Y/Y), on the back of reduced inflows from performing to impaired loans and higher collections, with a net impaired loan ratio down to 7.9% (-0.3p.p. Q/Q, -0.6p.p. Y/Y). Coverage ratio improves to 51.7% in 1Q16. Gross bad loans rise to €52.0 bn (+1.8% Q/Q, +1.2% Y/Y) with a coverage ratio improved at 61.2%. Other gross impaired loans decline to €27.0 bn (-5.9% Q/Q, -15.2% Y/Y).

CET1 ratio fully loaded pro-forma stands at 10.85% in 1Q16 (-9bps Q/Q, +75bps Y/Y) with the contribution of: (i) earnings generation (+10bps), (ii) 1Q16 pro-quota dividend and CASHES coupon (-6bps), (iii) FX impact (+4bps), (iv) RWA increases (-13bps) and (v) AFS & other (-4bps). **CET1 ratio transitional** pro-forma stands at 10.50% (-23bps Q/Q, +40bps Y/Y), **Tier 1 ratio transitional** pro-forma and **Total Capital ratio transitional** pro-forma stand at 11.36% and 13.98% respectively. **Basel 3 Leverage ratio transitional** pro-forma at 4.49% and **fully loaded** pro-forma at 4.42%, confirming the solidity of UniCredit's balance sheet.

As of today, **Funding plan 2016,** planned for €27.6 bn, has been executed for about €6 bn. In March, the ECB launched a new **TLTRO** program to support growth in the EU. UniCredit intends to participate into this scheme in order to support our customers, as we had done in 2014 with the existing program where we borrowed c. €18 bn of TLTRO funds and effectively redeployed them as loans to corporates in Italy and Austria.

CORE BANK – 1Q16 RESULTS

Net profit increases to €735 m in 1Q16 (+14.5% Q/Q, -16.3% Y/Y) and reaches c. €1 bn, excluding restructuring charges in Austria and Italy. Main contributors are Commercial Bank Italy with €354 m (above 100% Q/Q, -11.7% Y/Y), CIB with €298 m (-8.1% Q/Q, -22.9% Y/Y) and CEE with €285 m (above 100% Q/Q, +60.6% and +93.6% Y/Y at current and constant FX respectively). **RoAC** stands at 8.0% (10.6% excluding restructuring charges).

Net operating profit rises to €1.9 bn in 1Q16 (+16.7% Q/Q, +1.0% Y/Y) thanks to stable revenues, lower operating costs and provisions.

[9] Defined as customers loans - (customer deposits + customer securities).

Revenues are resilient and stand at €5.5 bn in 1Q16 (-2.6% Q/Q, -3.8% Y/Y) with positive contributions coming from all businesses and driven by Commercial Bank Italy with €1.9 bn (+4.6% Q/Q, -1.6% Y/Y), CIB with €1.1 bn (+16.5% Q/Q, -3.4% Y/Y) and CEE with €912 m (-10.4% Q/Q, +0.2% and +4.0% Y/Y at current and constant FX respectively). During the quarter, revenues trend is mainly sustained by the positive trend of fees in Commercial Bank Italy and Germany and trading income in CIB, mitigating the impact of low interest rates.

Net interest income[10] stands at €2.9 bn in 1Q16 (-5.3% Q/Q, -1.3% Y/Y). Adjusted for the impact of FX & days effect and previous quarter one-offs (totaling €151 m), net interest income is almost flat (-0.4% Q/Q, -1.3% Y/Y) with the positive dynamics of loan volumes (+€38 m Q/Q, +€111 m Y/Y) combined with term funding (+€64 m Q/Q, +€190 m Y/Y) and re-pricing on deposit rates (+€37 m Q/Q, +€184 m Y/Y), more than offsetting compression on loan rates (-€64 m Q/Q, -€340 m Y/Y), higher deposits volumes (-€10 m Q/Q, -€49 m Y/Y) and treasury activity (-€77 m Q/Q, -€81 m Y/Y).

Customer loans slightly increased to €450.0 bn in 1Q16 (+2.7% Q/Q, +2.2% Y/Y), with contributions from Commercial Bank Italy at €135.7 bn (+3.2% Q/Q, +2.0% Y/Y), Commercial Bank Germany at €79.9 bn (-0.7% Q/Q, +0.8% Y/Y) and CEE at €58.0 bn (+1.2% Q/Q, -2.2% and +1.7% Y/Y at current and constant FX respectively). Institutional and market counterparts contribute with €48.3 bn (+15.9% Q/Q, +5.9% Y/Y).

New medium-long term lending reaches €15 bn in 1Q16. In particular in Commercial Banks, new production stands €7.5 bn in 1Q16 (-0.2% Q/Q, -4.9% Y/Y). New flows are particularly robust in Italy at €4.4 bn (+15.4% Q/Q, -3.3% Y/Y), sustained both by household mortgages at €1.4 bn (+9.7% Q/Q, +88.9% Y/Y) and by mid-corporates at €1.4 bn (+19.7% Q/Q, -37.6% Y/Y).

Customer direct funding[11] increases to €605.8 bn in 1Q16 (+3.9% Q/Q, +5.9% Y/Y). Commercial Bank Italy, Commercial Bank Germany and CIB are top contributors. Institutional and market counterparts contribute with €80.5 bn (+42.5% Q/Q, +24.1% Y/Y).

Dividends and other income[12] are down to €297 m in 1Q16 (-11.3% Q/Q, +86.0% Y/Y). Yapi Kredi contributes €72 m in 1Q16 (-44.6% Q/Q at current FX, +2.2% and +18.9% Y/Y at current and constant FX respectively), mainly affected by a reduction in revenues at €297 m in 1Q16 (-18.2% Q/Q) only partially compensated by a drop in operating costs at €130 m (-12.0% Q/Q).

Fees and commissions register a solid performance with €1.9 bn in 1Q16 (+0.6% Q/Q, -1.8% Y/Y) despite a challenging market environment. Investment services take the lion share contributing to €905 m in 1Q16 (+7.1% Q/Q, -1.1% Y/Y) supported by resilient net sales, change in asset mix towards products with higher added-value and profitability and mainly driven by Italy. Financing services fees stand at €508 m in 1Q16 (-1.2% Q/Q, +1.9% Y/Y). Transactional and banking service fees decrease to €533 m in 1Q16 (-7.4% Q/Q, -6.3% Y/Y) mainly due to new regulations (i.e. interchange fees and new regulation on CPI products) and reduction in FOREX activity.

Trading income rises at €344 m in 1Q16 (+15.0% Q/Q, -44.7% Y/Y) mainly supported by customer driven activities benefitting from a rebound in financial markets. CIB is the main contributor to trading profit with €266 m (above 100% Q/Q, -22.7% Y/Y).

[10]Contribution from macro hedging strategy on non-naturally hedged sight deposits in 1Q16 at €373 m (€369 m in 4Q15 and €370 m in 1Q15).
[11]Direct funding defined as the sum of total customer deposits, customer securities in issue and financial liabilities designated at fair value.
[12]Include dividends, equity investments and balance of other operating income / expenses. Turkey contribution based on a divisional view.

Total costs decrease to €3.2 bn in 1Q16 (-3.1% Q/Q, -2.2% Y/Y) as the result of (i) a reduction in staff costs to €2.0 bn (-0.9% Q/Q, -2.1% Y/Y) as a result of lower FTE mainly in the three Commercial Banks and (ii) a shrink in other administrative expenses at €1.1 bn (-7.9% Q/Q, -4.7% Y/Y) due to lower real estate costs, consulting fees, marketing and advertising costs. Cost/Income ratio is stable at 58.1% in 1Q16.

LLP reduces to €413 m in 1Q16 (-42.9% Q/Q, -28.1% Y/Y) driven by improved asset quality across the Core Bank and benefiting from exceptional performance in Commercial Banks Italy and Germany. Cost of risk reduces to 37bps (-29bps Q/Q, -16bps Y/Y).

Other charges and provisions stand at €390 m in 1Q16 (-45.8% Q/Q, +55.7% Y/Y), including €368 m[13] of additional costs for systemic charges.

Integration costs stand at €259 m in 1Q16 (-33.4% Q/Q, above 100% Y/Y) including c. €250 m of additional impact in Austria and integration costs in Italy.

NON-CORE BANK – 1Q16 RESULTS

De-risking continues with **gross customer loans** further down to €60.7 bn at the end of March (-€2.8 bn Q/Q, -€10.8 bn Y/Y), mainly thanks to performing loan transfers back to the Core Bank (€1.6 bn), improvement in cash recoveries (+26% Y/Y in UniCredit S.p.A.), maturities (c. €0.6 bn) and impaired loans disposals (€0.1 bn) in 1Q16. RWA continue reduction to €29.2 bn in 1Q16 (-6.2% Q/Q, -19.3% Y/Y).

Gross impaired loans confirm the downward trend reaching €51.5 bn (-1.0% Q/Q, -5.8% Y/Y), coupled with a sound coverage ratio at 52.5% (almost stable Q/Q). **Gross bad loans** up to €37.8 bn (+1.1% Q/Q, +4.1% Y/Y), due to the natural ageing of the defaulted portfolio, with a solid coverage ratio stable at 60.0%. **Other impaired loans** shrink to €13.7 bn (-6.3% Q/Q, -25.4% Y/Y) as a result of lower inflows from performing, with a resilient coverage ratio of 31.7%.

Bottom line shows a loss of €329 m in 1Q16, due to reduced LLP at €342 m (-30.4% Q/Q, -15.6% Y/Y) offsetting increasing operating costs. LLP and cost of risk are also significantly lower in the quarter due to particularly low flows from performing to impaired.

DIVISIONAL HIGHLIGHTS – 1Q16 RESULTS

Starting from 1Q16, UCG divisional segmentation has been revised following the application of new financial criteria and the allocation of several Balance Sheet and Income Statement items from Corporate Centres to Business Divisions. This simplification allows more transparency of Corporate Centres and facilitates the analysis of Business Divisions. Main changes are related to:

- review of sight deposits remuneration in Business Divisions, aligned with current market conditions;
- centralization of the investment portfolio in CIB;
- transfer of the insurance JVs with CNP, Aviva and Credit RAS to Commercial Bank Italy;
- reallocation of some RWA and DTA to Business Divisions.

Group figures are unaffected.

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[13] Referring to the contributions to: (i) Single Resolution Fund of c. €225 m (of which €72 m in Italy, €71 m in Germany, €35 m in Austria and €47 m in CEE), (ii) bank levies of c. €67 m (of which €32 m in Austria, €18 m in Poland and €16 m in CEE) and (iii) Deposit Guarantee Scheme of c. €76 m (of which €23 m in CEE, €19 m in Germany, €18 m in Austria and €15 m in Poland).

Commercial Bank Italy is the main contributor to Group earnings with €354 m in 1Q16 (above 100% Q/Q, -11.7% Y/Y) despite the impact of integration costs in Italy (€33 m). The positive contribution from revenues is confirmed, reaching €1.9 bn (+4.6% Q/Q, -1.6% Y/Y), driven by resilient net interest income at €997 m (+0.1% Q/Q, -5.3% Y/Y) and solid fee and commission generation to €932 m (+13.6% Q/Q, +1.2% Y/Y) in 1Q16. Investment services fees strongly up to €481 m (+30.8% Q/Q, +7.5% Y/Y) despite the challenging market environment.

Operating costs slightly up to €1.1 bn (+2.7% Q/Q, +3.5% Y/Y) offset by a reduction in LLP to €236 m (-44.5% Q/Q, -20.5% Y/Y). Cost/Income ratio reduces to 56.5% in 1Q16 (-1.1p.p. Q/Q, +2.8p.p. Y/Y).

CIB[14] remains one of the top contributors to Group bottom-line result with a solid net profit equal to €298 m in 1Q16 (-8.1% Q/Q, -22.9% Y/Y), despite high market volatility during the first quarter.

Resilient revenue generation at €1.1 bn in 1Q16 (+16.5% Q/Q, -3.4% Y/Y) sustained by all product lines, while efficient cost management brings operating expenses down to €424 m in 1Q16 (+0.4% Q/Q, -5.8% Y/Y) following FTEs reduction (-29 units Q/Q, -72 units Y/Y) and a well-managed cost control. LLP reaches €55 m in 1Q16.

CIB managed to increase commercial lending volumes at €57.0 bn in 1Q16 (+1.7% Q/Q, +11.5% Y/Y) registering a moderate increase in RWA to €70.9 bn (+3.9% Q/Q, -5.9% Y/Y). RoAC stands at 16.8% in 1Q16, confirming the high profitability of the division.

CIB's leading position is also reflected in league table rankings as #3 in "EMEA Syndicated Loans EUR-Denominated"[15] and in the excellent results achieved in corporate bond activity in Core Countries[16] (#1 in "All Italian Bonds", #2 in "All German Bonds" and #1 in "All Austrian Bonds").

Global Transaction Banking confirms its leadership in Trade Finance. UniCredit has a leading market share in Italy of approximately 30%, both in import and export; while in Germany, it is the third largest player in export trade finance.

CEE[17] continues to be a significant contributor to Group results, with net profit at €285 m in 1Q16 (above 100% Q/Q, +93.6% Y/Y), in a context of adverse global macro-economic conditions and €86 m of contributions to systemic charges. The strongest contributors to CEE division bottom line are Turkey with €72 m (-42.5% Q/Q, +18.9% Y/Y) and Czech Republic & Slovakia with €49 m (+26.1% Q/Q, -20.2% Y/Y). Positive results are also achieved in Bulgaria with earnings at €46 m (+48.4% Q/Q, +8.1% Y/Y) and Russia at €45 m (-15.6% Q/Q, -18.3% Y/Y).

Net operating profit is significantly increase to €411 m in 1Q16 (+18.3% Q/Q, +12.8% Y/Y) thanks to the positive performance both in revenues and costs.

Solid revenues across all countries at €912 m (-8.4% Q/Q, +4.0% Y/Y) mainly driven by net interest income at €581 m (+0.5% Q/Q, +3.4% Y/Y) and fee income at €174 m (-6.5% Q/Q, +4.8% Y/Y). Operating expenses are down to €361 m (-8.6% Q/Q, +4.4% Y/Y), due to lower FTE, leading to a flat C/I ratio at 39.6% in 1Q16. LLP significantly reduced to €140 m (-44.5% Q/Q, -15.8% Y/Y) supported by lower provisions in most CEE countries.

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[14] We highlight developments in the quarter with reference to loan restructuring operation into participating instruments (Carlo Tassara S.p.A.). The credit exposure recorded in UniCredit S.p.A. as at March 31, 2016 amounts to €74 m (€91 m as at December 31, 2015) against which there are recognized value adjustments for €28 m (€13 m at the end of December 2015). Please refer to the Consolidated Financial Report as at December 31, 2015 for further details of the recovery plan and its evolution to date

[15] Source: Dealogic Loanware, per 6 April 2016. Period: 1 Jan – 31 Mar 2016.

[16] Source: Dealogic Loanware, per 1 April 2016. Period: 1 Jan – 31 Mar 2016.

[17] For CEE, changes at constant FX.

Sound asset quality is confirmed, with gross impaired loans[18] further down to €6.2 bn in 1Q16 (-1.2% Q/Q, -4.8% Y/Y). Impaired coverage ratio stands at 55.9% in 1Q16 (+118bps Q/Q).

Asset Management (AM) and **Asset Gathering (AG)** show solid bottom line results in 1Q16 with a positive net profit of €45 m and €33 m, respectively (+39.1% and +21.3% Q/Q for AM and AG respectively). AG posts higher revenues at €140 m (+2.4% Q/Q, +2.5% Y/Y) driven by resilient net interest income and solid fee and commission growth. In addition, the remarkable increase in trading activity in AG at €20 m (+56.1% Q/Q, +15.2% Y/Y) confirms the excellent business model able to generate strong results in adverse market conditions. In AM, well managed operating costs at € 135 m (-26.8% Q/Q, -2.2% Y/Y) offset the impact of fees reduction to €207 m (-12.4% Q/Q, -6.0%Y/Y).

SIGNIFICANT EVENTS DURING AND AFTER 1Q16

With reference to the significant events occurred during the quarter until the date of approval of this Consolidated Interim Report – Press Release, please refer to section “Subsequent Events" in the Report on Operations included in the Consolidated Financial Statements as at December 31, 2015, as well as the press releases published on UniCredit Group website. In particular :

- **buddybank**: the new “molecular” bank of UniCredit – which will actually start its operations on January 1, 2017 – is designed exclusively for smartphone users. The bank will offer 3 financial products (modular current accounts, innovative credit/debit cards, instant and contextual loans) as well as a 24/7 concierge service (similar to the ones of big hotels), accessible via mobile chat and phone. The activities planned to launch the bank are on track: the authorization request to Bank of Italy has already been sent; a partnership with Mastercard has been signed; also, buddybank has already been working in partnership with IBM on the core banking platform. Buddybank is a cornerstone of the digitalization and innovation strategy of UniCredit; it expects to reach 1 m customers in Italy in 5 years while the break-even is expected in the third year with 300k customers.
- **UniCredit EVO Investment Partnership**: UniCredit and Anthemis Group (investment and advisory firm focused on re-inventing financial services) launched a new partnership through the establishment of a new investment fund (UniCredit EVO – Equity Venture Opportunities), which aims at identifying the best investment opportunities, in both already consolidated fintech companies and new start-ups. Through the investment, UniCredit will have the opportunity to scout for new fintech solution, to be then used to innovate the Group’s banking business. The initial expected commitment is €175 m, which completes the commitment of UniCredit to invest €25 m in “Anthemis Venture Fund I”, a fund already established by Anthemis. The partnership was announced on March 23 and as of today the fund has already done its first investment of €5 m in a US based company, called TROV, dealing with customers’ property assets.
- “**UniCredit: Binding Agreement Reached to sell Ukrsotsbank to Alfa Group's ABH Holdings**” (press release published on January 11, 2016 on UniCredit Group website). As anticipated, the transaction will be finalized in the course of 2016.
- **UniCredit Bank Austria AG (“UCBA”)**: the Austrian Parliament approved a new ordinary law (published on April 13, 2016) on the transfer of pension obligations regarding active employees of UCBA to the Austrian national pension system. The new law confirms the effectiveness of this kind of agreements, whose nature and features are the same of the Agreement reached between UCBA and the Central Works Council on December 14, 2015. The agreement will apply retroactively, in particular increasing

[18] Excluding Turkey and Ukraine.

the amount to be paid towards the transfers occurring from February 1, 2016 from 7% to 22.8% of the latest wage paid to the employee. The new law will be fully effective following the opinion of the European Commission on State aids. Despite UCBA believes that the new law is unconstitutional in light of its retroactive effect and the significant increase in the percentage to be applied for the transfer of pension obligations, UCBA made provisions for the higher costs related to the new law and at the same time revised the HR-related charges related to the restructuring plan, reflecting the developments of the plan itself. Net increase of restructuring charges amounted to €204 m pre-tax in 1Q16.

- **Fondo Atlante**: press releases published on April 18, 20 and 25, 2016.

OUTLOOK

The global recovery slowed at the turn of the year amid uncertainty regarding growth prospects stemming from emerging markets and it is expected to continue to expand at a gradual pace going forward. Despite the financial turbulence at the beginning of the year, the eurozone economy expanded at a solid 0.6% Q/Q in 1Q16, mostly driven by domestic factors in the wake of sluggish global trade. For the year as a whole, we expect the eurozone GDP to grow by 1.7% (vs 1.5% in 2015) with domestic demand remaining the main driver of growth. Germany's growth outperformance vs the eurozone is expected to wane, while Italy should narrow its negative growth gap. The monetary policy of the ECB will continue to be extremely accommodating. The new round of the stimulus package approved at the beginning of March is targeted at further improving the transmission mechanism of monetary policy and is expected to bring relief to the banking sector. The ongoing, albeit slow, progress of the economic recovery in Europe will continue to support the Group's results during 2016, facilitating the improvement of asset quality, combined with the Group's undiminished commitment on cost containment and fee growth.

UNICREDIT GROUP: RECLASSIFIED INCOME STATEMENT

(€ million)	1Q15	4Q15	1Q16	Y/Y %	Q/Q %
Net interest	2,963	3,029	2,876	-2.9%	-5.0%
Dividends and other income from equity investments	118	250	212	+79.0%	-15.4%
Net fees and commissions	2,014	1,935	1,946	-3.4%	+0.6%
Net trading, hedging and fair value income	619	302	362	-41.5%	+19.8%
Net other expenses/income	34	73	80	n.m.	+10.2%
OPERATING INCOME	**5,749**	**5,589**	**5,476**	**-4.7%**	**-2.0%**
Staff expenses	(2,093)	(2,053)	(2,028)	-3.1%	-1.2%
Other administrative expenses	(1,289)	(1,289)	(1,202)	-6.7%	-6.7%
Recovery of expenses	188	210	176	-6.4%	-16.1%
Amort. deprec. and imp. losses on intang. & tang. assets	(224)	(250)	(237)	+5.7%	-5.5%
OPERATING COSTS	**(3,418)**	**(3,382)**	**(3,291)**	**-3.7%**	**-2.7%**
OPERATING PROFIT (LOSS)	**2,331**	**2,207**	**2,186**	**-6.2%**	**-0.9%**
Net write-downs on loans and provisions	(980)	(1,216)	(755)	-22.9%	-37.9%
NET OPERATING PROFIT (LOSS)	**1,351**	**991**	**1,430**	**+5.9%**	**+44.4%**
Other charges and provisions	(264)	(807)	(417)	+58.0%	-48.3%
Integration costs	(1)	(398)	(260)	n.m.	-34.7%
Net income from investments	(5)	(39)	(17)	n.m.	-55.6%
PROFIT (LOSS) BEFORE TAX	**1,080**	**(254)**	**736**	**-31.9%**	**n.m.**
Income tax for the period	(343)	640	(246)	-28.2%	n.m.
NET PROFIT (LOSS)	**737**	**387**	**490**	**-33.6%**	**+26.7%**
Profit (Loss) from non-current assets held for sale, after tax	(58)	(143)	14	n.m.	n.m.
PROFIT (LOSS) FOR THE PERIOD	**679**	**244**	**503**	**-25.9%**	**n.m.**
Minorities	(102)	(72)	(93)	-8.2%	+30.1%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**577**	**172**	**410**	**-29.0%**	**n.m.**
Purchase Price Allocation effect	(65)	(19)	(4)	-93.5%	-77.3%
Goodwill impairment	-	-	-	n.m.	n.m.
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**512**	**153**	**406**	**-20.8%**	**+165.2%**

UNICREDIT GROUP: RECLASSIFIED BALANCE SHEET

(€ million)	1Q15	4Q15	1Q16	Y/Y %	Q/Q %
ASSETS					
Cash and cash balances	9,870	10,303	9,419	*-4.6%*	*-8.6%*
Financial assets held for trading	114,356	90,997	97,880	*-14.4%*	*+7.6%*
Loans and receivables with banks	89,014	80,073	86,907	*-2.4%*	*+8.5%*
Loans and receivables with customers	482,658	473,999	483,282	*+0.1%*	*+2.0%*
Financial investments	148,503	152,845	160,899	*+8.3%*	*+5.3%*
Hedging instruments	11,482	8,010	8,562	*-25.4%*	*+6.9%*
Property, plant and equipment	10,278	10,031	9,635	*-6.3%*	*-3.9%*
Goodwill	3,668	3,618	3,598	*-1.9%*	*-0.6%*
Other intangible assets	2,020	2,140	2,115	*+4.7%*	*-1.2%*
Tax assets	14,595	15,726	15,715	*+7.7%*	*-0.1%*
Non-current assets and disposal groups classified as held for sale	3,915	2,820	3,509	*-10.4%*	*+24.4%*
Other assets	10,291	9,872	10,682	*+3.8%*	*+8.2%*
Total assets	**900,649**	**860,433**	**892,203**	***-0.9%***	***+3.7%***
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits from banks	130,422	111,373	112,130	*-14.0%*	*+0.7%*
Deposits from customers	423,162	449,790	477,833	*+12.9%*	*+6.2%*
Debt securities in issue	150,625	134,478	128,181	*-14.9%*	*-4.7%*
Financial liabilities held for trading	90,224	68,919	71,793	*-20.4%*	*+4.2%*
Financial liabilities designated at fair value	539	455	1,217	*n.m.*	*n.m.*
Hedging instruments	16,408	11,254	12,263	*-25.3%*	*+9.0%*
Provisions for risks and charges	10,449	9,855	9,495	*-9.1%*	*-3.6%*
Tax liabilities	1,892	1,529	1,657	*-12.4%*	*+8.4%*
Liabilities included in disposal groups classified as held for sale	1,479	1,880	2,760	*+86.7%*	*+46.8%*
Other liabilities	20,408	17,416	20,930	*+2.6%*	*+20.2%*
Minorities	3,711	3,399	3,513	*-5.4%*	*+3.4%*
Group Shareholders' Equity:	51,331	50,087	50,431	*-1.8%*	*+0.7%*
- Capital and reserves	*50,655*	*48,315*	*49,971*	*-1.4%*	*+3.4%*
- Available-for-sale assets fair value reserve, cash-flow hedging reserve and defined benefits plans reserve	*164*	*77*	*55*	*-66.7%*	*-29.5%*
- Net profit (loss)	*512*	*1,694*	*406*	*-20.8%*	*-76.1%*
Total liabilities and Shareholders' Equity	**900,649**	**860,433**	**892,203**	***-0.9%***	***+3.7%***

CORE BANK: RECLASSIFIED INCOME STATEMENT

(€ million)	1Q15	4Q15	1Q16	Y/Y %	Q/Q %
Net interest	2,942	3,065	2,903	-1.3%	-5.3%
Dividends and other income from equity investments	118	250	212	+79.0%	-15.4%
Net fees and commissions	1,983	1,935	1,946	-1.8%	+0.6%
Net trading, hedging and fair value income	621	299	344	-44.7%	+15.0%
Net other expenses/income	41	84	85	n.m.	+0.7%
OPERATING INCOME	**5,706**	**5,634**	**5,490**	**-3.8%**	**-2.6%**
Staff expenses	(2,057)	(2,032)	(2,013)	-2.1%	-0.9%
Other administrative expenses	(1,155)	(1,196)	(1,101)	-4.7%	-7.9%
Recovery of expenses	172	184	159	-7.7%	-13.9%
Amort. deprec. and imp. losses on intang. & tang. assets	(224)	(250)	(236)	+5.6%	-5.5%
OPERATING COSTS	**(3,264)**	**(3,293)**	**(3,191)**	**-2.2%**	**-3.1%**
OPERATING PROFIT (LOSS)	**2,442**	**2,340**	**2,299**	**-5.9%**	**-1.8%**
Net write-downs on loans and provisions	(575)	(724)	(413)	-28.1%	-42.9%
NET OPERATING PROFIT (LOSS)	**1,867**	**1,616**	**1,885**	**+1.0%**	**+16.7%**
Other charges and provisions	(251)	(720)	(390)	+55.7%	-45.8%
Integration costs	(1)	(389)	(259)	n.m.	-33.4%
Net income from investments	(5)	(39)	(15)	n.m.	-62.3%
PROFIT (LOSS) BEFORE TAX	**1,610**	**468**	**1,221**	**-24.1%**	**n.m.**
Income tax for the period	(507)	407	(403)	-20.5%	n.m.
Profit (Loss) from non-current assets held for sale, after tax	(58)	(143)	14	n.m.	n.m.
PROFIT (LOSS) FOR THE PERIOD	**1,044**	**732**	**832**	**-20.3%**	**+13.7%**
Minorities	(102)	(72)	(93)	-8.2%	+30.1%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**943**	**660**	**739**	**-21.6%**	**+11.9%**
Purchase Price Allocation effect	(65)	(19)	(4)	-93.5%	-77.3%
Goodwill impairment	-	-	-	n.m.	n.m.
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**877**	**641**	**735**	**-16.3%**	**+14.5%**

NON-CORE: RECLASSIFIED INCOME STATEMENT

(€ million)	1Q15	4Q15	1Q16	Y/Y %	Q/Q %
Net interest	21	(36)	(27)	n.m.	-26.9%
Dividends and other income from equity investments	-	-	-	n.m.	n.m.
Net fees and commissions	31	(0)	(1)	n.m.	n.m.
Net trading, hedging and fair value income	(2)	3	18	n.m.	n.m.
Net other expenses/income	(7)	(12)	(5)	-33.6%	-58.6%
OPERATING INCOME	**43**	**(45)**	**(14)**	**n.m.**	**-69.5%**
Staff expenses	(36)	(20)	(15)	-59.3%	-27.9%
Other administrative expenses	(134)	(94)	(102)	-24.2%	+8.5%
Recovery of expenses	16	25	17	+7.0%	-32.2%
Amort. deprec. and imp. losses on intang. & tang. assets	(0)	(0)	(0)	n.m.	+2.7%
OPERATING COSTS	**(154)**	**(89)**	**(99)**	**-35.5%**	**+11.7%**
OPERATING PROFIT (LOSS)	**(111)**	**(134)**	**(113)**	**+1.9%**	**-15.5%**
Net write-downs on loans and provisions	(405)	(491)	(342)	-15.6%	-30.4%
NET OPERATING PROFIT (LOSS)	**(516)**	**(625)**	**(455)**	**-11.8%**	**-27.2%**
Other charges and provisions	(13)	(87)	(27)	n.m.	-69.1%
Integration costs	-	(9)	(1)	n.m.	n.m.
Net income from investments	-	(0)	(3)	n.m.	n.m.
PROFIT (LOSS) BEFORE TAX	**(529)**	**(722)**	**(486)**	**-8.2%**	**-32.7%**
Income tax for the period	164	233	157	-4.4%	-32.8%
Profit (Loss) from non-current assets held for sale, after tax	-	-	-	n.m.	n.m.
PROFIT (LOSS) FOR THE PERIOD	**(365)**	**(488)**	**(329)**	**-10.0%**	**-32.7%**
Minorities	-	-	-	n.m.	n.m.
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**(365)**	**(488)**	**(329)**	**-10.0%**	**-32.7%**
Purchase Price Allocation effect	-	-	-	n.m.	n.m.
Goodwill impairment	-	-	-	n.m.	n.m.
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**(365)**	**(488)**	**(329)**	**-10.0%**	**-32.7%**

UNICREDIT GROUP: SHAREHOLDERS' EQUITY

(€ million)	
Shareholders' Equity as at December 31, 2015	**50,087**
Capital increase (net of capitalized costs)	-
Equity instruments	-
Disbursements related to Cashes transaction ("canoni di usufrutto")	(33)
Dividend payment	-
Forex translation reserve (*)	76
Change in afs/cash-flow hedge reserve	(26)
Others (**)	(78)
Net profit (loss) for the period	406
Shareholders' Equity as at March 31, 2016	**50,431**

Note: (*) This positive effect is mainly due to the impact of the Rouble for €118 m partially net of the negative effect of Krivna for €61 m. (**) This includes mainly the negative change in the valuation reserve of the companies accounted for using the equity method for €55 m, mainly due to the valuation of the items in Turkish Lira.

UNICREDIT GROUP: STAFF AND BRANCHES

Staff and Branches (units)	**1Q15**	**4Q15**	**1Q16**	*Y/Y Δ*	*Q/Q Δ*
Employees (*)	128,263	125,510	124,459	*-3,804*	*-1,050*
Branches	7,361	6,934	6,842	*-519*	*-92*
- o/w, Italy	*3,961*	*3,873*	*3,805*	*-156*	*-68*
- o/w, other countries	*3,400*	*3,061*	*3,037*	*-363*	*-24*

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

UNICREDIT GROUP: 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+	NEGATIVE	bbb+

Note: S&P lowered Italy's long-term and short-term ratings to "BBB-"/"A-3" on December 5, 2014 and subsequently took the same rating action on December 18, 2014 on UniCredit S.p.A. On December 2, 2015, S&P affirmed UniCredit S.p.A.'s ratings with Stable outlook.

Moody's on June 22, 2015 when implementing its new bank rating criteria and reduced government support assumptions, 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 March 24, 2016 changed the outlook of UniCredit S.p.A.'s "BBB+" rating to Negative (from Stable).

UNICREDIT GROUP: LOANS TO CUSTOMER – ASSET QUALITY(*)

(€ million)	Bad exposures	Unlikely to pay other than bad	Non performing past-due	**Total non performing**	Perfoming	**TOTAL LOANS**
As at 03.31.2016						
Gross Exposure	52,032	24,804	2,171	**79,008**	447,410	**526,418**
as a percentage of total loans	*9.9%*	*4.7%*	*0.4%*	***15.0%***	*85.0%*	
Writedowns	31,863	8,406	596	**40,865**	2,272	**43,136**
as a percentage of face value	*61.2%*	*33.9%*	*27.4%*	***51.7%***	*0.5%*	
Carrying value	20,170	16,398	1,575	**38,143**	445,139	**483,282**
as a percentage of total loans	*4.2%*	*3.4%*	*0.3%*	***7.9%***	*92.1%*	
As at 12.31.2015						
Gross Exposure	51,089	26,054	2,617	**79,760**	437,495	**517,255**
as a percentage of total loans	*9.9%*	*5.0%*	*0.5%*	***15.4%***	*84.6%*	
Writedowns	31,165	8,968	707	**40,840**	2,417	**43,257**
as a percentage of face value	*61.0%*	*34.4%*	*27.0%*	***51.2%***	*0.6%*	
Carrying value	19,924	17,086	1,910	**38,920**	435,079	**473,999**
as a percentage of total loans	*4.2%*	*3.6%*	*0.4%*	***8.2%***	*91.8%*	

Note: (*) The perimeter of impaired loans is substantially equivalent to the perimeter of EBA "Non-Performing Exposure" (NPE).

UNICREDIT GROUP: SOVEREIGN LOANS – BREAKDOWN BY COUNTRY

The table below shows the total amount as at March 31, 2016 of loans given to countries towards which the overall exposure exceeds €140 m, representing about 94% of the total. Tax items are excluded.

Sovereign exposures are loans given to and bonds issued by central and local governments and governmental bodies. ABS are not included.

(€ million)	**Book value**
As at 03.31.2016	
- Germany (*)	7,947
- Italy	5,815
- Austria (**)	5,223
- Croatia	2,465
- Poland	1,363
- Indonesia	324
- Serbia	307
- Slovenia	213
- Gabon	196
- Bosnia and Herzegovina	189
- Turkey	172
- Bulgaria	169
Total on-balance sheet exposures	**24,382**

Note: (*) of which €1,339.1 m financial assets held for trading and those at fair value through profit or loss. (**) of which €311.7 m in financial assets at fair value through profit or loss.

UNICREDIT GROUP: SOVEREIGN DEBT SECURITIES – BREAKDOWN BY COUNTRY/ PORTFOLIO

With reference to the Group's sovereign exposures, the book value of sovereign debt securities as at March 31, 2016 amounts to €140,814 m, of which over 90% concentrated in 8 countries; Italy, with €62,700 m, represents about 45% of the total. For each of the 8 countries, the table below shows the exposures broken down by portfolio as at March 31, 2016.

(€ million)	Book value
As at 03.31.2016	
- Italy	**62,700**
financial assets/liabilities held for trading (net exposures *)	4,172
financial assets at fair value through profit or loss	1
available for sale financial assets	57,583
loans and receivables	190
held to maturity investments	754
- Germany	**20,593**
financial assets/liabilities held for trading (net exposures *)	1,403
financial assets at fair value through profit or loss	16,952
available for sale financial assets	1,202
loans and receivables	1,036
held to maturity investments	-
- Spain	**16,867**
financial assets/liabilities held for trading (net exposures *)	50
financial assets at fair value through profit or loss	4,401
available for sale financial assets	12,411
loans and receivables	-
held to maturity investments	6
- Austria	**9,994**
financial assets/liabilities held for trading (net exposures *)	358
financial assets at fair value through profit or loss	395
available for sale financial assets	9,046
loans and receivables	82
held to maturity investments	114
- Poland	**8,434**
financial assets/liabilities held for trading (net exposures *)	85
financial assets at fair value through profit or loss	-
available for sale financial assets	6,313
loans and receivables	1,231
held to maturity investments	805
- France	**4,487**
financial assets/liabilities held for trading (net exposures *)	(27)
financial assets at fair value through profit or loss	479
available for sale financial assets	4,034
loans and receivables	-
held to maturity investments	-
- Czech Republic	**2,331**
financial assets/liabilities held for trading (net exposures *)	(2)
financial assets at fair value through profit or loss	3
available for sale financial assets	2,330
loans and receivables	-
held to maturity investments	-
- Hungary	**1,878**
financial assets/liabilities held for trading (net exposures *)	119
financial assets at fair value through profit or loss	-
available for sale financial assets	1,758
loans and receivables	-
held to maturity investments	-
Total on-balance sheet exposures	**127,284**

Note: (*) including exposures in Credit Derivatives.

The remaining 10% of the total of sovereign debt securities, amounting to €13,530 m with reference to the book values as at March 31, 2016, is divided into 50 countries, including Russia (€1,077 m), Slovenia (€408 m), the US (€320 m), Portugal (€106 m), Ireland (€20 m) and Argentina (€5 m). The sovereign exposure to Greece, Cyprus and Ukraine is immaterial.

With respect to these exposures, as at March 31, 2016 there are no indications that impairment may have occurred.

It should moreover be noted that among the aforementioned remaining part of sovereign debt securities as at March 31, 2016 there are also debt securities towards Supranational Organizations such as the European Union, the European Financial Stability Facility and the European Stability Mechanism amounting to €3,797 m.

BASIS OF PREPARATION

1. This Consolidated Interim Report as at March 31, 2016 - Press Release has been prepared on a voluntary basis, with the aim to ensure continuity with the previous quarterly reports[19], following the elimination of the requirement to disclose additional financial information to the half-year and annual reports pursuant to law (D. Lgs.) 25/2016, issued in application of Directive 2013/50/EU. This Consolidated Interim Report as at March 31, 2016 - Press Release as well as the press releases on significant events occurred during the period, the market presentation of 1Q16 results, the Divisional Database and the disclosure by institutions pursuant to Regulation (EU) No.575/2013 are available on UniCredit Group website.
2. Reclassified balance sheet and income statements have been prepared pursuant to Banca d'Italia instructions laid down in Circular 262/2005 and applying the aggregations and reclassifications disclosed in Annex 1 of Consolidated Financial Statements as at December 31, 2015.
3. The contents of this Consolidated Interim Report as at March 31, 2016 - Press Release are not prepared according to the international accounting standard on interim reporting (IAS 34).
4. The Consolidated Interim Report as at March 31, 2016 - Press Release, which is presented in reclassified form, has been prepared on the basis of IAS/IFRSs in force, as detailed in the Explanatory Notes to the Consolidated Accounts - Part A - Accounting Policies of the Consolidated Financial Statements as at December 31, 2015, with the exception of the elements highlighted below:
   For the purposes of the Consolidated Interim Report as at March 31, 2016 – Press Release, the following valuation processes have not been updated:
   a. re-measurement of recoverable amount of tangible and intangible assets, including goodwill and assets evaluated on the basis of the same estimates;
   b. update of the actuarial valuations of "post-employment defined benefit" plans. The effects of the re-measurement of such "post-employment benefits" were recognized as of December 31, 2015. The decrease in interest rates during the first quarter of 2016 (different depending on the type of obligation) would have resulted in an increase in the value of liabilities through equity, according to sensitivity parameters already disclosed in the Consolidated Financial Statements as at December 31, 2015.

   Where necessary, such evaluations will be updated in the Consolidated First Half Financial Report as at June 30, 2016.
5. In those cases in which the accounts did not fully reflect the reporting of items on an accrual-basis, such as certain administrative expenses, the accounting figures were supplemented by estimates based on the budget.
6. With reference to the ordinary contributions due for 2016 to the Single Resolution Fund, the relevant cost has been estimated on the basis of the information available as of March, 31 2016. Similarly, this interim report does not reflect the effects of the law (D.L.) dated May, 3 2016, n. 59 (including those related to deferred tax assets).
7. Scope of consolidation: in the first three months of 2016 the following changes occurred in the scope of consolidation:
   a. the number of the wholly-owned subsidiaries changed from 713 at the end of 2015 to 696 in March 2016 (2 entries and 19 exits) recording a decrease by 17 (the exits depend on disposals and mergers with other Group's entities);
   b. the number of the entities consolidated using the equity method changed from 67 at the end of 2015 to 68 in March 2016.
8. Non-current assets and asset groups held for disposal: in the Balance Sheet as at March 31, 2016 the main reclassified assets based on the IFRS 5 accounting principle, as non-current assets and asset disposal groups refer to:
   a. regarding the individual assets and liabilities held for sale:
      i. subsidiary Bankhaus Neelmeyer AG;
      ii. properties held by some Group entities;
   b. regarding the data relating to group of assets held for sale and associated liabilities, the following companies, already reported as held for sale in the Consolidated Financial Statements as at December 31, 2015:
      i. the companies of the Ukrainian Group (Public Joint Stock Company Ukrsotsbank, Private Joint Stock Company Ferrotrade Internartional, LLC Ukrsotsbud, LTD SI&C AMC Ukrsots Real Estate);
      ii. the companies of Immobilien Holding Group (Austria).
9. All intercompany transactions of a material amount were eliminated (both balance sheet and income statement figures). All unreconciled amounts were posted to other assets or liabilities or to net other income/expenses, if not related to interests or commissions.
10. This Consolidated Interim Report - Press Release is not audited by the External Auditors.

[19] It should be noted that this decision does not imply the publication of the disclosure in future by UniCredit Group.

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, May 10 2016

Manager charged with
preparing the financial reports

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UNICREDIT 1Q16 GROUP RESULTS – DETAILS OF CONFERENCE CALL

MILAN, MAY 10, 2016 – 14.30 CET

CONFERENCE CALL DIAL IN

ITALY: +39 02 805 88 11

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

OTHER DOCUMENTATION

In addition to the tables in this document, further information can be found in the Divisional Database available at the following address: https://www.unicreditgroup.eu/en/investors/group-results.html. The Divisional Database contains specifically:

A. CONSOLIDATED ACCOUNTS: 1. Consolidated income statement, 2. Consolidated balance sheet, 3. Group shareholders' equity, 4. Core Bank, 5. Asset quality Core Bank, 6. Asset quality country breakdown, 7. Asset quality Non-Core, 8. Capital position.
B. CONTRIBUTION OF DIVISIONS TO GROUP RESULTS: 1. Commercial Bank Italy, 2. Commercial Bank Germany, 3. Commercial Bank Austria, 4. CIB, 5. CIB Managerial Data, 6. Poland, 7. Asset Management, 8. Asset Gathering, 9. GBS – CC – Elisions , 10. CEE Division, 11. CEE countries, 12. Non-Core.

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