2Q17 and 1H17 results

Milan 3 August, 2017

Welcome to UniCredit

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Agenda

Net profit at 1.3bn in 2Q17 (+38.4% Q/Q) exc. the negative currency effects of Pekao disposal, underpinned by strong fee generation, improving LLPs and lower costs

Transform 2019 execution on track, delivering tangible results

Net interest resilient at 2,652m in 2Q17, with commercial trends impacted by lower customer rates, in line with expectations

Strong fees at 1,507m in 2Q17, on track to reach 2019 target

Operating costs decreased to 2,858m in 2Q17

LLPs at 564m, low CoR at 50bp and improving NPEs. Guidance of CoR for 2017 revised to low 60s bp, while confirmed at 49bp for 2019

Solid CET1 ratio fully loaded at 12.80%

Stated net profit at 945m, with 8.2% RoTE (9.5% at Capital Markets Day perimeter). Net profit at 1.3bn in 2Q17 exc. the negative currency effects of Pekao disposal

Group key figures	2Q16	1Q17	2Q17	Δ % vs. 1Q17	Δ % vs. 2Q16	1H16	1H17	Δ % vs. 1H16
Total revenues, m	5,262	4,833	4,855	+0.4%	-7.8%	9,937	9,688	-2.5%
Operating costs, m	-2,982	-2,886	-2,858	-1.0%	-4.2%	-5,958	-5,744	-3.6%
Loan loss provisions, m	-884	-670	-564	-15.8%	-36.1%	-1,644	-1,235	-24.9%
Net profit, m	916	907	945	+4.2%	+3.3%	1,321	1,853	+40.2%
Fully loaded CET1 ratio(1)	10.33%	11.45%	12.80%	+1.4pp	+2.5pp	10.33%	12.80%	+2.5pp
RWA transitional, bn	399.3	385.3	352.7	-8.5%	-11.7%	399.3	352.7	-11.7%
Loans, exc. repos, bn	428.5	419.3	420.7	+0.3%	-1.8%	428.5	420.7	-1.8%
Gross NPE, bn	75.2	55.3	53.0	-4.2%	-29.6%	75.2	53.0	-29.6%
RoTE(2)	8.7%	9.4%	8.2%	-1.3pp	-0.5pp	6.3%	8.7%	+2.5pp
Cost / Income(3)	56.7%	59.7%	58.9%	-0.9pp	2.2pp	60.0%	59.3%	-0.7pp
Cost of risk, bp	77	60	50	-10bp	-27bp	72	55	-17bp

- Net profit in 2Q17 embedding negative currency effects of Pekao disposal(4) (-310m), release of a tax provision on net interest (+90m), net effect of release of provisions on income tax (+80m) and impairment of stake in Atlante 1 (-135m)

(1) Dividend accrual equal to 20% payout on normalized earnings exc. disposals.

(2) RoTE at CMD perimeter at 9.5% in 2Q17 (7.0% in 1Q17, 4.9% in 2Q16, 8.3% in 1H17 and 4.9% in 1H16). CMD perimeter considers the capital increase and Pekao & Pioneer disposals as of 31 Dec-16.

(3) C/I adj. at 56.3% in 2Q17, 57.1% in 1Q17 and 59.0% in 2Q16. Adj. related to the temporary effects of reclassification of Pekao and Pioneer under IFRS5 and for 405m non recurring revenues in 2Q16.

(4) P&L impact of -310m deriving from the negative currency effects of Pekao disposal, mainly related to the recycling of FX equity reserve through P&L.

Transform 2019 achievements (1/2)

1 2 3 4 5 6 7 — Transform 2019 update

STRENGTHEN AND OPTIMIZE CAPITAL	**Pekao & Pioneer disposals finalization**	• Pekao disposal successfully completed, resulting in a capital benefit for CET1 ratio fully loaded of 72bp in 2Q17 • Additional 84bp benefit in 3Q17 from Pioneer disposal, expected to be largely offset by higher RWA(1) in 2H17 and IFRS9 from Jan-18
IMPROVE ASSET QUALITY	**Balance sheet de-risking**	• Reduced gross NPE to 53.0bn, with solid coverage ratio to 56.3% in 2Q17 • Disposals of 1.5bn(2) gross NPE portfolios in 2Q17 at Group level • Improved expected loss on performing stock(3), from 0.43% in 4Q16 to 0.39% in 2Q17, 0.35% on new production • Disposal of majority stake of Fino closed in 3Q17
TRANSFORM OPERATING MODEL	**Branch reduction** **FTE reduction** **IT reorganization**	• 464 branch closures since Dec-15 in Western Europe, 49% of 944 closures target. Branches down by 154 Q/Q, further 90 branches closed in Italy in July • c.6,000 FTEs reduction since Dec-15, 42% of c.14,000 target. FTEs down by 1,135 Q/Q • New IT organization in place from January 2017 with key external hires, focused on upgrading and strengthening IT systems and infrastructures

(1) Due to business growth, model changes and procyclicality.

(2) 0.9bn in the Non Core and 0.6bn in the Group excluding Non Core (o.w. 0.4bn already classified under held for sale in 1Q17).

(3) Impact of procyclicality and model changes in 2H17 envisaged at c.4bp for the Group and c.12bp for CBK Italy (preliminary estimates based on 30 June figures).

Transform 2019 achievements (2/2)

1 2 3 4 5 6 7 — Transform 2019 update

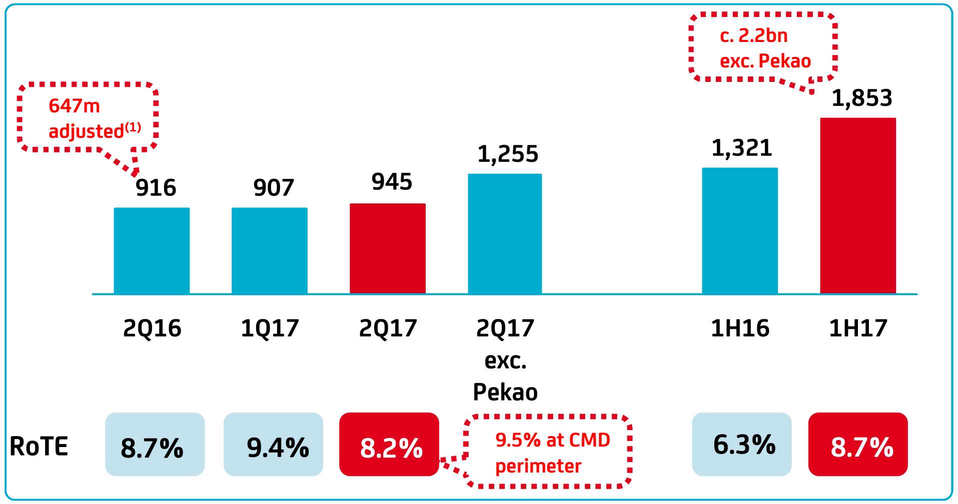
MAXIMIZE COMMERCIAL BANK VALUE	**Strategic partnership** **Multichannel offer/ customer experience** **E2E redesign and streamlining** **Capital markets**	• Increased AuM with net sales of c.10bn in 1H17 also thanks to Amundi partnership • New partnership with Apple Pay, first bank in Italy to allow its 6m cardholders to make payments via app and online with Apple Pay • Continued focus on multichannel approach to clients across the Group: – Number of remote sales increased in Italy by c.50% Y/Y reaching 16.9% of targeted sales in 2Q17(1) – Number of online and mobile users, increased in CEE to 38.2% and 25.8% respectively • E2E process/ product redesign in progress, exceeding expectations: first stage release for Receivable Financing, Current Accounts and Credit Cards • Ranking #1 in "Syndicated Loans" in Italy, Germany and Austria", #2 in "Syndicate Loans in CEE" and #1 in "EMEA All Bonds in Euro" by number of deals(2)
ADOPT LEAN BUT STEERING CENTER	**Group CC streamlining** **Governance**	• Group CC continued to progress in 1H17: – FTEs down by 7.6% vs. 1H16 – Costs down by 8.8% vs. 1H16, leading to a weight on Group costs of 4.0% (2015 actual: 5.1%, 2019 target: 2.9%) • Simplified governance between Group CC and corresponding local functions, improving organizational effectiveness (e.g. decision making, time to market)

(1) Percentage of remote sales (transactions concluded through ATM, online, mobile or Contact Center) calculated on total bank products that have a direct selling process.

(2) Source: Dealogic, as of 30 June.

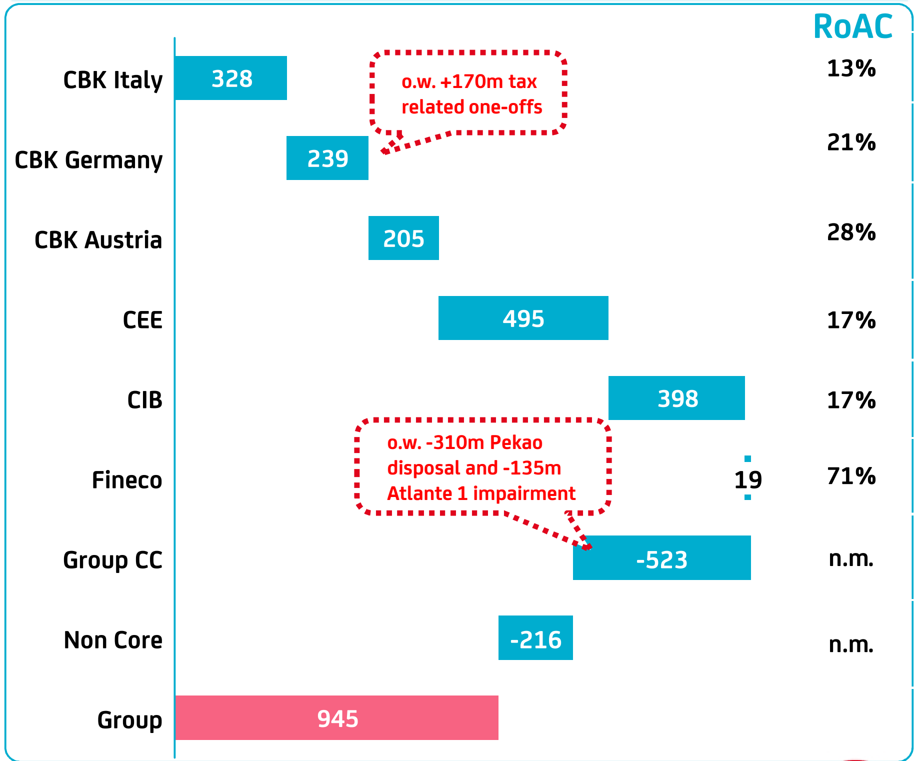
Group – Net profit at 1.3bn in 2Q17 exc. the negative currency effects of Pekao disposal. Stated net profit at 945m with CEE, CIB and CBK Italy top contributors to Group results

Stated net profit, m



- Sustained operating performance in 2Q17 across all divisions
- Net profit of 2.2bn in 1H17 exc. Pekao, underpinned by strong fee generation, low LLPs & costs, more than offsetting net interest
- RoTE at 9.5% (vs. 7% in 1Q17) at Capital Markets Day perimeter

Net profit divisional breakdown 2Q17, m



(1) Adjustments to 2Q16 post taxes: one-off trading gain from security disposal (96m), Capital gain from the disposal of Visa Europe stake (216m), LLP release (100m), Restructuring charges (-55m), Guarantee fees for DTA conversion (-88m).

Group – Net profit in 2Q17 supported by strong fee generation, cost containment and risk discipline

Key drivers

- Net interest in 2Q17 positively impacted by the release of a tax provision on net interest in CBK Germany (+90m[1]); commercial trend impacted by lower customer rates, in line with expectations
- Strong fee generation with all categories improving
- Trading income above normalized level[2]
- Costs continued to decrease supported by lower FTEs and branch reductions
- LLPs decreased resulting in CoR of 50bp, with positive asset quality trends. Revised guidance CoR at low 60s bp for 2017
- Full impairment of remaining stake in Veneto banks through Atlante 1 for 135m
- Net profit from discontinued operations including contribution from Pioneer (+74m) and embedding negative currency effect related to Pekao disposal (-310m)

Data in m	*2Q16*	*1Q17*	*2Q17*	*Δ % vs. 1Q17*	*Δ % vs. 2Q16*	*1H16*	*1H17*	*Δ % vs. 1H16*
Total revenues	5,262	4,833	4,855	+0.4%	-7.8%	9,937	9,688	-2.5%
o/w Net interest	*2,670*	*2,564*	*2,652*	*+3.4%*	*-0.7%*	*5,301*	*5,216*	*-1.6%*
o/w Fees	*1,401*	*1,481*	*1,507*	*+1.8%*	*+7.6%*	*2,818*	*2,988*	*+6.0%*
o/w Trading	*860*	*590*	*462*	*-21.7%*	*-46.2%*	*1,197*	*1,053*	*-12.0%*
Operating costs	-2,982	-2,886	-2,858	-1.0%	-4.2%	-5,958	-5,744	-3.6%
Gross operating profit	2,280	1,947	1,997	+2.6%	-12.4%	3,979	3,944	-0.9%
Loan loss provisions	-884	-670	-564	-15.8%	-36.1%	-1,644	-1,235	-24.9%
Net operating profit	1,397	1,277	1,433	+12.2%	+2.6%	2,335	2,709	+16.0%
Other charges & provisions	-477	-463	-135	-70.9%	-71.7%	-858	-598	-30.3%
o/w Systemic charges	*-259*	*-434*	*-19*	*-95.6%*	*-92.6%*	*-615*	*-453*	*-26.3%*
Profits on investments	*0*	*24*	*-174*	*n.m.*	*n.m.*	*-18*	*-149*	*n.m.*
Profit before taxes	837	833	1,117	+34.1%	+33.4%	1,125	1,950	*+73.3%*
Income taxes	-153	-212	-134	*-36.8%*	*-12.5%*	-339	-346	*+2.0%*
Net profit from discontinued operations	379	376	79	*-79.0%*	*-79.1%*	778	456	*-41.4%*
Net profit	916	907	945	*+4.2%*	*+3.3%*	1,321	1,853	*+40.2%*

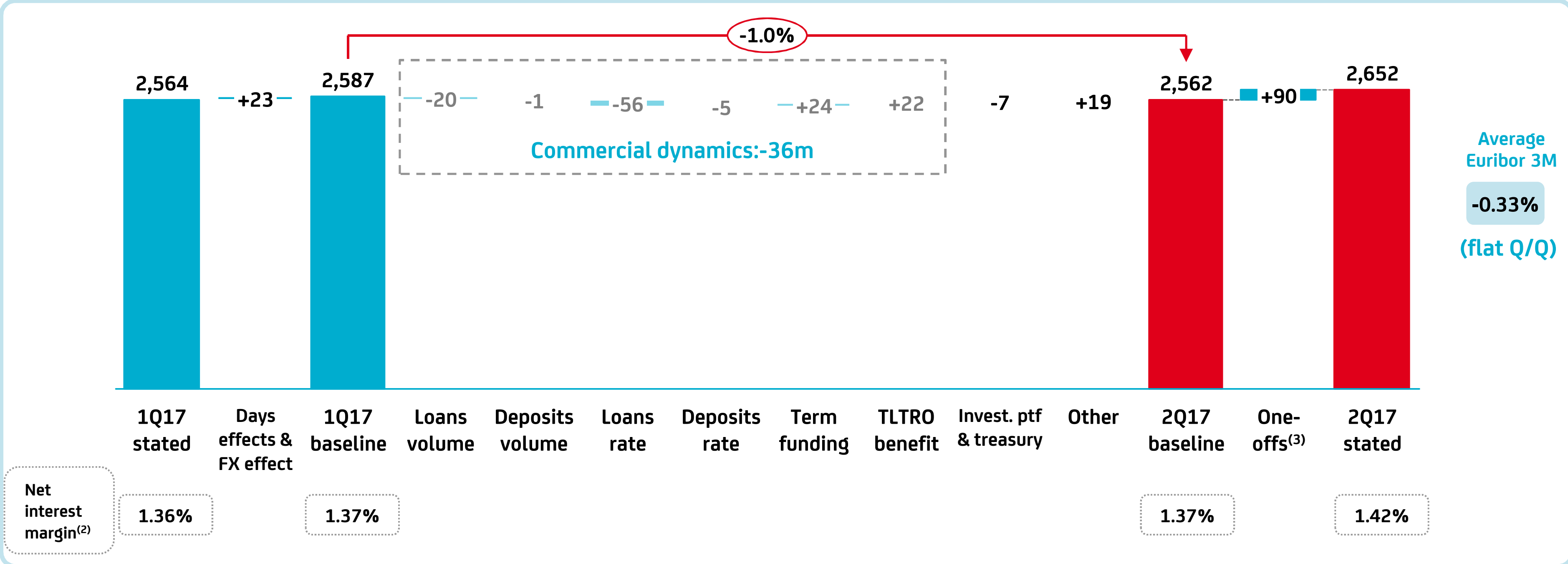
NB: net profit at 1.3bn in 2Q17 exc. Pekao disposal (+38.4% Q/Q and +94.1% Y/Y)

(1) One-offs in CBK Germany: release of a tax provision on net interest (+90m) and net effect of release of provisions on income tax (+80m).

(2) Normalized trading at 1.4bn to 1.5bn on a yearly basis. 1Q17 benefitting from some large client driven transactions; 2Q16 one-offs: security disposal gain (+132m), Visa Europe disposal gain (+246m).

Group – Commercial trend of net interest impacted by loan dynamics in a competitive environment. Guidance of underlying net interest for 2017 confirmed at around 10.2bn

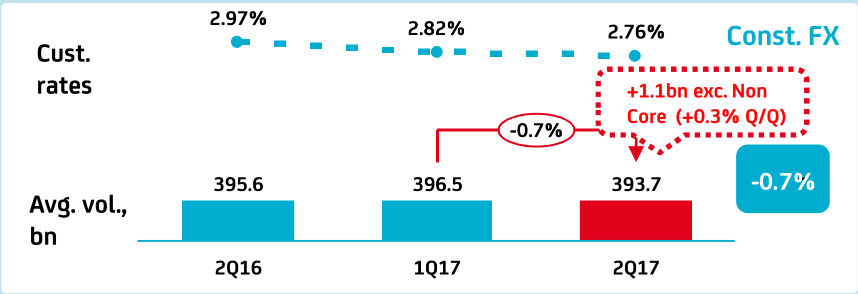
Net interest[1] bridge q/q, m



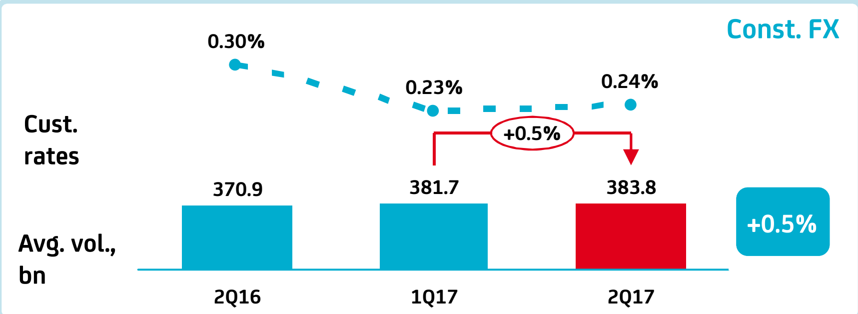
(1) Contribution from macro hedging strategy on non naturally hedged sight deposits in 2Q17 at 378m, -2m Q/Q and -15m Y/Y.
(2) Net interest margin calculated as interest income divided by earning assets minus interest expenses divided by earning liabilities.
(3) Release of a tax provision on net interest in CBK Germany.

Group – Net interest impacted by lower customer spreads and average loan volumes

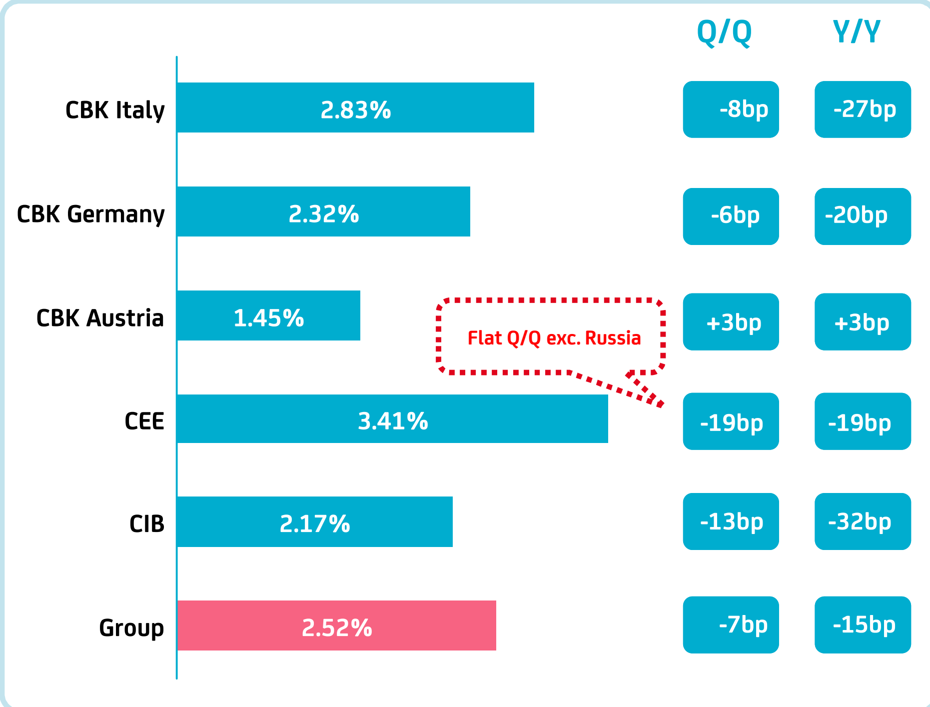
Avg. commercial loans and rates



Avg. commercial deposits and rates



Customer spreads(1) 2Q17



 NB: average commercial volumes are managerial figures that exclude debt securities booked in loans and are calculated as daily averages. Loans net of provisions.

(1) Customer spread defined as the difference between rate on customer loans and rate on customer deposits.

Group – End-of-period customer loans slightly up by 0.8% Q/Q (+1.6% Y/Y) exc. Non Core. Customer loans expected to increase by about 5bn by year end (7bn exc. Non Core)

Customer loans (end of period), bn

	bn	q/q	y/y
CBK Italy	138.2	+1.9%	-0.1%
CBK Germany	83.1	+0.5%	+3.3%
CBK Austria	44.6	-0.7%	+0.5%
CEE	59.8	-0.2%	-0.3%
CIB	74.9	+0.6%	+2.6%
Fineco	1.3	+28.3%	+66.9%
Group CC	2.3	+25.4%	+23.2%
Group exc. Non Core	404.3	+0.8%	+1.6%
Non Core	16.4	-10.1%	-46.6%
Group	420.7	+0.3%	-1.8%

CBK Italy: o.w . 1bn back to Core in 2Q17

CEE: At const. FX

Customer deposits (end of period), bn

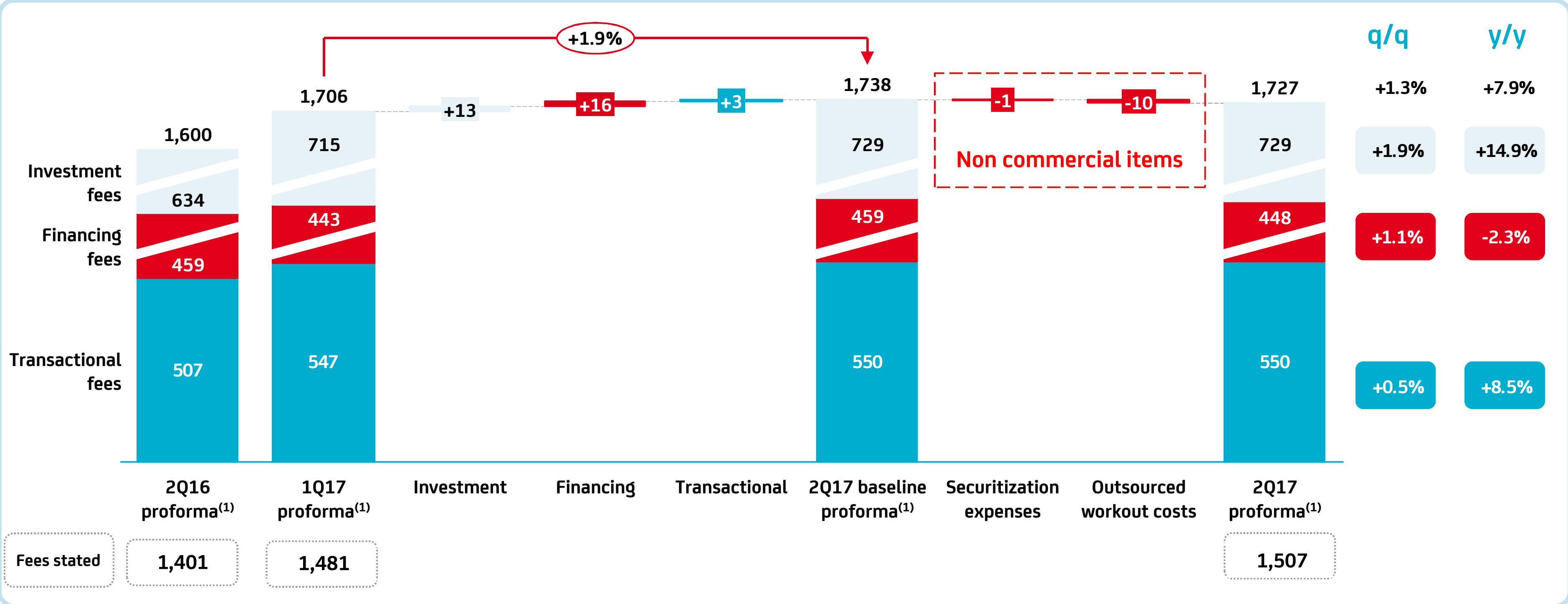
	bn	q/q	y/y
CBK Italy	134.8	+1.6%	+6.4%
CBK Germany	84.4	+0.7%	-1.6%
CBK Austria	46.4	-0.7%	-1.5%
CEE	59.7	-0.6%	+3.1%
CIB	46.8	+3.6%	+7.4%
Fineco	19.3	+3.1%	+13.5%
Group CC	2.5	-4.4%	-7.0%
Group exc. Non Core	393.9	+0.8%	+3.8%
Non Core	1.0	+4.4%	-2.9%
Group	394.9	+0.8%	+3.8%

CEE: At const. FX

NB: end of period accounting volumes calculated excluding repos and intercompany items.

Group – Strong fee generation in 2Q17, with all categories improving

Fees bridge in 2Q17, m – proforma(1) figures



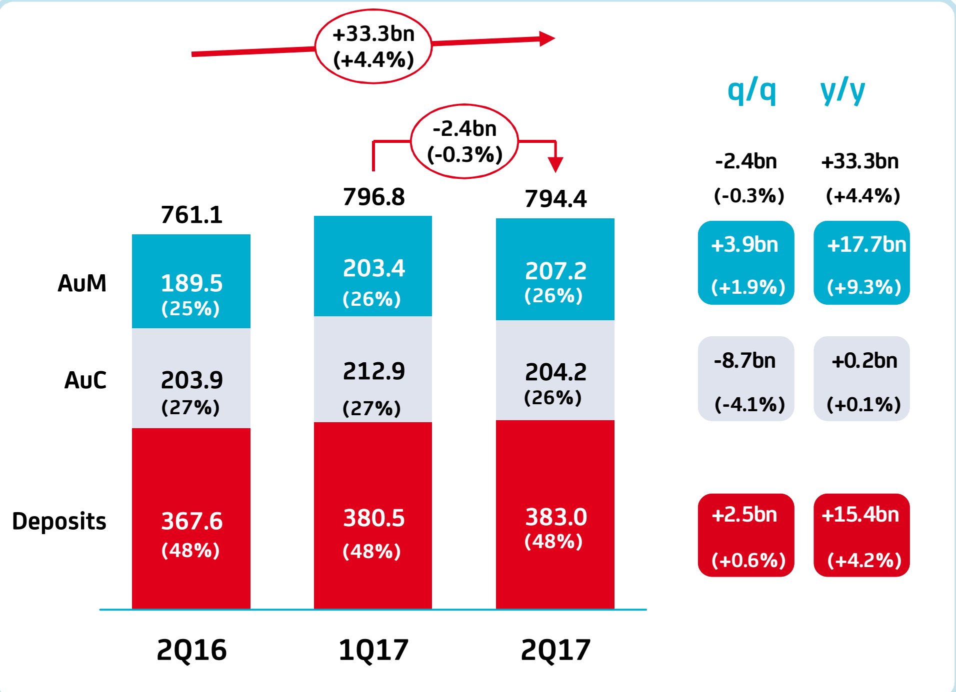
(1) Managerial figures. Proforma data excluding the temporary effect mainly related to Pioneer classified under IFRS5. Baseline proforma data excluding mainly the temporary effect of Pioneer classified under IFRS5 and non commercial items fees.

Group – Total financial assets up by 33.3bn Y/Y. Assets under Management increased Q/Q and Y/Y supported by higher net sales of all products

Main drivers

- TFAs amounted to about 800bn in 2Q17, increasing by 4.4% Y/Y (-0.3% Q/Q):
  - ✓ **Assets under Management** at 207.2bn in 2Q17, up by 9.3% Y/Y (up by 1.9% Q/Q) with higher net sales of all products, especially mutual funds
  - ✓ **Assets under Custody** at 204.2bn in 2Q17, broadly flat Y/Y while decreased by 4.1% Q/Q. Quarterly trend impacted by outflow from low margin products from a large client, the disposal of Bankhaus Neelmeyer in Germany and run off of retail bonds
  - ✓ **Deposits** at 383.0bn in 2Q17, up by 4.2% Y/Y (broadly flat Q/Q) leveraging on a strong franchise

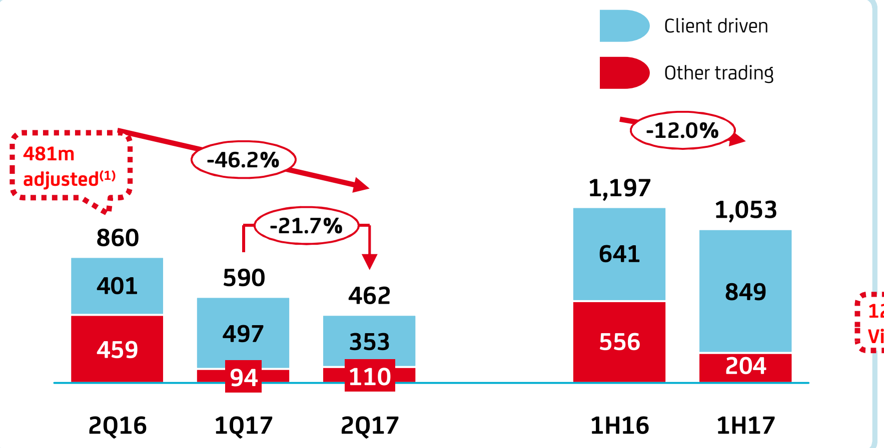
GROUP TFAs(1) 2Q17, bn



(1) Commercial Total Financial Assets exc. Non Core. Deposits include volumes not necessarily recognized accounting wise in Deposits from customers and exclude volumes not related to commercial network activities.

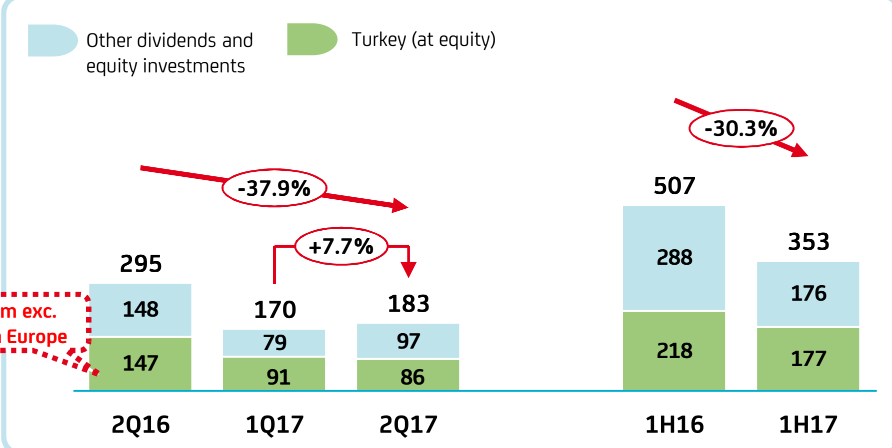
Group – Trading income in 2Q17 above normalized level benefitting from customer driven activities. Turkey resilient and other dividends up Q/Q

Trading income, m



- Trading income in 2Q17 above normalized level, benefitting from customer driven activities
- Client driven trading includes value adjustments[3] equal to +23m in 2Q17 (-58m in 1Q17 and +47m in 2Q16)

Dividends[2], m



- Turkey's contribution resilient Q/Q, down Y/Y mostly on currency effect
- Other dividends up Q/Q thanks to shareholdings in Austria and insurance JVs in Italy, Y/Y trend impacted by lower dividends by minority participations

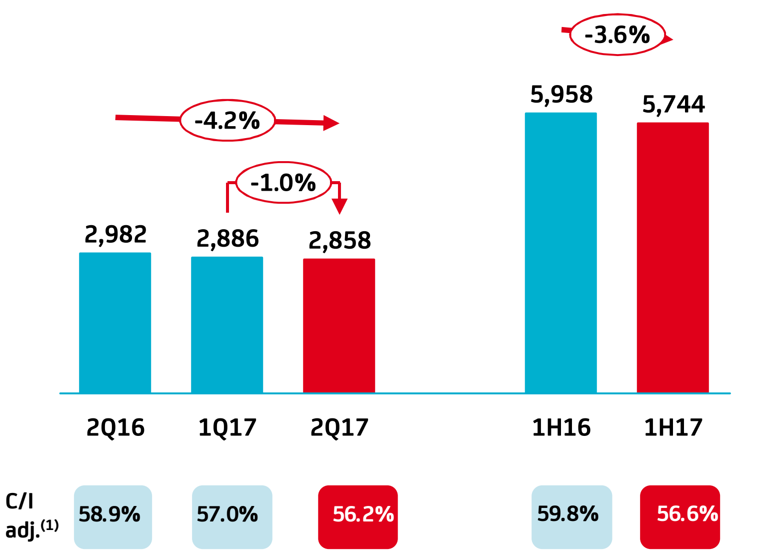
(1) One-offs related to security disposal gain (+132m) and Visa Europe disposal gain (+246m).
(2) Figures include dividends and equity investments. Turkey contribution at equity based on divisional view. Balance of other operating income/expenses at +50m in 2Q17 (+28m in 1Q17, +37m in 2Q16).
(3) Collateral valuation adjustment (OIS), Credit Value Adjustment (CVA) and Funding Valuation Adjustment (FVA).

Group – 4,543 FTE reduction and 398 branch closures Y/Y supporting lower costs

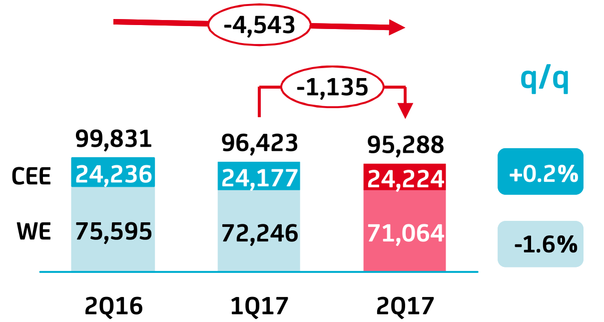
Main drivers

- FTEs reduced by 1,135 Q/Q, c.6,000 since Dec-15 (42% of 14,000 target)
- Branches down by 154 Q/Q, 464 since Dec-15 (49% of 944 target closures in Western Europe)
- Costs down Y/Y and Q/Q, confirming 2017 guidance of 11.7bn

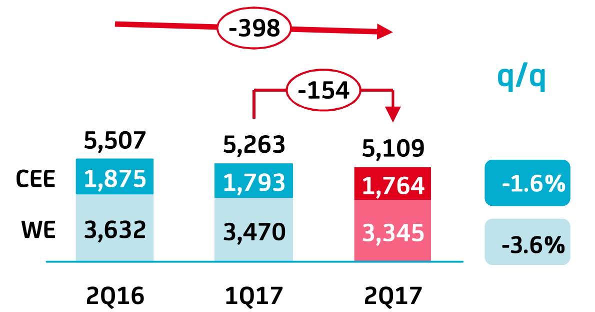
Costs, m



FTEs



Branches[(2)]

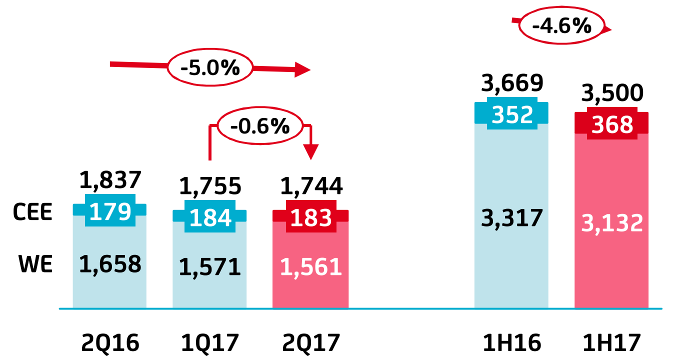


(1) C/I adjusted for the temporary effects of reclassification of Pekao and Pioneer under IFRS5 and for 405m non recurring revenues in 2Q16. C/I stated at 58.9% in 2Q17, 59.7% in 1Q17, 56.7% in 2Q16, 59.3% in 1H17 and 60% in 1H16.

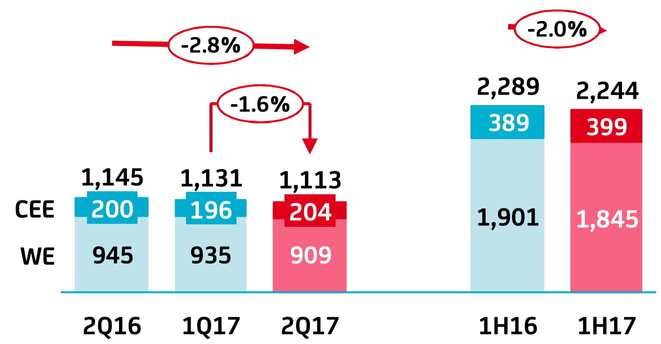
(2) Branch figures consistent with CMD perimeter.

Group – Staff expenses and Non HR costs decreased Q/Q and Y/Y, confirming Transform 2019 progress

Staff expenses, m



Non HR costs[1], m



- Staff expenses down Q/Q and Y/Y confirming a continued reduction supported by lower FTEs
- FTEs reduced by 1,135 Q/Q and by 4,543 Y/Y

- Non HR costs down Q/Q and Y/Y confirming a continued reduction supported by fewer branches
- Y/Y impacted by a change of perimeter related to outsourcing agreements, resulting in an increase of Non HR costs of 15m per quarter
- Additional 186 branch closures planned by year end 2017, ahead of plan in Western Europe, of which 90 already achieved in July in Italy

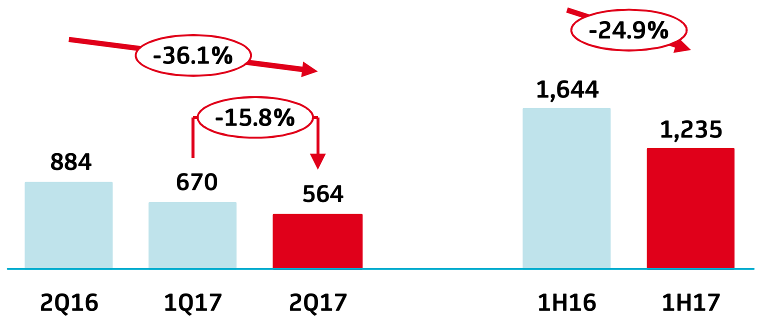
(1) Other administrative expenses net of expenses recovery and indirect costs, depreciation and amortization.

Group – LLPs at 564m in 2Q17, with low cost of risk at 50bp. Revised guidance of cost of risk to low 60s bp for 2017

Main drivers

- LLPs at 564m in 2Q17 resulting in a low cost of risk of 50bp. Guidance of cost of risk for 2017 revised to low 60s bp, while confirmed at 49bp for 2019
- Strong coverage ratio at 56.3% and gross NPE ratio down to 11%
- Cost of risk across divisions in 2Q17:
  - i. 66bp in CBK Italy with gross NPE ratio at 6.6% (-0.4p.p. Q/Q)
  - ii. 16bp in CBK Germany, confirming positive asset quality trends and stable gross NPE ratio at 2.5%
  - iii. -25bp in CBK Austria thanks to write-backs, confirming positive asset quality trends. Gross NPE ratio stable at 4.6%
  - iv. 53bp in CEE with gross NPE ratio at 9.2% (-0.2p.p. Q/Q)
  - v. -1bp in CIB with gross NPE ratio at 3.5% (-0.1p.p. Q/Q)

Loan loss provisions, m



	2Q16	1Q17	2Q17	1H16	1H17
Cost of risk	77 bp	60 bp	50 bp	72 bp	55 bp
Cov. ratio gross NPE(1)	52.1%	56.3%	56.3%		
Gross NPE ratio(1)	14.9%	11.4%	11.0%		

(1) Fino portfolio has been classified as Held for Sale (16.2bn gross loans, 1.8bn net loans in 2Q17). Group asset quality ratios as at 30th June 17, including the Fino portfolio: gross NPE ratio of 13.9% (14.3% in 1Q17); net NPE ratio of 5.5% (5.8% in 1Q17); NPE coverage ratio of 64.0% (63.5% in 1Q17); gross bad loans ratio of 9.3% (9.5% in 1Q17); net bad loans ratio of 2.6% (2.8% in 1Q17); bad loans coverage ratio of 74.4% (73.8 in 1Q17).

CBK Italy – Improved operating profitability, with higher fees supported by strong AuM sale and resilient net interest. RoAC at 13.0%

Main drivers

- Net interest resilient Q/Q, with TLTRO benefit partially mitigating the impact of lower loans rates, especially on the short term
- Total volumes up by 1.9% Q/Q. Corporate loans increased by 3.0% Q/Q and Retail by 1.1%. Dynamic new production in MLT, with higher Corporate loans (+2.7bn, +97% Q/Q) and Retail (+2.8bn, +8.4% Q/Q)
- Fees higher in 2Q17 driven by investment products
- TFAs up by 0.6% Q/Q to 337.4bn thanks to AuM (+2.8% Q/Q, mainly mutual funds and bancassurance)
- Costs stable, with Staff expenses down and Non HR costs embedding additional marketing expenses and Transform 2019 one-offs
- FTE reduced by 335 in 2Q17 (-1.0% Q/Q) and branches by 121 (-4.0% Q/Q, reaching 46% of 2019 target)
- LLPs slightly down to 227m, with cost of risk at 66bp
- Net profit up by 3.6% Q/Q (+14% Y/Y) thanks to improved operating profitability

Data in m	*2Q16*	*1Q17*	*2Q17*	*Δ % vs. 1Q17*	*Δ % vs. 2Q16*	*1H16*	*1H17*	*Δ % vs. 1H16*
Total revenues	1,990	1,856	1,927	+3.8%	-3.2%	3,921	3,783	-3.5%
o/w Net interest	*999*	*922*	*923*	*+0.1%*	*-7.6%*	*1,999*	*1,845*	*-7.7%*
o/w Fees	*910*	*947*	*971*	*+2.6%*	*+6.7%*	*1,840*	*1,918*	*+4.2%*
Operating costs	-1,152	-1,110	-1,112	+0.2%	-3.5%	-2,317	-2,221	-4.1%
Gross operating profit	837	747	815	+9.2%	-2.7%	1,604	1,562	-2.6%
LLP	-243	-241	-227	-5.7%	-6.4%	-471	-468	-0.5%
Net operating profit	595	506	588	+16.3%	-1.2%	1,133	1,093	-3.5%
Net profit	288	317	328	+3.6%	+14.0%	597	645	+7.9%
RoAC	11.1%	12.8%	13.0%	+0.2pp	+1.9pp	11.4%	12.9%	+1.5pp
C/I	57.9%	59.8%	57.7%	-2.1pp	-0.2pp	59.1%	58.7%	-0.4pp
CoR (bp)	71	71	66	-5bp	-4bp	70	69	-1bp
Branches[1]	3,140	2,995	2,874	-4.0%	-8.5%	3,140	2,874	-8.5%
FTEs	36,384	34,630	34,295	*-1.0%*	*-5.7%*	36,384	34,295	-5.7%
Gross NPE ratio	6.1%	7.0%	6.6%	-44bp	+54bp	6.1%	6.6%	+54bp

(1) Branch figures consistent with CMD perimeter.

CBK Germany – Net profit down excluding non recurring items (170m net of tax)

Main drivers

- Commercial net interest resilient in 2Q17 (excluding +90m release of a tax provision on net interest), with lower loan rates and loans slightly up (+0.5% Q/Q)
- Fees down in 2Q17 after a strong seasonal performance in 1Q17, up Y/Y thanks to transactional & investment fees
- TFAs down by 3.5% Q/Q to 159.2bn related to lower AuC (-8.8% Q/Q) and AuM (-4.0% Q/Q). Quarterly trend impacted by outflow from low margin products from a large client and the disposal of Bankhaus Neelmeyer
- Cost saving on track with lower FTEs
- Cost of risk at 16bp in 2Q17 and gross NPE ratio at 2.5% confirming positive asset quality
- Net profit down Q/Q excluding the release of a tax provision on net interest (+90m) and the net effect of release of provisions on income tax (+80m). Normalized RoAC at about 5%, in line with year end 2017 target

Data in m	*2Q16*	*1Q17*	*2Q17*	*Δ % vs. 1Q17*	*Δ % vs. 2Q16*	*1H16*	*1H17*	*Δ % vs. 1H16*
Total revenues	609	703	734	+4.3%	+20.4%	1,266	1,437	+13.5%
o/w Net interest	*374*	*397*	*481*	*+21.0%*	*+28.5%*	*774*	*878*	*+13.5%*
o/w Fees	*180*	*233*	*188*	*-19.5%*	*+4.3%*	*368*	*421*	*+14.4%*
Operating costs	-480	-476	-463	-2.7%	-3.4%	-959	-940	-2.0%
Gross operating profit	129	227	270	+19.0%	n.m.	307	497	+62.1%
LLP	7	-20	-32	+60.5%	n.m.	29	-52	n.m.
Net operating profit	136	207	238	+14.9%	+74.8%	336	445	+32.6%
Net profit	95	113	239	n.m.	n.m.	206	353	+70.9%
RoAC	7.0%	9.2%	20.5%	+11.3pp	+13.5pp	7.7%	14.9%	+7.2pp
C/I	78.8%	67.7%	63.2%	-4.5pp	-15.6pp	75.8%	65.4%	-10.4pp
CoR (bp)	-3	10	16	+6bp	+19bp	-7	13	+20bp
Branches(1)	342	341	341	+0.0%	-0.3%	342	341	-0.3%
FTEs	11,036	10,798	10,375	-3.9%	-6.0%	11,036	10,375	-6.0%
Gross NPE ratio	3.0%	2.6%	2.5%	-7bp	-46bp	3.0%	2.5%	-46bp

(1) Branch figures consistent with CMD perimeter.

CBK Austria – Net profit progressing Q/Q with improving operating profitability and positive one-offs

Main drivers

- Net interest flat Q/Q with lower loans and slightly higher rates. Y/Y impacted by negative rate environment, with pressure on net interest expected to continue in 2H17
- Fees stable Q/Q and up by 5.8% Y/Y thanks to progress in investment fees (mainly AuM fees)
- TFAs flat Q/Q at 89.2bn with higher AuM (+0.6% Q/Q), and AuC (+1.6% Q/Q) while deposits were lower (-0.7% Q/Q)
- Costs down by 4.1% Q/Q and 14.9% Y/Y thanks to ongoing restructuring (reduced FTEs and branches) and positive one-offs. C/I ratio at 67.6% (-10.0p.p. Q/Q and -4.1p.p. Y/Y)
- Cost of risk at -25bp thanks to write-backs, confirming positive asset quality trends
- Net profit up Q/Q supported by improving operating profitability, solid asset quality and lower systemic charges. ROAC expected between 11% to 12% on a normalized basis

Data in m	*2Q16*	*1Q17*	*2Q17*	*Δ % vs. 1Q17*	*Δ % vs. 2Q16*	*1H16*	*1H17*	*Δ % vs. 1H16*
Total revenues	446	366	402	+10.0%	-9.7%	826	768	-7.1%
o/w Net interest	*195*	*171*	*173*	*+0.9%*	*-11.1%*	*394*	*344*	*-12.6%*
o/w Fees	*146*	*154*	*154*	*+0.1%*	*+5.8%*	*292*	*308*	*+5.4%*
Operating costs	-320	-284	-272	-4.1%	-14.9%	-633	-556	-12.2%
Gross operating profit	126	82	130	+58.9%	+3.5%	193	212	+9.9%
LLP	10	52	30	-42.4%	n.m.	7	82	n.m.
Net operating profit	136	134	160	+19.5%	+17.6%	200	294	+47.2%
Net profit	88	68	205	n.m.	n.m.	-119	273	n.m.
RoAC	11.0%	9.0%	28.2%	+19.2pp	+17.2pp	-8.6%	18.6%	+27.1pp
C/I	71.8%	77.6%	67.6%	-10.0pp	-4.1pp	76.6%	72.4%	-4.3pp
CoR (bp)	-9	-44	-25	+18bp	-17bp	-3	-35	-32bp
Branches[1]	150	134	130	-3.0%	-13.3%	150	130	-13.3%
FTEs	5,671	5,424	5,329	*-1.7%*	*-6.0%*	5,671	5,329	-6.0%
Gross NPE ratio	5.2%	4.6%	4.6%	+3bp	-62bp	5.2%	4.6%	-62bp

(1) Branch figures consistent with CMD perimeter.

CEE – Net profit continued to progress in 2Q17 with resilient revenues and lower LLPs. Positive business dynamics, with clients increasing by c.280 thousand year-to-date

Main drivers

- Net interest broadly flat Q/Q and Y/Y at const. FX with lower contribution from Russia mitigated by the positive dynamics of other countries
- Fees improved by 4.5% Q/Q and Y/Y at const. FX, mainly thanks to higher transaction & financing services
- Trading income and dividends down Y/Y impacted by Visa Europe stake disposal in 2Q16 (115m on total revenues)
- Costs well under control, confirming a low C/I ratio at 36%
- Cost of risk low at 53bp in 2Q17 benefitting from positive one-offs. Guidance for 2017 revised to low 100bp. Active NPE management, with 0.4bn disposals in 2Q17, already classified held for sale in 1Q17
- Increasing net profit Q/Q and Y/Y, driven by resilient core revenues (fees and net interest) and lower LLPs. Yearly comparison impacted by the capital gain from Visa Europe stake disposal in 2Q16 (+97m on revenues net of tax)

Data in m	2Q16	1Q17	2Q17	Δ % vs. 1Q17 (1)	Δ % vs. 2Q16 (1)	1H16	1H17	Δ % vs 1H16 (1)
Total revenues	1,169	1,070	1,074	+0.5%	-9.7%	2,111	2,144	-0.9%
o/w Net interest	*615*	*647*	*641*	*-0.0%*	*+0.4%*	*1,211*	*1,288*	*+0.8%*
o/w Fees	*206*	*211*	*221*	*+4.5%*	*+4.5%*	*397*	*432*	*+5.6%*
Operating costs	-379	-380	-387	+1.6%	-1.2%	-741	-767	-0.3%
Gross operating profit	790	690	687	*-0.1%*	*-13.8%*	1,370	1,377	-1.2%
LLP	-187	-185	-81	-59.0%	-60.2%	-326	-266	-22.5%
Net operating profit	602	505	606	*+20.8%*	*+0.3%*	1,044	1,111	+5.4%
Net profit	459	332	495	+49.8%	+8.9%	775	827	+7.0%
RoAC	15.4%	11.3%	17.4%	+6.0pp	+2.0pp	12.9%	14.3%	+1.4pp
C/I	32.5%	35.5%	36.0%	+0.5pp	+3.6pp	35.1%	35.8%	+0.7pp
CoR (bp)	128	122	53	-69bp	-75bp	112	88	-25bp
Branches	1,875	1,793	1,764	-1.6%	-5.9%	1,875	1,764	-5.9%
FTEs	24,236	24,177	24,224	+0.2%	-0.0%	24,236	24,224	-0.0%
Gross NPE ratio	10.8%	9.4%	9.2%	-23bp	-161bp	10.8%	9.2%	-161bp

(1) Variations Q/Q and Y/Y at constant FX (RoAC, C/I, NPEs and CoR variations at current FX).

CIB – Sustainable performance in 2Q17 thanks to a leading market positioning across all product factories

Main drivers

- Net interest increased Q/Q, thanks to non recurring contribution from investment portfolio partially offset by lower client related contribution
- Strong fee generation across all business lines in particular financing fees related to Capital Markets and Structured Finance, benefitting from our strong positioning in home markets
- Trading income at 281m in 2Q17, benefitting from customer driven business, across UniCredit's core countries and with a conservative risk profile. Trading income embedding value adjustments[1] for -55m (-74m in 1Q17 and +38m in 2Q16)
- Cost containment actions resulting in consistently lower expenses both on a quarterly and a yearly basis (c.-100 FTE)
- Cost of risk at -1bp and gross NPE ratio at 3.5%
- Net profit at 398m in 2Q17 (+8% Q/Q and +5.4% Y/Y) including value adjustments[1]

Data in m	*2Q16*	*1Q17*	*2Q17*	*Δ % vs. 1Q17*	*Δ % vs. 2Q16*	*1H16*	*1H17*	*Δ % vs. 1H16*
Total revenues	1,127	1,152	1,023	-11.2%	-9.3%	2,196	2,174	-1.0%
o/w Net interest	*616*	*528*	*545*	*+3.3%*	*-11.5%*	*1,196*	*1,073*	*-10.3%*
o/w Fees	*172*	*143*	*176*	*+22.7%*	*+2.0%*	*331*	*319*	*-3.8%*
o/w Trading	*331*	*456*	*281*	*-38.3%*	*-15.1%*	*594*	*737*	*+24.1%*
Operating costs	-437	-428	-410	-4.3%	-6.3%	-860	-838	-2.5%
Gross operating profit	690	723	613	-15.3%	-11.1%	1,337	1,336	-0.0%
LLP	-67	-72	3	n.m.	n.m.	-129	-70	-46.2%
Net operating profit	622	651	616	-5.5%	-1.1%	1,207	1,267	+4.9%
Net profit	378	369	398	+8.0%	+5.4%	677	767	+13.2%
RoAC	16.3%	15.6%	17.5%	+1.9pp	+1.2pp	15.0%	16.5%	+1.5pp
C/I	38.8%	37.2%	40.1%	+2.9pp	+1.3pp	39.1%	38.5%	-0.6pp
CoR (bp)	25	27	-1	-28bp	-26bp	25	13	-12bp
FTEs	3,521	3,419	3,417	-0.1%	-3.0%	3,521	3,417	*-3.0%*
Gross NPE ratio	3.7%	3.7%	3.5%	-15bp	-19bp	3.7%	3.5%	-19bp

(1) Own Credit Spread (OCS), Collateral valuation adjustment (OIS), Credit Value Adjustment (CVA) and Funding Valuation Adjustment (FVA).

Fineco – Key player in asset gathering business in Italy, c.1.2m clients as of June (+7% Y/Y)

Main drivers

- Resilient revenues in 2Q17 with higher net interest and fees; yearly trend affected by Visa Europe disposal in 2Q16 (+5.5% Y/Y exc. Visa Europe disposal for 15m)
- Investment fees continued to increase in 2Q17 supported by management fees (+17.2% Y/Y) mainly related to the successful shift towards high margin products
- TFAs up to 63.6bn mainly thanks to AuM (+2.9% Q/Q), with increasing high margin products penetration (60% on AuM, +9p.p. Y/Y)
- Operating costs well under control, confirming the strong focus on efficiency while expanding the business
- Net profit at 19m in 2Q17, leading to 37m in 1H17 with Y/Y increase exc. Visa Europe disposal, confirming the sustainable performance of the business

Data in m	*2Q16*	*1Q17*	*2Q17*	*Δ % vs. 1Q17*	*Δ % vs. 2Q16*	*1H16*	*1H17*	*Δ % vs. 1H16*
Total revenues	149	142	141	-0.7%	-5.4%	289	282	-2.2%
o/w Net interest	*61*	*63*	*64*	*+2.2%*	*+5.0%*	*123*	*127*	*+3.0%*
o/w Fees	*60*	*65*	*65*	*+0.5%*	*+9.0%*	*118*	*130*	*+10.1%*
Operating costs	-58	-61	-60	-0.4%	+5.1%	-118	-121	+2.9%
Gross operating profit	91	81	80	-0.9%	-12.0%	171	161	-5.7%
LLP	-1	-1	-1	+85.9%	-26.4%	-3	-2	-45.0%
Net operating profit	90	80	79	-1.5%	-11.8%	168	160	-5.1%
Minorities	-43	-33	-34	+1.7%	-21.1%	-76	-67	-11.5%
Net profit	24	18	19	+1.7%	-21.1%	42	37	-11.5%
RoAC	106.2%	59.8%	70.9%	+11.1pp	-35.2pp	95.8%	64.9%	-30.9pp
C/I	38.7%	42.9%	43.0%	+0.1pp	+4.3pp	40.8%	42.9%	+2.1pp
AuM	25,911	29,742	30,614	+2.9%	+18.2%	25,911	30,614	+0.2pp
AuM/TFA %	46.6%	47.8%	48.1%	+0.3pp	+1.5pp	46.6%	48.1%	+1.5pp

NB: net profit reflects consolidated view, i.e. 35% ownership by UniCredit. Previous data restated.

Group Corporate Center – FTEs continued to reduce reflecting the ongoing restructuring. Loss embedding impairment of Atlante 1 and negative currency effects of Pekao disposal

1 2 3 4 5 6 7 **Divisional quarterly highlights**

Main drivers

- Revenues embed negative fees for c.0.2bn per quarter which will reverse from 3Q17 after Pioneer disposal(1). Yearly comparison impacted by positive one-off in 2Q16 (132m(2)).
- Lower FTEs (-1,324 Y/Y), reflecting the ongoing restructuring, result in costs down by 8.8% in 1H17 vs 1H16, while Q/Q impacted by one-offs related to the implementation of Transform 2019
- Full impairment of remaining stake in Veneto banks through Atlante 1 for 135m in Profits on Investments (residual undrawn commitment to Atlante funds for c.0.2bn)
- Net profit from discontinued operations down Q/Q due to the negative currency effect of the disposal of Pekao (-310m)
- Net loss at 523m in 2Q17, embedding Atlante 1 impairment (135m) and Pekao disposal impact (310m)

Data in m	*2Q16*	*1Q17*	*2Q17*	*Δ % vs. 1Q17*	*Δ % vs. 2Q16*	*1H16*	*1H17*	*Δ % vs. 1H16*
Total revenues(1)	-161	-414	-396	-4.3%	n.m.	-596	-810	+35.9%
Operating costs	-136	-105	-133	+26.5%	-2.3%	-261	-238	-8.8%
Gross operating profit	-297	-519	-529	+1.9%	+78.0%	-857	-1,048	+22.3%
LLP	-1	-3	-1	-57.4%	+33.6%	-6	-4	-44.3%
Profits on investments	*8*	*24*	*-168*	*n.m.*	*n.m.*	*21*	*-144*	*n.m.*
Profit before taxes	-567	-532	-687	+29.2%	+21.2%	-1,149	-1,218	+6.1%
Net loss	-101	-105	-523	n.m.	n.m.	-249	-628	n.m.
FTEs	17,406	16,421	16,082	-2.1%	-7.6%	17,406	16,082	-7.6%
Costs GCC/ Tot. costs	4.5%	3.5%	4.5%	1.0pp	0.0pp	4.2%	4.0%	-0.2pp

(1) The temporary effect of Pioneer & Pekao classified under IFRS5 implies a negative effect on the revenue line related to elimination of fees paid to the Commercial Banking Network (220m) and an opposite positive adjustment of the same amount in the line Discontinued operations. Net effect is neutral on the bottom line.

(2) One-off trading gain related to security disposal in 2Q16.

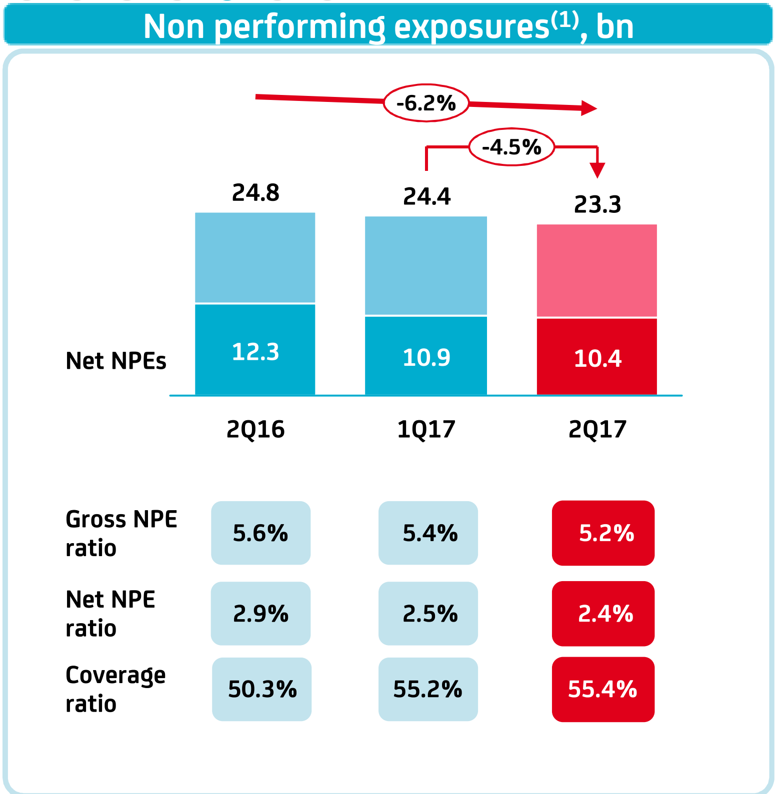
Non Core – Net loss reduced Y/Y mainly thanks to lower LLPs. Continued derisking of Non Core with gross loans down to 33.8bn in 2Q17

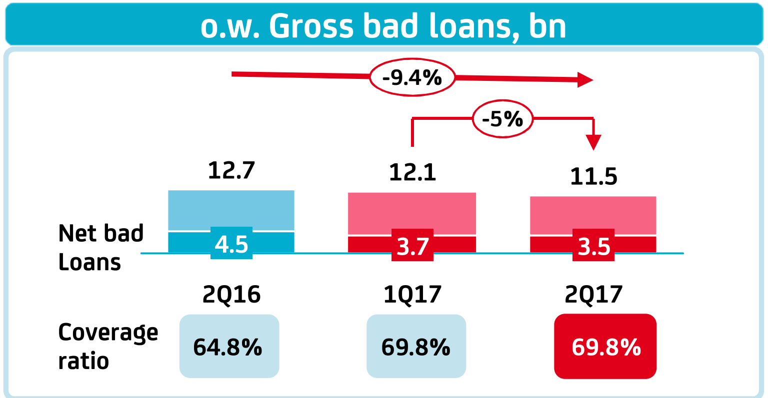
Main drivers

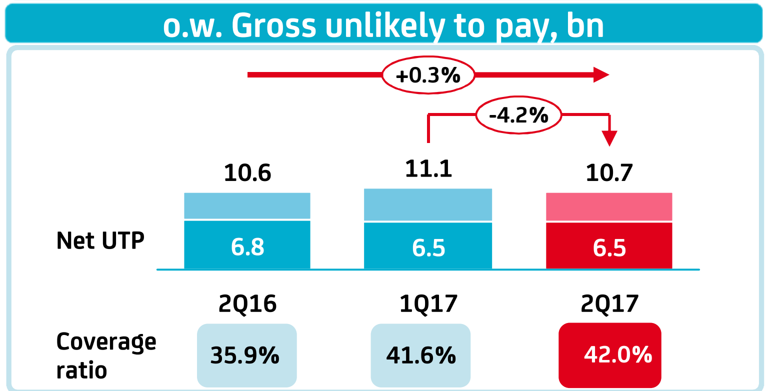
- LLPs at 255m in 2Q17 down by 36.5% Y/Y
- Net loss of 0.2bn in 2Q17, lower by 31.5% Y/Y
- Net NPEs continued to reduce to 12.8bn (-3.6% Q/Q) in line with guidance of 11.4bn in 2017
- Strong coverage ratio of 57% slightly down Q/Q due to disposals and write-offs
- Gross NPE disposals accelerated in 2Q17, totalling 0.9bn

Data in m	*2Q16*	*1Q17*	*2Q17*	*Δ % vs. 1Q17*	*Δ % vs. 2Q16*	*1H16*	*1H17*	*Δ % vs. 1H16*
Total revenues	-65	-41	-49	+18.0%	-25.5%	-76	-90	+18.7%
Operating costs	-20	-43	-21	-51.8%	+2.6%	-70	-63	-9.1%
Gross operating profit	-85	-84	-69	-17.6%	-18.9%	-145	-153	+5.4%
LLP	-401	-201	-255	+27.0%	-36.5%	-744	-455	-38.8%
Net loss	-315	-205	-216	+5.3%	-31.5%	-608	-421	-30.8%
Gross customer loans	57,634	36,360	33,768	-7.1%	-41.4%	57,634	33,768	-41.4%
o/w NPEs	50,406	30,920	29,701	-3.9%	-41.1%	50,406	29,701	-41.1%
o/w Performing	7,228	5,440	4,066	-25.2%	-43.7%	7,228	4,066	-43.7%
NPE coverage ratio, %	52.9%	57.2%	57.0%	-14bp	+413bp	52.9%	57.0%	+413bp
Net NPEs	23,736	13,239	12,759	-3.6%	-46.2%	23,736	12,759	-46.2%
RWA	27,352	25,230	22,742	-9.9%	-16.9%	27,352	22,742	-16.9%

Group exc. Non Core – Asset quality further improved in the quarter with lower NPEs and stronger coverage ratio



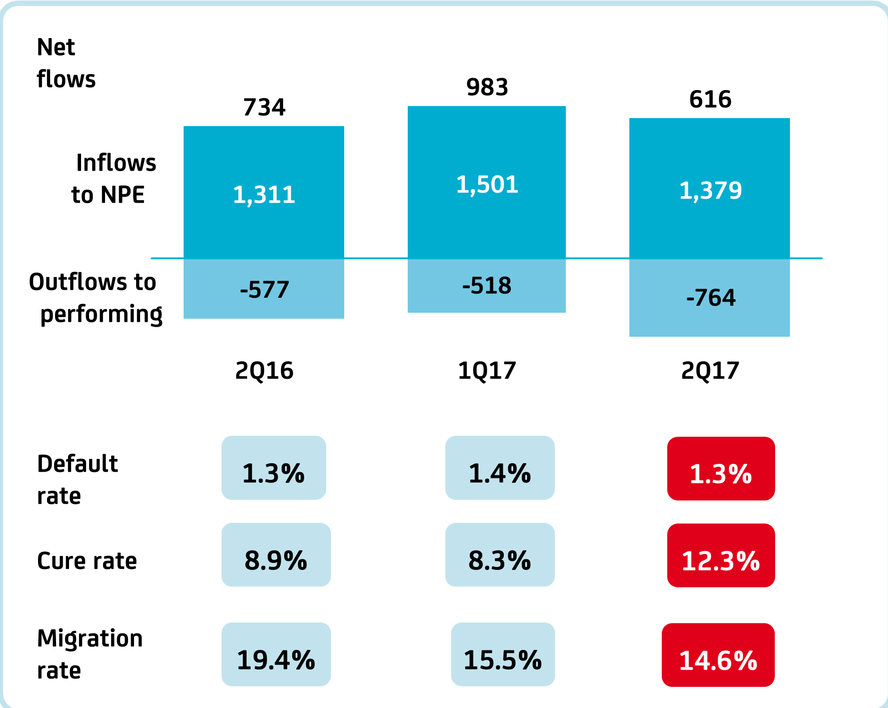




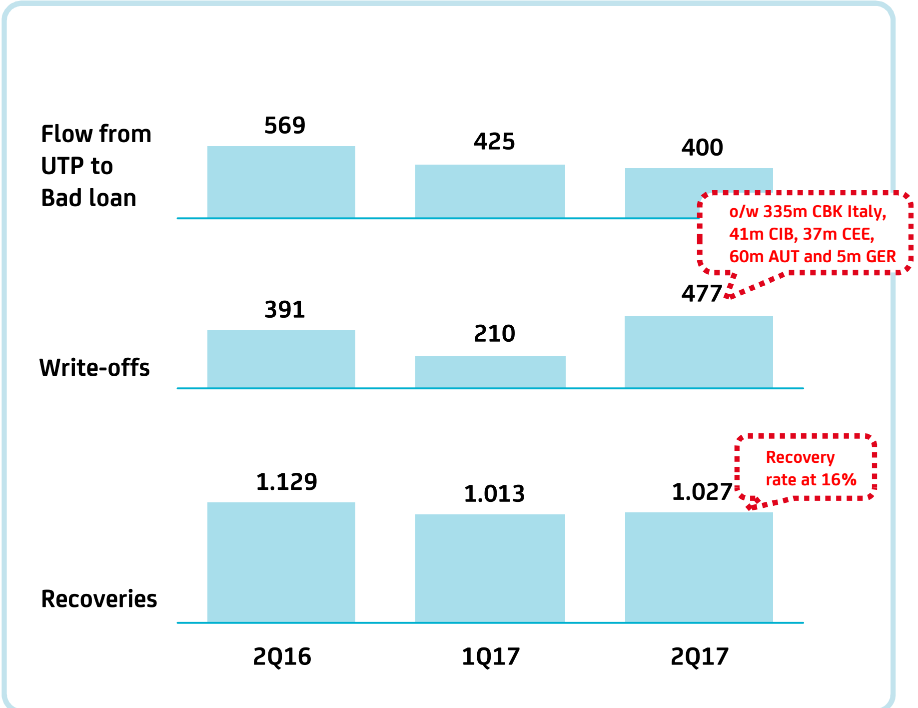
(1) Gross NPEs including gross bad loans, gross unlikely-to-pay and gross Past due. Gross past due at 1.1bn in 2Q17 (-1.1% and -25% Y/Y).

Group exc. Non Core – Lower inflows to NPEs and noticeable improvement of outflows to performing

Net flows to NPEs, m



Drivers, m

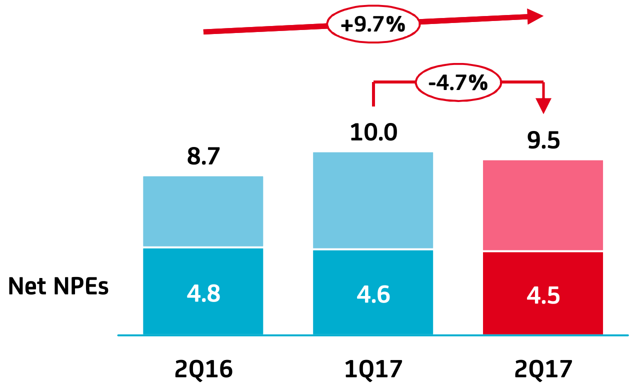


Note: managerial figures.

Note: default rate: net inflows to NPEs for UC S.p.A. + gross inflows to NPEs for Factoring/Leasing on performing previous year; Cure rate: back to performing on stock of gross non performing of previous year. 2Q17 perimeter including private portfolio; 2Q16 and 1Q17 figures restated accordingly.

CBK Italy – Lower NPEs in 2Q17 and gross NPE ratio down to 6.6%

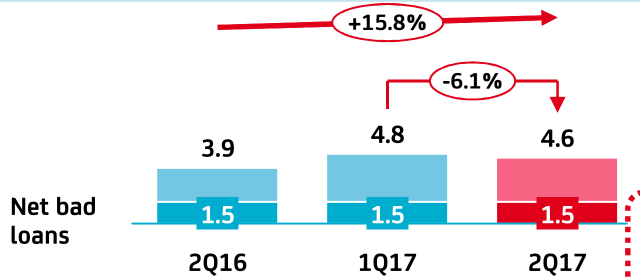
Non performing exposures[1], bn



	2Q16	1Q17	2Q17
Gross NPE ratio	6.1%	7.0%	6.6%
Net NPE ratio	3.5%	3.4%	3.3%
Coverage ratio	44.8%	53.5%	52.3%

54.6% including write-offs and disposals

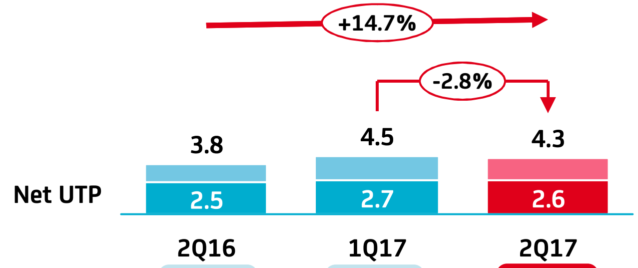
o.w. Gross bad loans, bn



	2Q16	1Q17	2Q17
Coverage ratio	60.6%	69.6%	67.0%

69.3% including write-offs and disposals

o.w. Gross unlikely to pay, bn

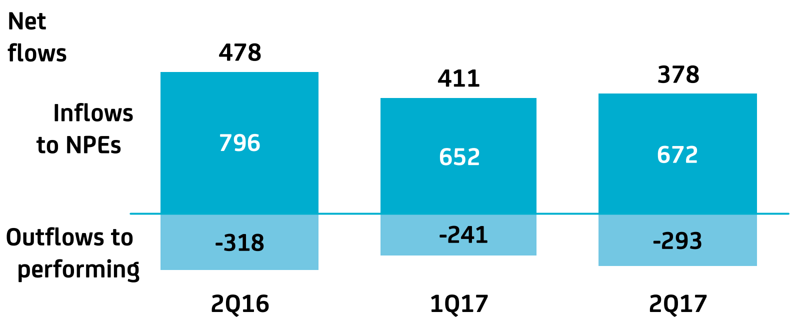


	2Q16	1Q17	2Q17
Coverage ratio	32.9%	39.9%	40.1%

(1) Gross NPEs including gross bad loans, gross unlikely-to-pay and gross Past due. Gross past due at 614m in 2Q17 (-7.9% Q/Q and 35.5% Y/Y).

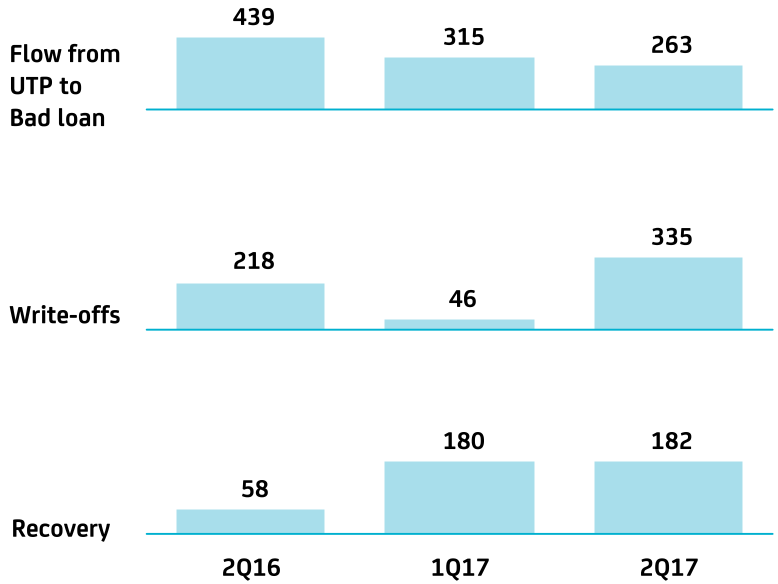
CBK Italy – Lower net inflows to NPEs

Net flows to NPEs, m



	2Q16	1Q17	2Q17
Default rate	2.5%	2.0%	2.0%
Cure rate	16.1%	10.0%	12.2%
Migration rate	45.7%	28.3%	23.6%

Drivers, m



NB: managerial figures.

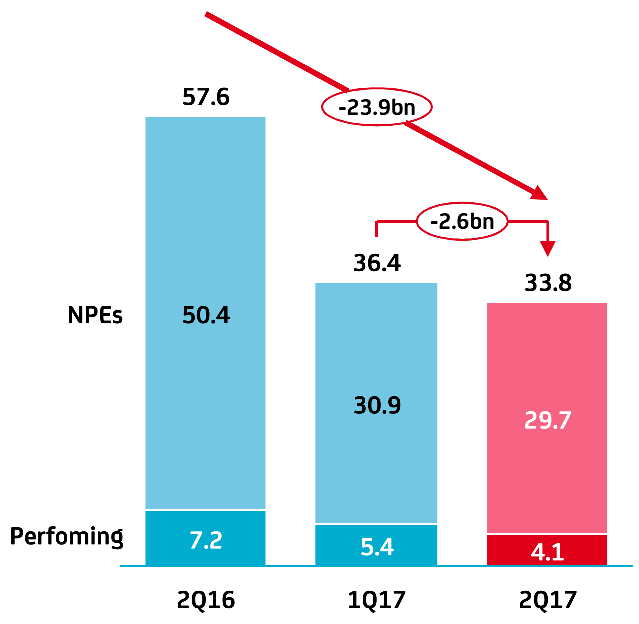
NB: default rate: net inflows to NPEs for UC S.p.A. + gross inflows to NPEs for Factoring/Leasing on performing previous year; Cure rate: back to performing on stock of gross non performing of previous year. 2Q17 perimeter including private portfolio; 2Q16 and 1Q17 figures restated accordingly.

Non Core – Phase 1 of FINO transaction completed in July.
Further reduction by 2.6bn mainly thanks to disposals, write-offs and recoveries

Actions of Non Core run down

FINO	Disposal of majority stake completed in July. Further reduction below 20% in 2H17
Disposals	0.9bn in 2Q17, 1bn in 1H17
Recoveries	0.3bn in 2Q17
Write-offs	0.3bn in 2Q17
Back to Core	1bn performing loans transferred to CBK Italy

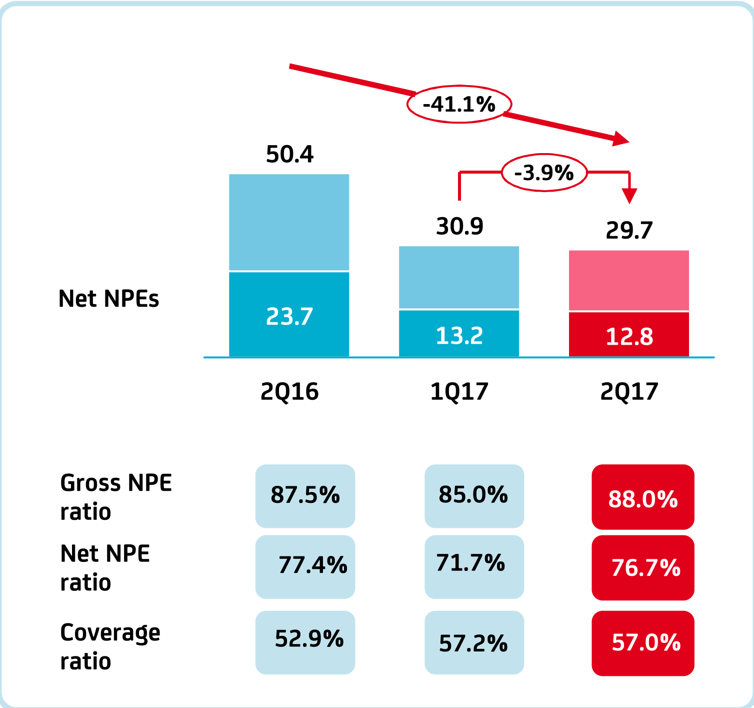
Gross loans, bn



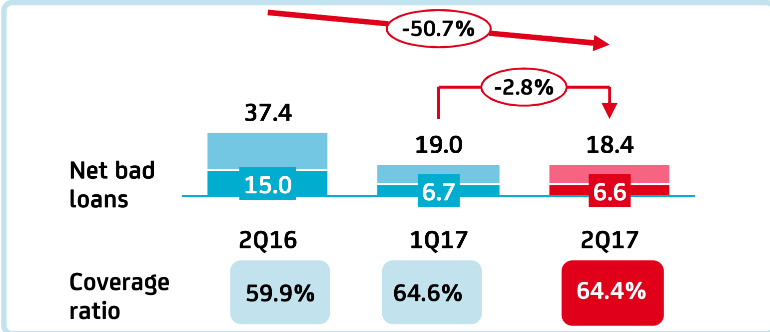
 NB: Managerial figures.

Non Core – NPEs continued to reduce Q/Q thanks to disposals, write-offs and recoveries

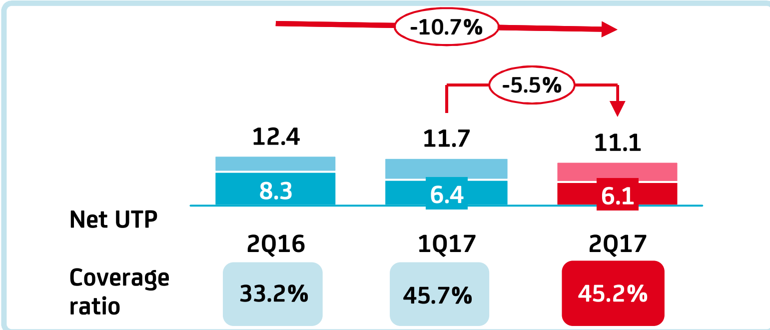
Non performing exposures[1], bn



o.w. Gross bad loans, bn



o.w. Gross unlikely to pay, bn

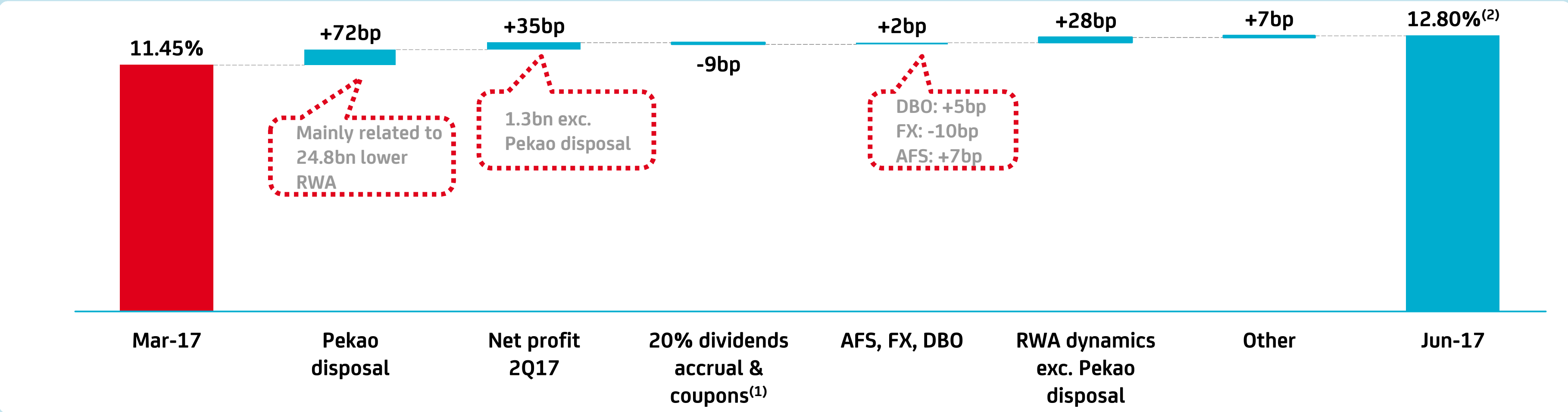


NB: Fino portfolio has been classified as Held for Sale (16.2bn gross loans, 1.8bn net loans in 2Q17). Group asset quality ratios as at 30th June 17, including the Fino portfolio: gross NPE ratio of 13.9% (14.3% in 1Q17); net NPE ratio of 5.5% (5.8% in 1Q17); NPE coverage ratio of 64.0% (63.5% in 1Q17); gross bad loans ratio of 9.3% (9.5% in 1Q17); net bad loans ratio of 2.6% (2.8% in 1Q17); bad loans coverage ratio of 74.4% (73.8 in 1Q17).

(1) Gross NPEs including gross bad loans, gross unlikely-to-pay and gross Past due. Gross past due at 190m in 2Q17 (-16.9% Q/Q and -68.5% Y/Y).

Group – Solid CET1 ratio fully loaded at 12.80%

Fully loaded Common Equity Tier 1 ratio

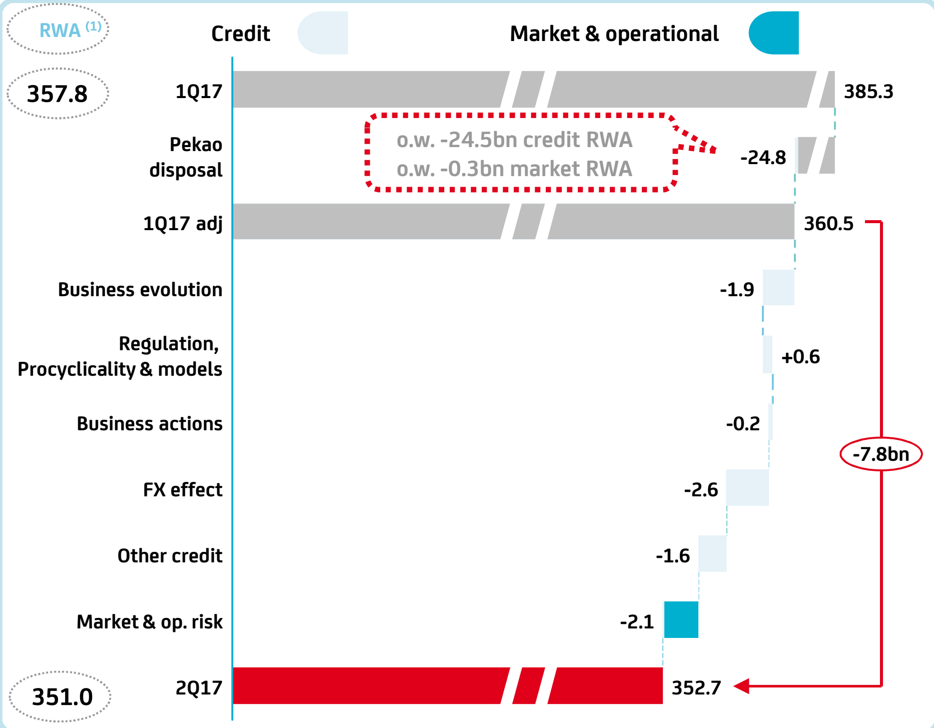


- CET 1 ratio fully loaded up by 135bp mainly thanks to Pekao disposal in Jun-17 (+72bp), earning generation and RWA dynamics
- Additional 84bp in 3Q17 from Pioneer disposal, expected to be largely offset by higher RWA from business growth, model changes & procyclicality in 2H17 and IFRS9 from Jan-18
- Dividend accrual for full year 2017 will be based on 20% payout ratio on normalized earnings, excluding the net impact from the disposals of Pioneer and Pekao

(1) Coupons on AT1 instruments paid in 2Q17 equal to 65m before tax.
(2) CET 1 ratio fully loaded proforma for the disposal of Pioneer at 13.64%.

Group – RWA down in the quarter mainly thanks to Pekao disposal, lower credit and operational risks

Main drivers of RWA transitional



Credit RWA -5.6bn q/q (exc. Pekao disposal)

- **FX**: -2.6bn, mainly due to currency depreciation from Russia and Turkey
- **Business evolution**: -1.9bn, with the increase in RWA related to loan growth more than offset by Italian DTA conversion into tax credit
- **Regulation, procyclicality & models**: +0.6bn mainly from reclassification changes
- **Business actions:** -0.2bn related to disposals and guarantees
- **Other credit risk:** -1.6bn mainly related to lower DTAs on temporary differences and disposal of bankhaus Neelmeyer

Market RWA -0.2bn q/q (exc. Pekao disposal)

- **Market risk:** -0.2bn Q/Q thanks to lower CVA

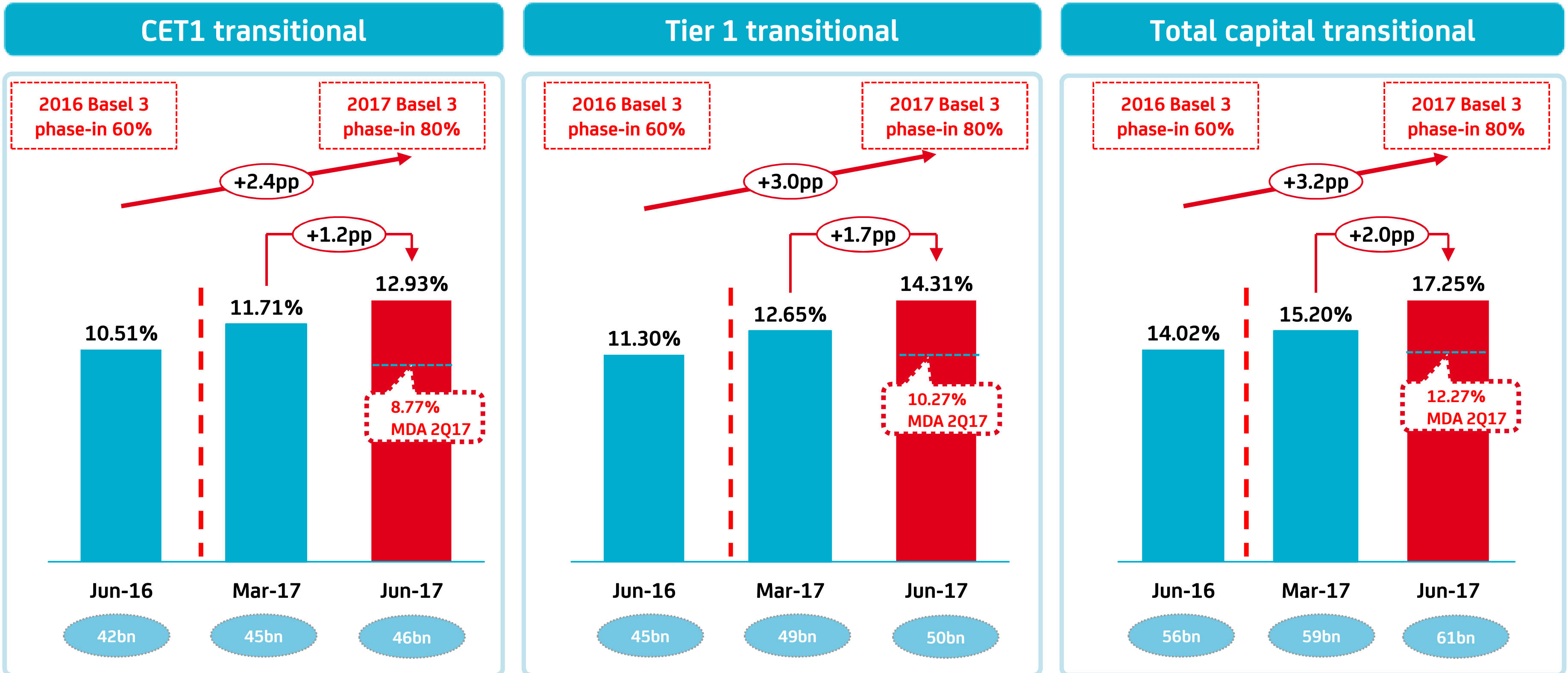
Operational RWA -2.0bn q/q (exc. Pekao disposal)

- **Operational risk:** -2.0bn Q/Q thanks to lower losses

NB: Business evolution: changes related to loan evolution; Regulation: changes (eg. CRR or CRD) determining variations of RWA; Procyclicality: change in macroeconomy or client's credit worthiness; Models: methodological changes to existing or new models; Business actions: initiatives to decrease RWA (e.g. securitizations, changes in collaterals); FX effect: impact from other exposures in foreign currencies.

(1) RWA figures excluding Pioneer and Pekao.

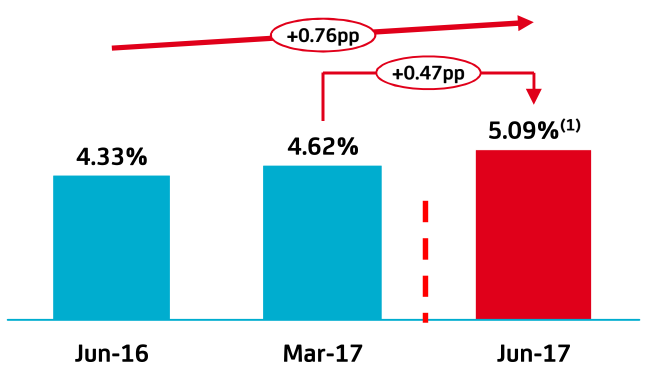
Group – Transitional ratios well above MDA levels



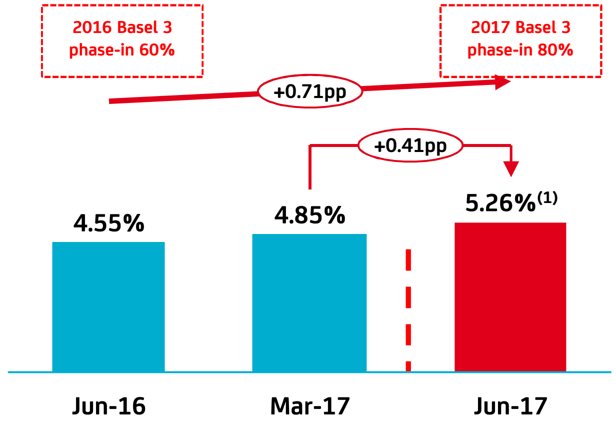
NB: Phase-in of net liability related to Defined Benefit Obligation at 40% in 2016 and 60% in 2017.

Group – Leverage ratio fully loaded at 5.09%, strongly up Q/Q and Y/Y

Basel 3 leverage ratio fully loaded



Basel 3 leverage ratio transitional



- Leverage ratio fully loaded at 5.09% in 2Q17 (+47bp Q/Q and +76bp Y/Y) mainly thanks to Pekao disposal combined with CET1 improvement and AT1 issuance
- Leverage ratio transitional at 5.26% in 2Q17 (+41bp Q/Q and +71bp Y/Y) in line with fully loaded evolution

NB: Phase-in of DBO at 40% in 2016 and 60% in 2017. Leverage ratios for Jun-16 consistent with the disclosure provided with the application of the calculation rules set by the Delegated Act 2015/62.

(1) Leverage ratio fully loaded proforma for the disposal of Pioneer at 5.40%. Leverage ratio transitional proforma for the disposal of Pioneer at 5.58%.

Concluding remarks

Transform 2019 on track: overall 2017 targets confirmed, CoR guidance revised to low 60s bp

Transform 2019 execution on track, delivering tangible results

Revenues benefitted from strong business focus, with resilient net interest, strong fee generation and trading above normalized level

Operating costs reduction confirmed thanks to Transform 2019 actions

LLPs at 564m and low cost of risk of 50bp, with reduced NPEs. Guidance of CoR for 2017 revised to low 60s bp, while confirmed at 49bp in 2019

Solid CET1 ratio fully loaded at 12.80%. Additional 84bp in 3Q17 from Pioneer disposal, expected to be largely offset by higher RWA from business growth, model changes & procyclicality in 2H17 and IFRS9 from Jan-18

Group – 2016 - 2017 non recurring items

Year	Quarter	One-offs	Net profit, m	Division
2016	1Q	Restructuring costs	-32	All divisions
		DBO Austria	-207	CBK Austria
	2Q	One-off trading gain	+96	Group CC
		LLP release	+100	Non Core
		DTA fee	-88	All divisions
		Visa Europe gain	+216	
		Restructuring costs	-55	All divisions
2017	1Q	-		
	2Q	Pekao Disposal	-310	Group CC
		Atlante 1 impairment	-135	
		Release of tax provision on NII	+90	CBK Germany
		Release of provisions on tax	+80	

Group – Monitoring KPIs

Group (bn)	1H17	2017	2019
Revenues	9.7	n.a.	20.4
Cost/income, %	59.3%	n.a.	<52%
Cost of Risk	55bp	65bp	49bp
Gross NPE stock	53.0	n.a.	44.3
Net NPE stock	23.2	n.a.	20.2
NPE coverage	56.3%	>54%	>54%
UTP coverage	43.6%	>38%	>38%
Bad loans cov.	66.5%	>65%	>63%
Net Income	1.85		4.7
RWA(1)	351.0	389.4	404.0
RoTE(1)	8.3%		>9%
CET1 ratio FL	12.80%		>12.5%

Risk Management & Capital Governance (bn)	1H17	2017	2019
Loan volumes	420.7		466.9
Deposits volumes	394.9		400.9

NB: 2017 and 2019 figures equal to CMD perimeter.

NB: Fino portfolio has been classified as Held for Sale (16.2bn gross loans, 1.8bn net loans in 2Q17). Group asset quality ratios as at 30th June 17, including the Fino portfolio: gross NPE ratio of 13.9% (14.3% in 1Q17); net NPE ratio of 5.5% (5.8% in 1Q17); NPE coverage ratio of 64.0% (63.5% in 1Q17); gross bad loans ratio of 9.3% (9.5% in 1Q17); net bad loans ratio of 2.6% (2.8% in 1Q17); bad loans coverage ratio of 74.4% (73.8 in 1Q17).

(1) 1H17 RWA figures excluding Pioneer and Pekao; CMD perimeter. Actual ratio for 1H17 equal to 8.7%.

Divisional monitoring KPIs for CBK Italy, Germany, Austria

	CBK Italy			CBK Germany			CBK Austria		
	1H17	2017	2019	1H17	2017	2019	1H17	2017	2019
Revenues, m	3,783	7,378	7,613	1,437	2,461	2,441	768		1,636
Costs, m	-2,221	-4,504	-3,972	-940	-1,886	-1,698	-556		-1,015
Cost/income	58.7%	61.0%	52.2%	65.4%	76.6%	69.6%	72.4%		62.1%
Cost of Risk	69bp	67bp	53bp	13bp	15bp	15bp	-35bp		23bp
Loans(1), m	138,209		154,322	83,134		90,794	44,626		49,117
RWA, m	81,405	87,845	90,687	35,231	35,674	36,871	21,960		24,446
RoAC	12.9%	11.5%	15.7%	14.9%	4.2%	7.1%	18.6%		13.3%
NPE ratio	6.6%		5.2%	2.5%		3.1%	4.6%		5.0%

NB: 2017 and 2019 figures equal to CMD presentation.

(1) Excluding Intercompany and repos.

Divisional monitoring KPIs for CIB, CEE

	CEE			CIB		
	1H17	2017	2019	1H17	2017	2019
Revenues, m	2,144	4,106	4,443	2,174	3,865	3,796
Costs, m	-767	-1,579	-1,647	-838	-1,723	-1,571
Cost/income	35.8%	38.5%	37.1%	38.5%	44.6%	41.4%
Cost of Risk	88bp	133bp	110bp	13bp	24bp	19bp
Loans(1), m	59,774		69,377	74,905		89,221
RWA, m	87,390	100,519	108,390	70,379	85,199	88,277
RoAC	14.3%	10.5%	12.3%	16.5%	11.1%	11.0%
NPE ratio	9.2%		8.0%	3.5%		4.3%

NB: 2017 and 2019 figures equal to CMD presentation.

(1) Excluding Intercompany and repos.

Divisional monitoring AQ KPIs for CBK Italy and Non Core

	CBK Italy		Non Core	
	1H17	2019	1H17	2019
Gross loans, bn	144.0	159.6	33.8	19.2
Gross NPE, bn	9.5	8.3	29.7	19.2
Net NPE, bn	4.5		12.8	8.1
NPE cov. ratio	52.3%	>52%	57.0%	>57%
UTP cov. ratio	40.1%	>38%	45.2%	>38%
Gross bad loans, bn	4.6	4.1	18.4	15.0
Bad loans cov. ratio	67.0%	>68%	64.4%	>63%
Recovery rate ratio(1)	7.5%	n.a	4.4%	5.0%

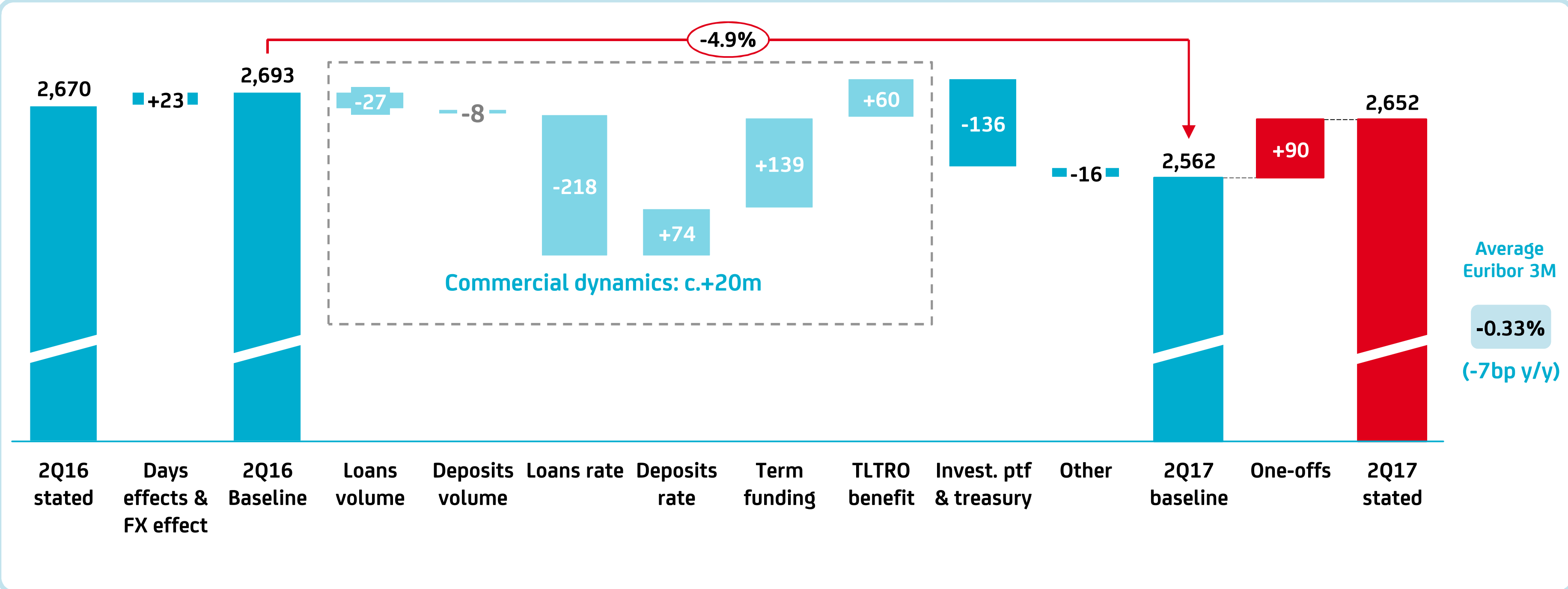
NB: 2019 figures equal to CMD presentation.

NB: Fino portfolio has been classified as Held for Sale (16.2bn gross loans, 1.8bn net loans in 2Q17). Group asset quality ratios as at 30th June 17, including the Fino portfolio: gross NPE ratio of 13.9% (14.3% in 1Q17); net NPE ratio of 5.5% (5.8% in 1Q17); NPE coverage ratio of 64.0% (63.5% in 1Q17); gross bad loans ratio of 9.3% (9.5% in 1Q17); net bad loans ratio of 2.6% (2.8% in 1Q17); bad loans coverage ratio of 74.4% (73.8 in 1Q17).

(1) Managerial ratio annualized calculated on bad loans, UTP and past due non performing exposure.

Group – Net interest yearly trend down in line with projections due to investment portfolio, confirming positive commercial dynamics despite pressure on margins

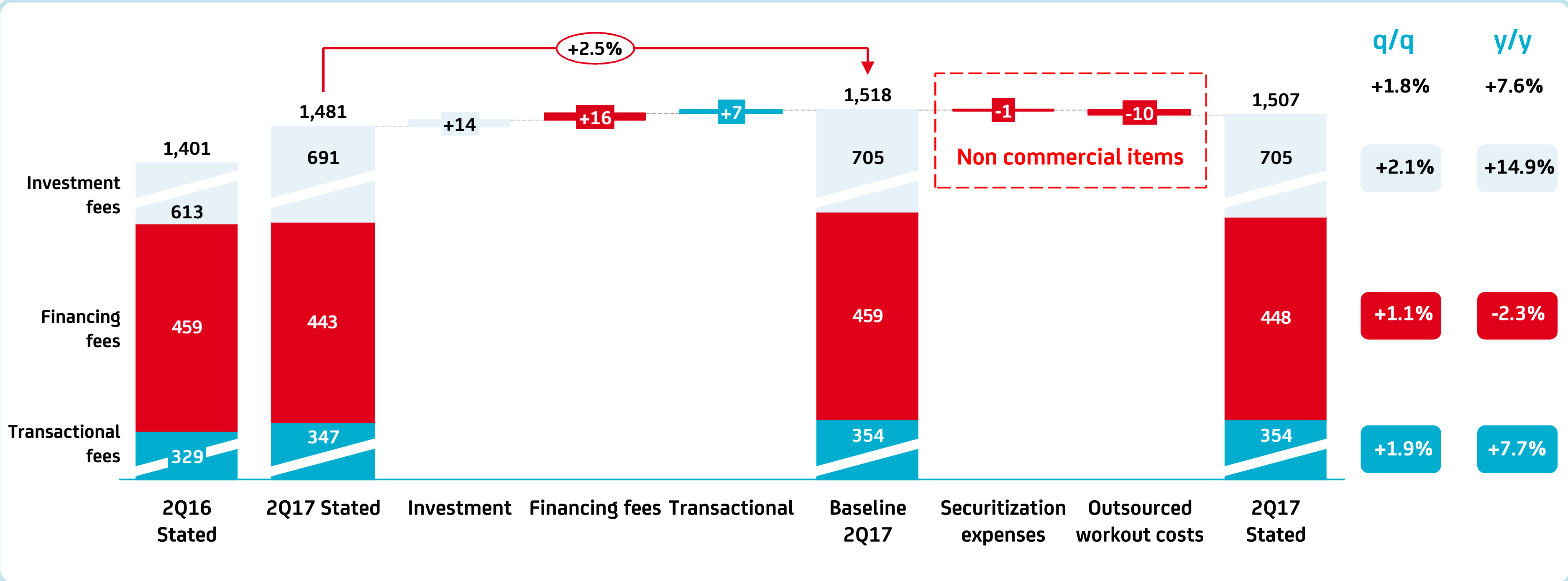
Net interest(1) bridge y/y, m



(1) Contribution from macro hedging strategy on non naturally hedged sight deposits in 2Q17 at 378m, -2m Q/Q and -15m Y/Y.

Group – Strong fee generation (stated figures) up by 7.6% Y/Y, with all categories improving

Fees bridge in 2Q17, m – stated figures



Systemic charges – Breakdown by division

2Q17, m	Systemic charges	o/w SRF	o/w DGS	o/w bank levies
CBK Italy	**-1**	-1	0	0
CBK Germany	**-12**	-2	-9	0
CBK Austria	**-4**	0	0	-4
CIB	**-9**	-5	-2	-1
FINECO	**0**	0	0	0
CEE	**-12**	0	-10	-2
Non core	**0**	0	0	0
Group CC	**18**	0	15	3
Group	**-19**	-9	-7	-4

LLPs and CoR by division

LLP breakdown, m

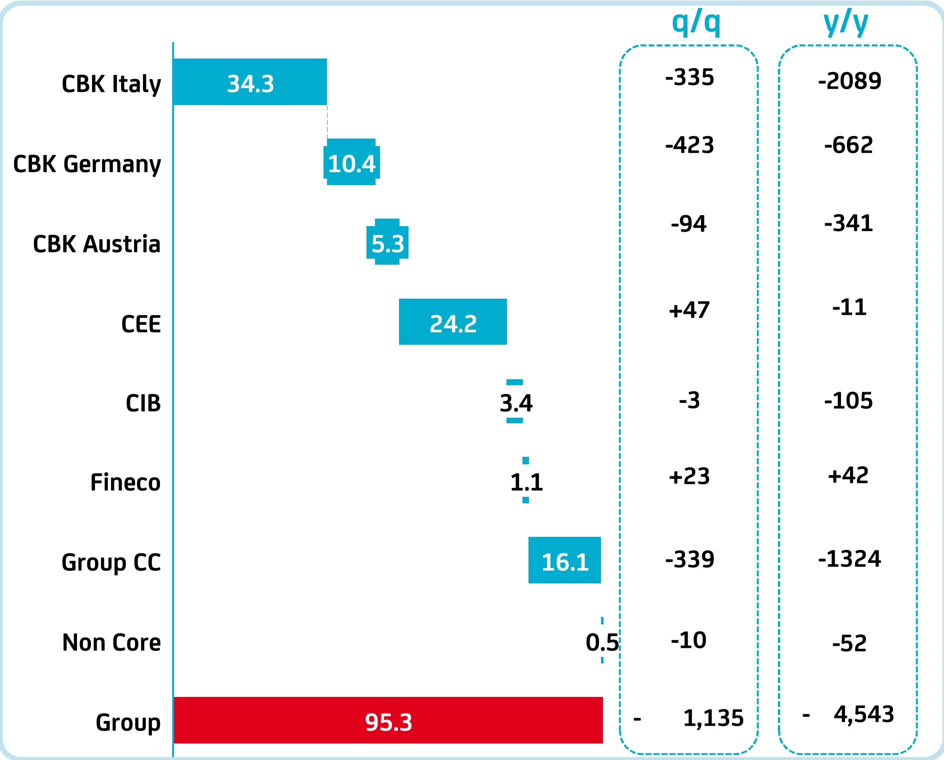
	LLP	q/q	y/y
CBK Italy	227	-5.7%	-6.4%
CBK Germany	32	+60.5%	n.m.
CBK Austria	-30	-42.4%	n.m.
CEE	81	-56.4%	-56.9%
CIB	-3	n.m.	n.m.
Fineco	1	+85.9%	-26.4%
Group CC	1	-57.4%	+33.6%
Non Core	255	+27.0%	-36.5%
Group	564	-15.8%	-36.1%

CoR breakdown, bp

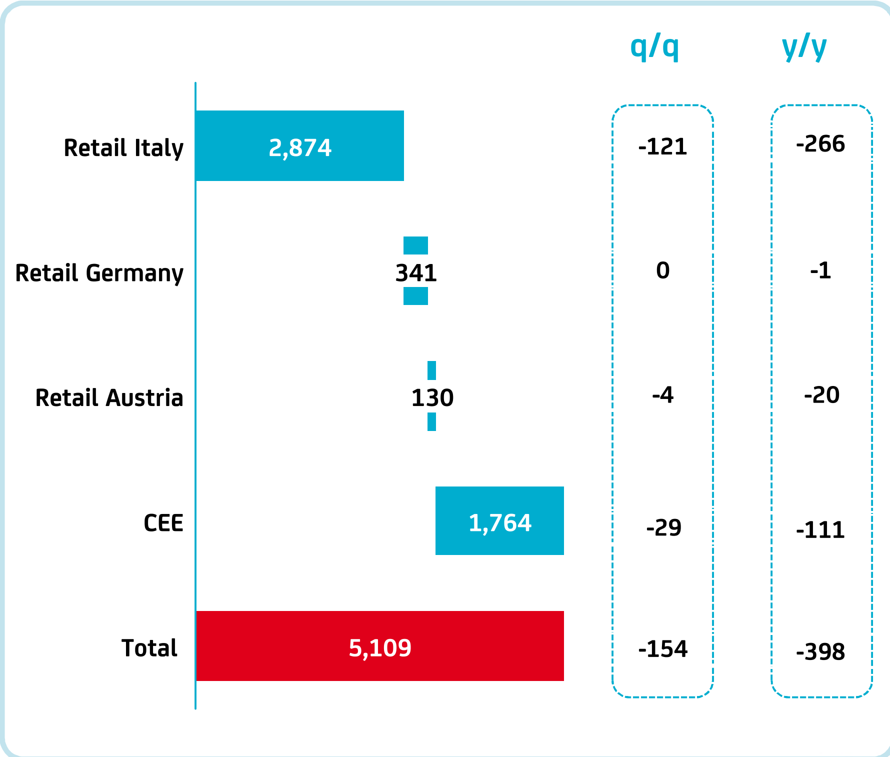
	CoR	q/q	y/y
CBK Italy	66	-5bp	-4bp
CBK Germany	16	+6bp	+19bp
CBK Austria	-25	+18bp	-17bp
CEE	53	-69bp	-75bp
CIB	-1	-28bp	-26bp
Fineco	30	+10bp	-34bp
Group CC	n.m.	n.m.	n.m.
Non Core	580	+154bp	+78bp
Group	50	-10bp	-27bp

FTEs and branches by division

FTE[1] breakdown, units



Branches[2] breakdown, units



(1) Excluding FTEs related to industrial legal entities fully consolidated (331 in 2Q17).

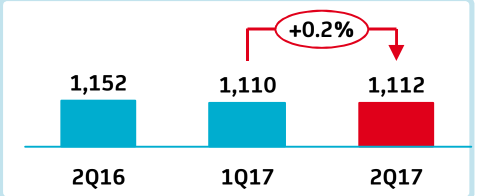
(2) Branch figures consistent with CMD perimeter.

CBK Italy – Key drivers

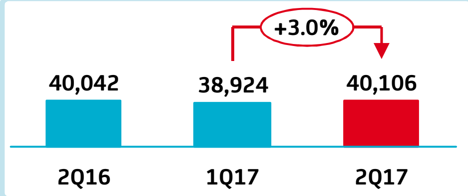
Main drivers

- Ongoing restructuring, with FTE reducing by 335 in 2Q17 (-1.0% Q/Q) and branches by 121 (-4.0% Q/Q, reaching 46% of 2019 target)
- Costs stable, with Staff expenses down and Non HR costs embedding additional marketing expenses and Transform 2019 one-offs
- Loans up by 1.9% Q/Q, with Corporate increasing by 3.0% Q/Q and Retail by 1.1%. Dynamic New production in MLT, with higher Corporate (+2.7bn, +97% Q/Q) and retail (+2.8bn, +8.4% Q/Q)
- Continued spread compression with lower rates, especially on short term loans

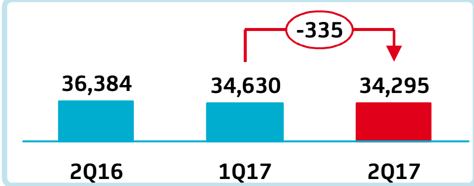
Costs,m



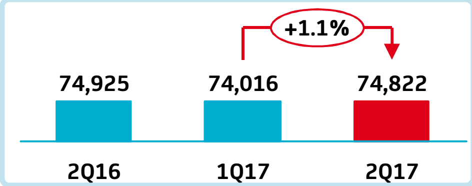
Loans to corporates[1], m



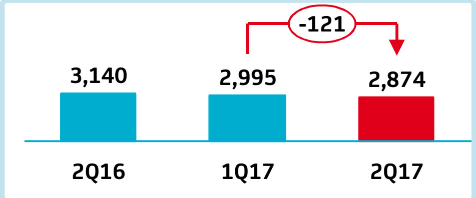
FTEs



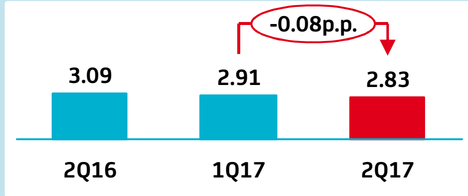
Loans to retail[1], m



Branches, k



Customer spread, %



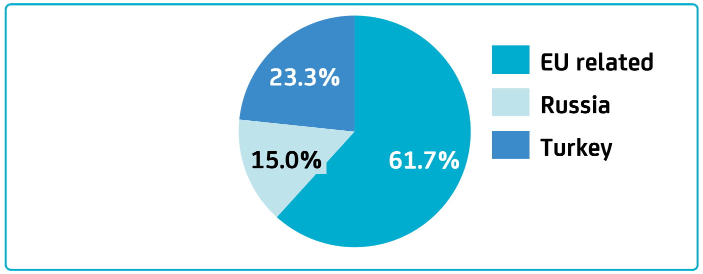
(1) Total loans in Commercial Bank Italy exclude repos & intercompanies and include: loans to retail, loans to Private, loans to Corporates, loans to leasing and loans to factoring for a total amount of 138.2bn as of 2Q17 (+1.9% Q/Q and flat Y/Y).

CEE key drivers

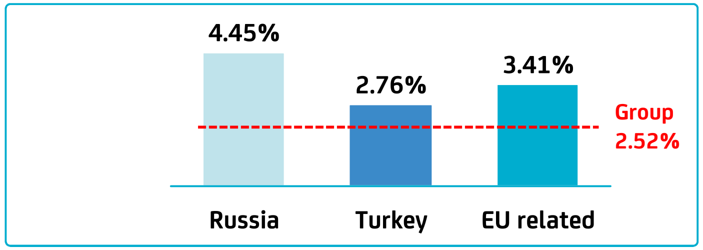
Main drivers

- High diversification of revenue base with EU related countries representing the major component
- Higher spreads across the region, confirming higher margin business in CEE resulting in RoAC of 17.4% in 2Q17
- Balanced loan/deposit ratio in CEE, with Russia confirming a sound liquidity position

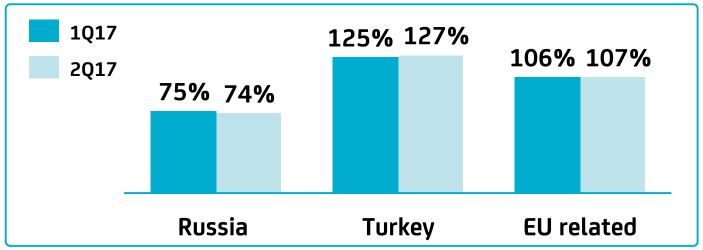
Revenues[(1)] in CEE, 2Q17



Customer spreads[(2)], 2Q17



Loans/Depos 2Q17



(1) Managerial view. Turkey on a proportional basis.

(2) Customer spreads defined the difference between Rate on customer loans and Rate on customer deposits.

Turkey – Resilient performance and positive asset quality trends

Main drivers

- Net profit increased by 10% in 1H17 vs. 1H16 at const. FX excluding gain from VISA Europe disposal in 2Q16 (-3% 1H17 vs. 1H16 stated)
- Strong core revenues in 1H17 (with net interest +12.9% vs. 1H16 and fees +9% vs. 1H16) coupled with a continuously high cost efficiency (C/I remaining below 40%)
- Cost of Risk stable at 112bp in 1H17 with Gross NPE ratio flat at 5.0%

Data in m	*2Q16*	*1Q17*	*2Q17*	*Δ % vs. 1Q17*	*Δ % vs. 1Q17 (const. FX)*	*Δ % vs. 2Q16*	*Δ % vs. 2Q16 (const. FX)*	*1H16*	*1H17*	*Δ % vs. 1H16*	*Δ % vs. 1H16 (const. FX)*
Total revenues	387	298	300	+0.9%	+1.1%	-22.3%	-6.8%	684	598	-12.6%	+5.1%
Operating costs	-137	-114	-122	+6.3%	+6.4%	-11.2%	+6.6%	-267	-236	-11.5%	+6.6%
Net operating profit	186	127	119	-6.4%	-6.2%	-36.0%	-23.5%	298	247	-17.3%	-1.1%
Net profit	147	91	86	-5.7%	-5.4%	-41.5%	-30.1%	218	177	-19.0%	-3.3%
C/I	35.5%	38.4%	40.5%	+2.1pp	+2.1pp	+5.1pp	+5.1pp	39.0%	39.5%	+0.5pp	+0.6pp
CoR (bp)	118	108	116	+8bp	+4bp	-2bp	-4bp	112	112	-1bp	+bp
Customer loans	21,880	20,661	20,280	-1.8%	+1.2%	-7.3%	+15.3%	21,880	20,280	-7.3%	+15.3%
Customer deposits	16,999	16,466	15,979	-3.0%	+0.0%	-6.0%	+16.9%	16,999	15,979	-6.0%	+16.9%
Total RWA	29,596	28,659	27,881	-2.7%	+0.3%	-5.8%	+17.2%	29,596	27,881	-5.8%	+17.2%
FX loans/Total loans	40.8%	42.1%	38.0%	-413bp	n.m.	-288bp	n.m.	40.8%	38.0%	-288bp	n.m.
Gross NPE ratio(1)	5.0%	5.2%	5.0%	-16.8bp	n.m.	+3bp	n.m.	5.0%	5.0%	+3bp	n.m.

NB: managerial view representing proportional contribution of Turkey to P&L (40.8%). In actual figures Turkey contributes to group net profit (through CEE division) only to the line "Dividends and equity investments income". RWA of Turkey contribute to Group RWA through CEE division, following the proportional consolidation of Turkey for regulatory purposes.

(1) NPE ratio not included in consolidated view following the equity accounting method.

Russia – Positive performance in a competitive environment

1 2 3 4 5 6 7 Annex – P&L

Main drivers

- Major challenge on net interest development from high liquidity on the market, triggering low demand for loans (loan volumes -17.1% Y/Y) and pressure on margins (net interest decreasing by 8% 1H17vs. 1H16)
- Fee progressed (+18% Y/Y) and continuous high efficiency resulted in a C/I ratio of 32% in 1H17
- Solid performance with a Y/Y increase of net profit by 21%, primarily due to positive development of risk costs (124bp in 1H17 vs. 189bp in 1H16)

Data in m	*2Q16*	*1Q17*	*2Q17*	*Δ % vs. 1Q17* (1)	*Δ % vs. 2Q16* (1)	*1H16*	*1H17*	*Δ % 1H16* (1)
Total revenues	189	209	193	-6.9%	-14.0%	344	402	-6.2%
o/w Net interest	*144*	*173*	*144*	*-15.7%*	*-15.2%*	*276*	*317*	*-7.7%*
o/w Fees	*21*	*26*	*28*	*+9.4%*	*+11.4%*	*37*	*54*	*+17.7%*
Operating Costs	-55	-63	-66	+4.9%	+1.3%	-102	-129	+2.0%
Gross operating profit	134	146	127	*-12.0%*	*-20.2%*	242	273	-9.6%
LLP	-52	-28	-36	+32.2%	-41.4%	-101	-64	-49.3%
Net operating profit	82	118	91	*-22.3%*	*-6.9%*	142	209	+18.6%
Net profit	63	92	69	-24.5%	-7.8%	107	161	+20.6%
RoAC	14.3%	20.5%	15.7%	-4.9pp	+1.4pp	11.7%	18.2%	+6.4pp
C/I	29.0%	30.3%	34.1%	+3.8pp	+5.1pp	29.6%	32.1%	+2.6pp
CoR (bp)	196	105	145	+40bp	-51bp	189	124	-64bp
FTE	3,957	4,100	4,083	-0.4%	+3.2%	3,957	4,083	*+3.2%*
Gross NPE ratio	7.6%	8.6%	8.5%	-8bp	+85bp	7.6%	8.5%	+85bp

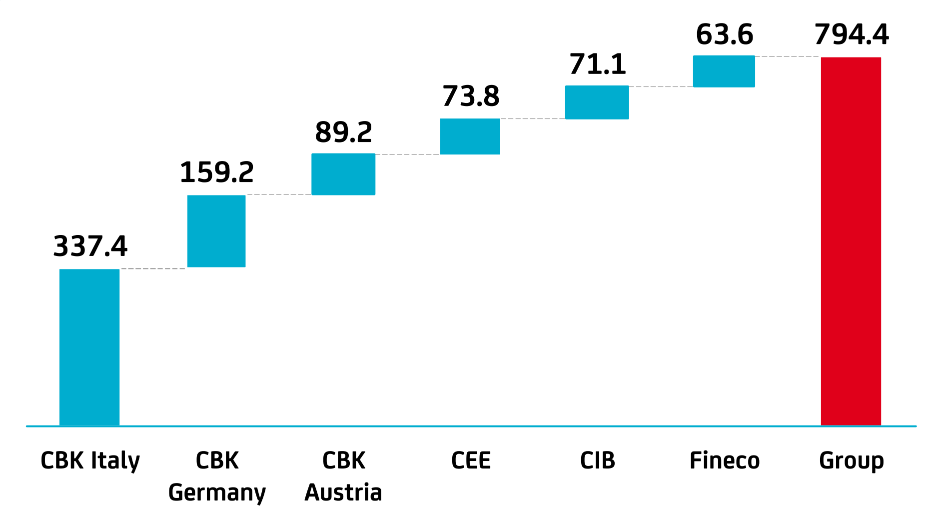
(1) Variations Q/Q and Y/Y at constant FX (RoAC, C/I, NPEs and CoR variations at current FX).

TFAs – Division breakdown

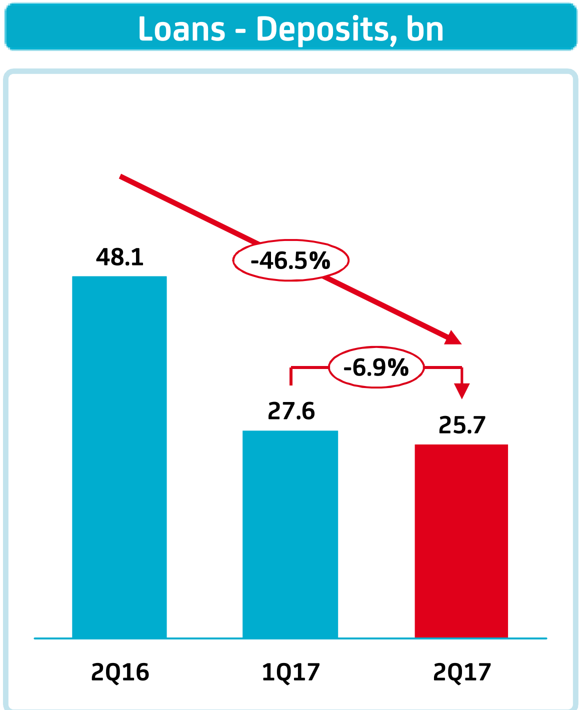
Main drivers

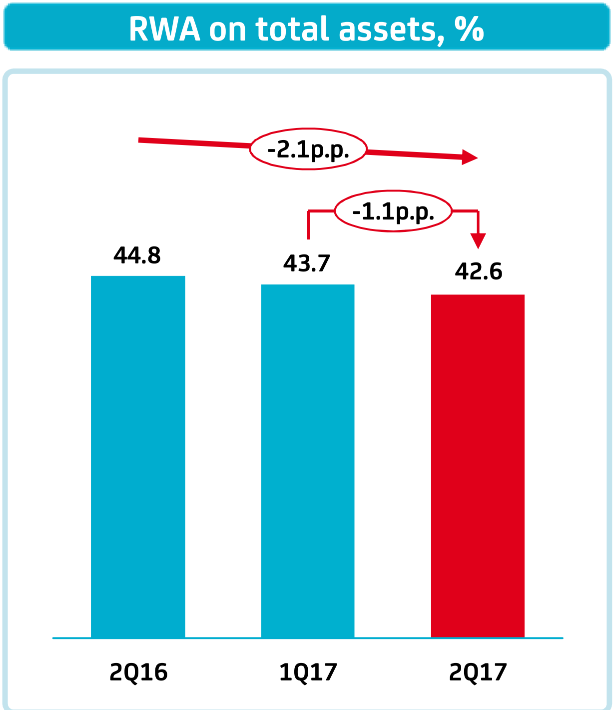
- Group TFAs amounted to about 800bn in 2Q17, increasing by 4.4% Y/Y (-0.3% Q/Q):
  - CBK Italy: TFAs up by 0.6% Q/Q to 337.4bn thanks to AuM (+2.8% Q/Q, mainly mutual funds and bancassurance)
  - CBK Germany: TFAs down by 3.5% Q/Q to 159.2bn related to lower AuC (-8.8% Q/Q) and AuM (-4.0% Q/Q). Quarterly trend impacted by outflow from low margin products from a large client and the disposal of Bank Neelmeyer
  - CBK Austria: TFAs slightly up to 89.2bn mainly thanks to AuC (+1.6% Q/Q)
  - CEE: TFAs flat at const. FX at 73.8bn
  - Fineco: TFAs up to 63.6bn mainly thanks to AuM (+2.9% Q/Q), with increasing high margin products penetration (60% on AuM +9p.p. Y/Y)

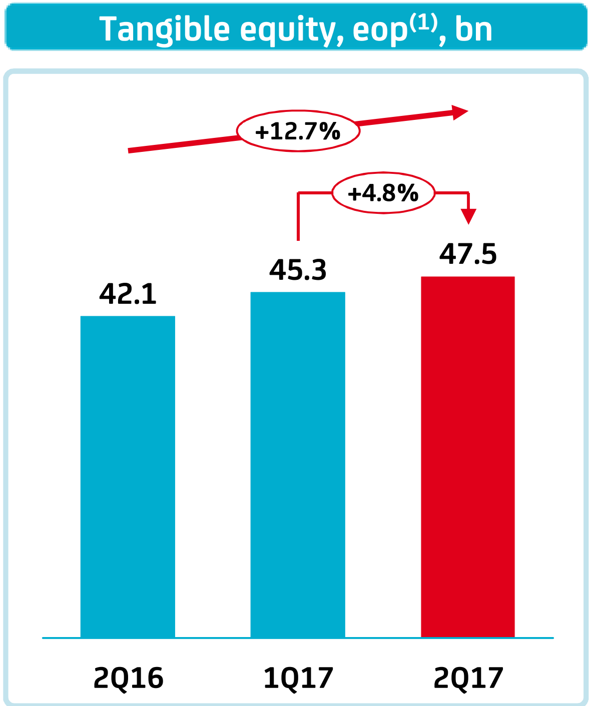
2Q17 TFAs divisional breakdown, bn



Group – Balance sheet





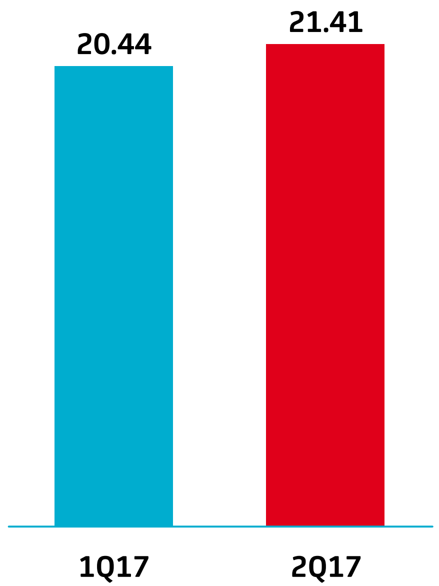


NB: loans and deposits excluding repos and intercompany.

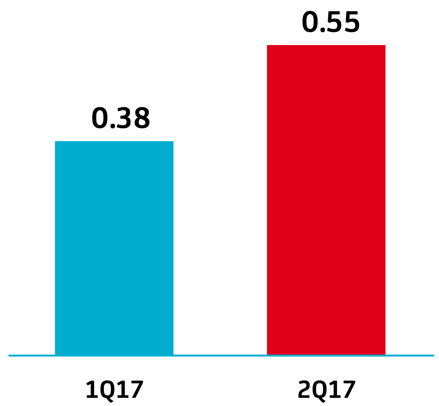
(1) Net of intangibles related to Pioneer & Pekao classified under IFRS5. Tangible equity at CMD perimeter equal to 48.3bn in 2Q17, 47.2bn in 1Q17 and 44.6bn in 2Q16.

Tangible book value per shares
Earnings per share (adjusted for gains and losses from disposals, coupons on AT1 & Cashes)

Tangible book value per share



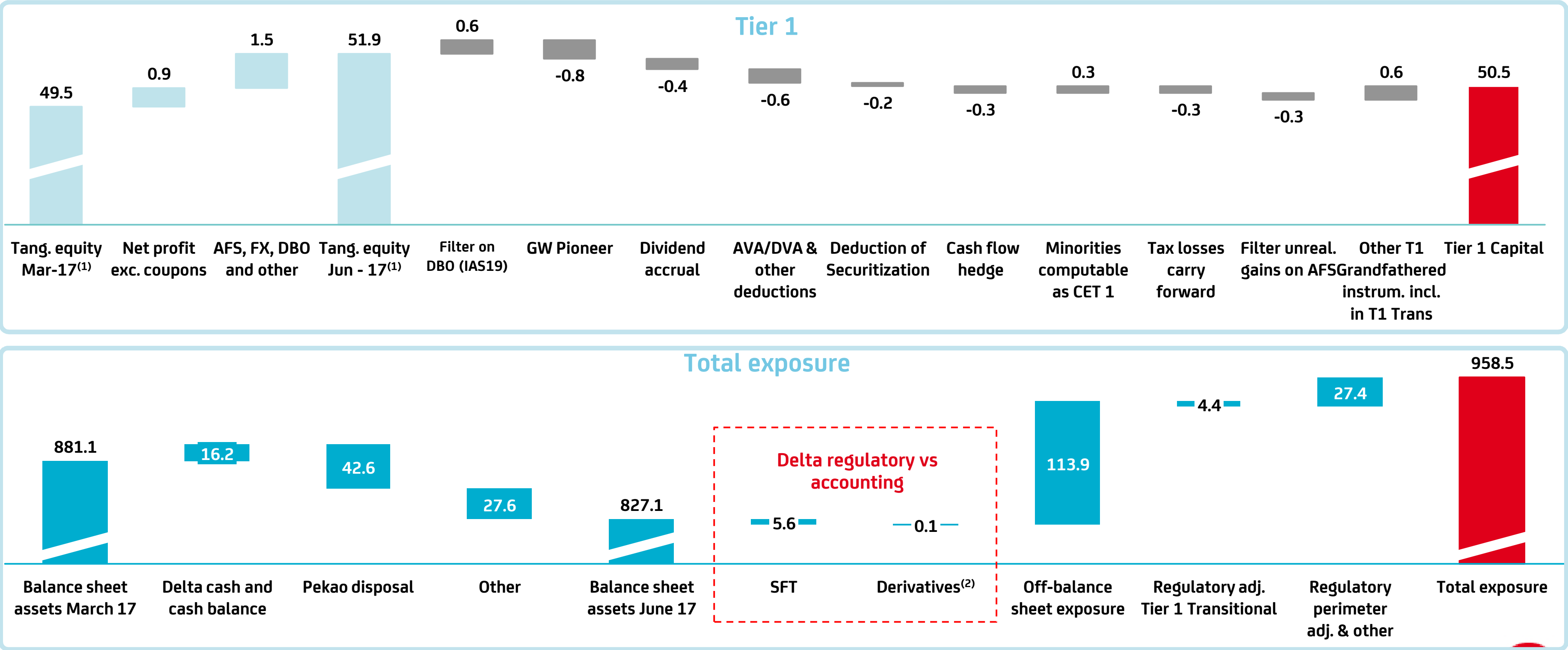
Adj. Earning per share



NB: End of period tangible book value per share; end of period number of shares excluding Treasury shares and usufruct shares related to Cashes (2,215m in 2Q17 and 2,216m in 1Q17); earnings adjusted for the P&L impact of Pekao disposal in 2Q17 (-0.3bn) the payment of coupons of AT1 and Cashes (-66m in 1Q17) and the payment of coupons of AT1 (-65m in 2Q17).

Group – Tier 1 and total exposure transitional

Tier 1 and total exposure for Basel 3 leverage ratio transitional

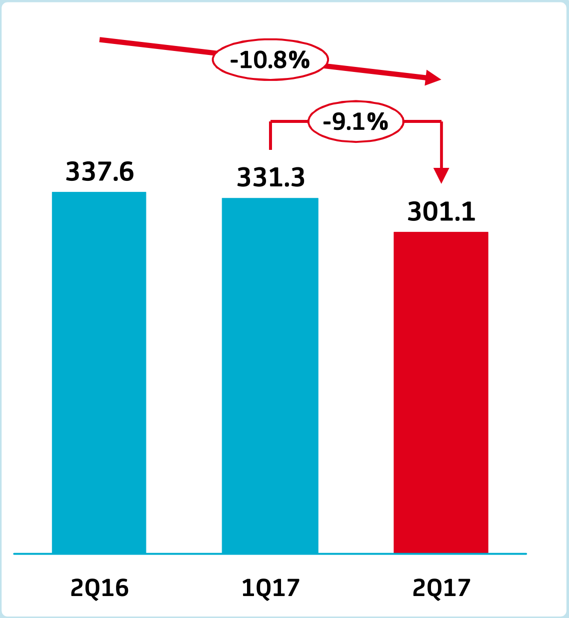


(1) Tangible equity including AT1 and goodwill related to Pioneer & Pekao classified under IFRS5 and excluded from Tier 1 capital in the regulatory walk.

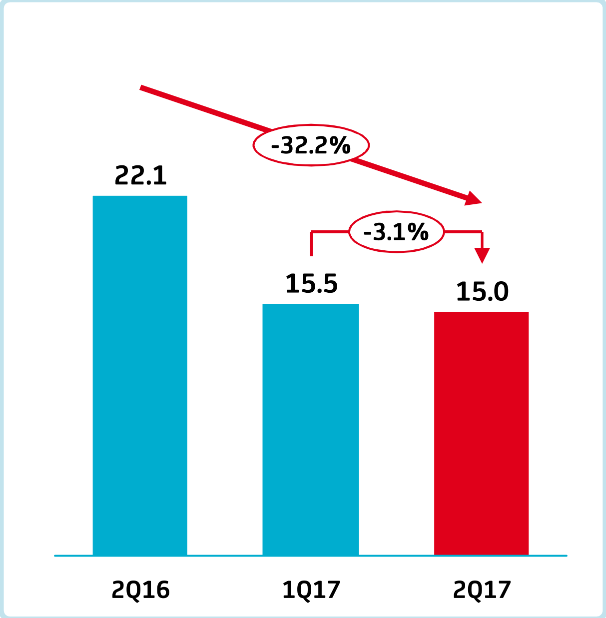
(2) SFT: Securities Financial Transactions, i.e. Repos.

Group – RWA breakdown

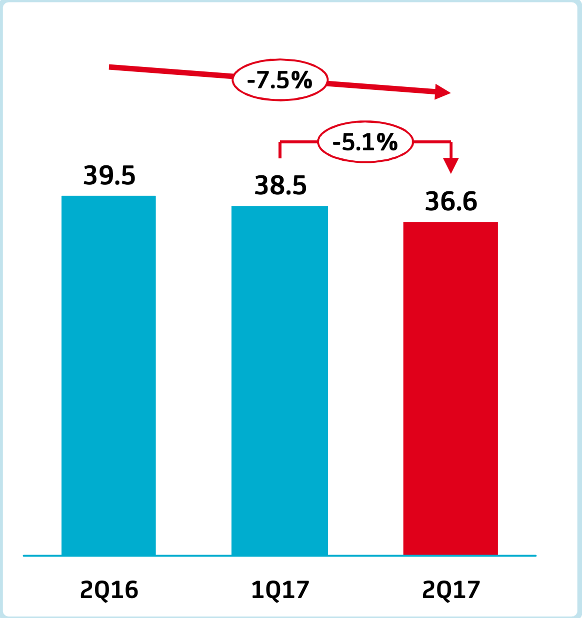
Credit RWA, bn



Market RWA, bn

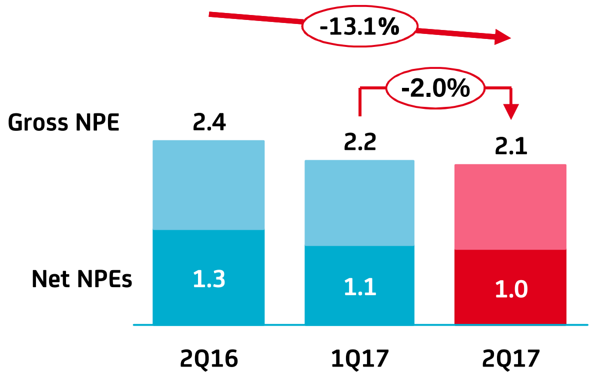


Operational RWA, bn



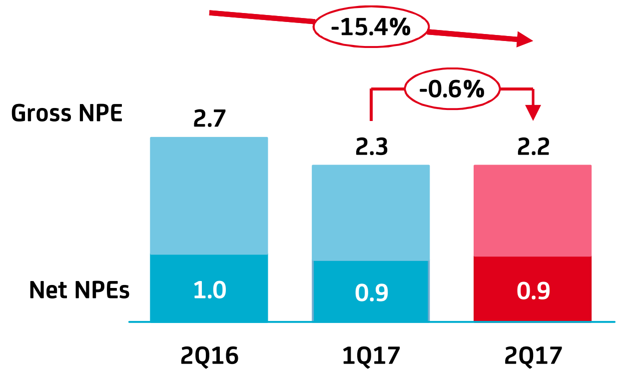
Asset quality in CBK Germany and CBK Austria

CBK Germany, bn



	2Q16	1Q17	2Q17
Gross NPE ratio	3.0%	2.6%	2.5%
Net NPE ratio	1.6%	1.3%	1.2%
Coverage ratio	47.4%	50.8%	52.7%

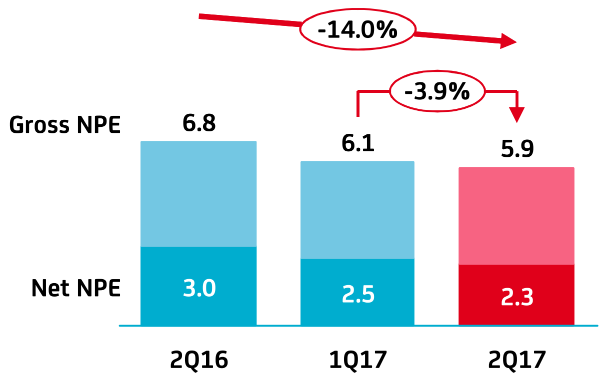
CBK Austria, bn



	2Q16	1Q17	2Q17
Gross NPE ratio	5.2%	4.6%	4.6%
Net NPE ratio	2.0%	1.9%	2.0%
Coverage ratio	63.0%	59.8%	57.8%

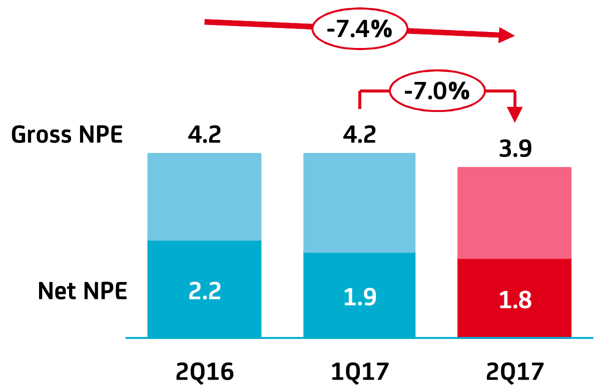
Asset quality in CEE and CIB

CEE, bn



	2Q16	1Q17	2Q17
Gross NPE ratio	10.8%	9.4%	9.2%
Net NPE ratio	5.0%	4.2%	3.8%
Coverage ratio	56.3%	58.4%	60.6%

CIB, bn



	2Q16	1Q17	2Q17
Gross NPE ratio	3.7%	3.7%	3.5%
Net NPE ratio	2.0%	1.7%	1.7%
Coverage ratio	46.5%	53.4%	53.3%

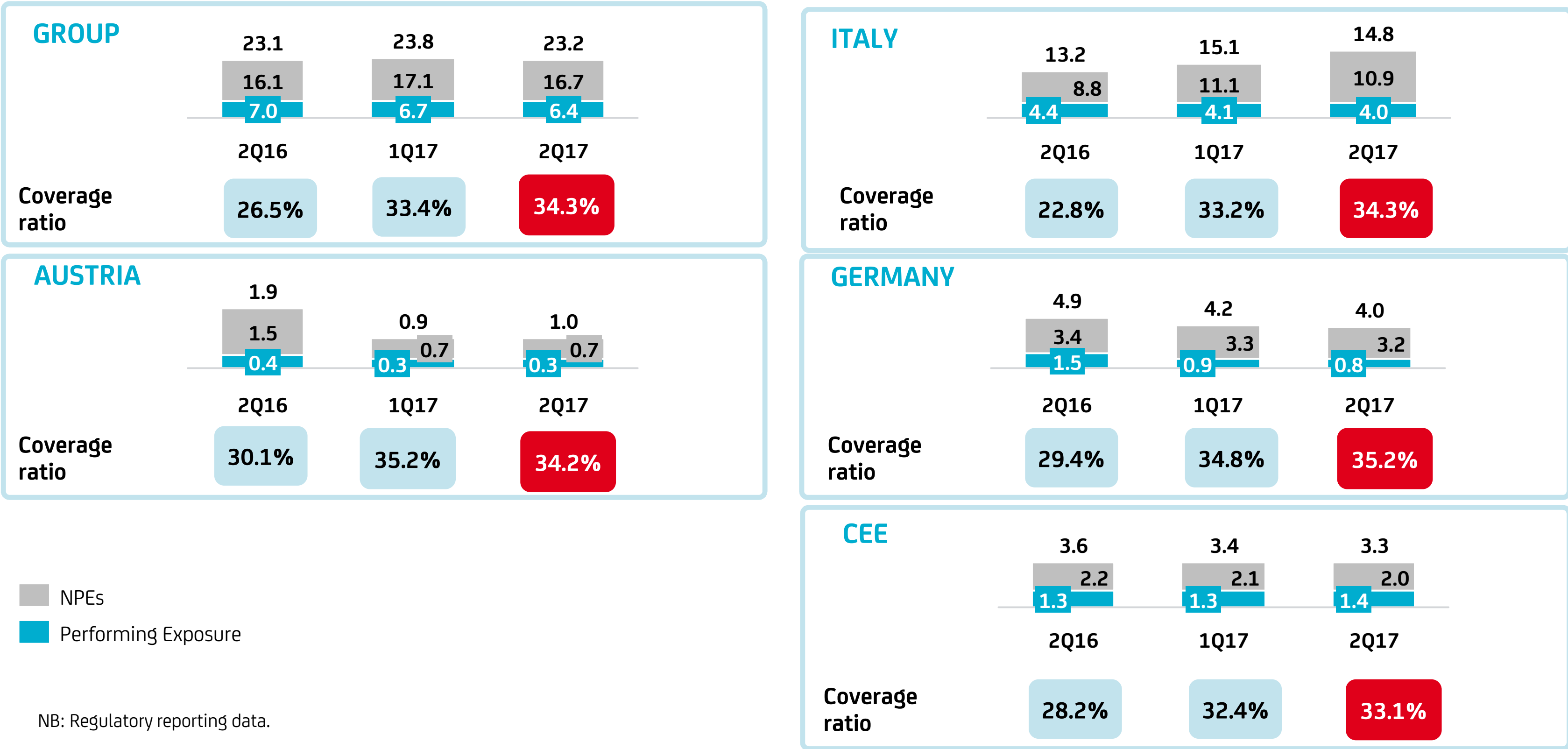
Asset quality across all divisions

	Group, 2Q17	CBK Italy	CBK Germany	CBK Austria	CIB	CEE	Non Core
Gross Loans, m	482,222	143,951	84,629	48,586	109,906	64,177	33,768
Gross NPE ratio	11.0%	6.6%	2.5%	4.6%	3.5%	9.2%	88.0%
Bad loans ratio	6.2%	3.2%	2.0%	2.3%	1.6%	3.9%	54.6%
UTP ratio	4.5%	3.0%	0.4%	2.3%	1.9%	4.8%	32.8%
Past due ratio	0.3%	0.4%	0.1%	0.1%	0.0%	0.5%	0.6%
NPE coverage	56.3%	52.3%	52.7%	57.8%	53.3%	60.6%	57.0%
Bad loans coverage	66.5%	67.0%	61.1%	86.0%	61.0%	81.2%	64.4%
UTP coverage	43.6%	40.1%	22.0%	30.4%	47.0%	46.3%	45.2%

Fino portfolio has been classified as Held for Sale (16.2bn gross loans, 1.8bn net loans in 2Q17). Group asset quality ratios as at 30th June 17, including the Fino portfolio: gross NPE ratio of 13.9% (14.3% in 1Q17); net NPE ratio of 5.5% (5.8% in 1Q17); NPE coverage ratio of 64.0% (63.5% in 1Q17); gross bad loans ratio of 9.3% (9.5% in 1Q17); net bad loans ratio of 2.6% (2.8% in 1Q17); bad loans coverage ratio of 74.4% (73.8 in 1Q17).

Asset quality – Forborne exposures by region

Forborne loans, bn



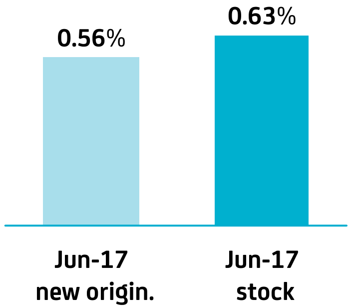
NB: Regulatory reporting data.

Group EL stock at 39bp with new origination contribution at 35bp

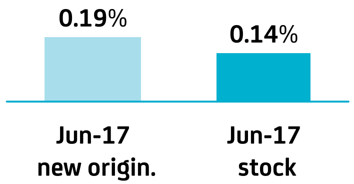
Main drivers

Group EL stock at 39bp with new origination contribution at 35bp

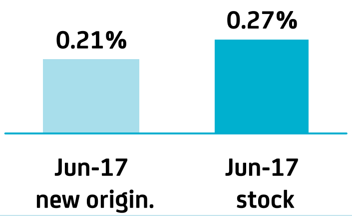
CBK Italy



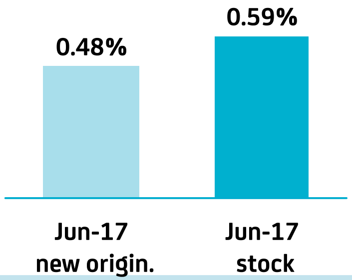
CBK Germany



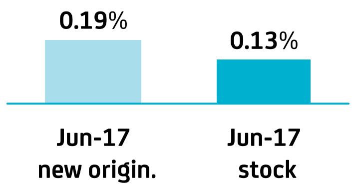
CBK Austria



CEE



CIB

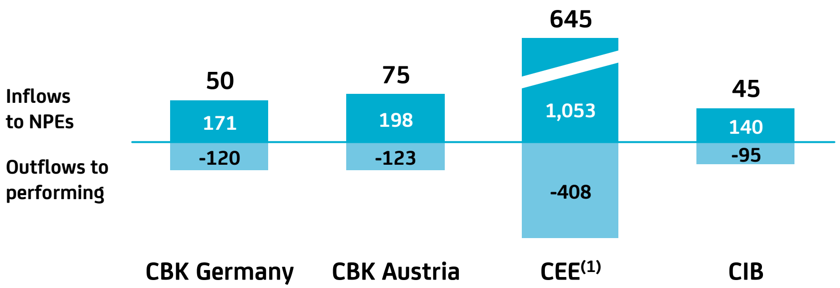


NB: Impact of procyclicality and model changes in 2H17 envisaged at c.4bp for the Group and c.12bp for CBK Italy (preliminary estimates based on 30 June figures).

CBK Germany, CBK Austria, CEE and CIB – Asset quality NPE Dynamics

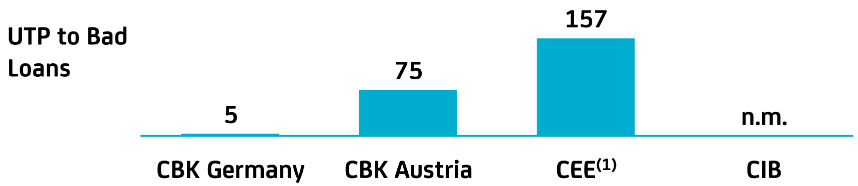
Net flows to NPEs, recoveries and write-offs - 1H17, m

	CBK Germany	CBK Austria	CEE(1)	CIB
Recoveries	235	241	211	471
Write-off	55	125	87	112



	CBK Germany	CBK Austria	CEE(1)	CIB
Default rate	0.4%	0.8%	3.8%	0.3%
Cure rate	10.3%	9.9%	14.3%	4.4%

Migrations from Unlikely-to-pay to Bad loans - 1H17, m

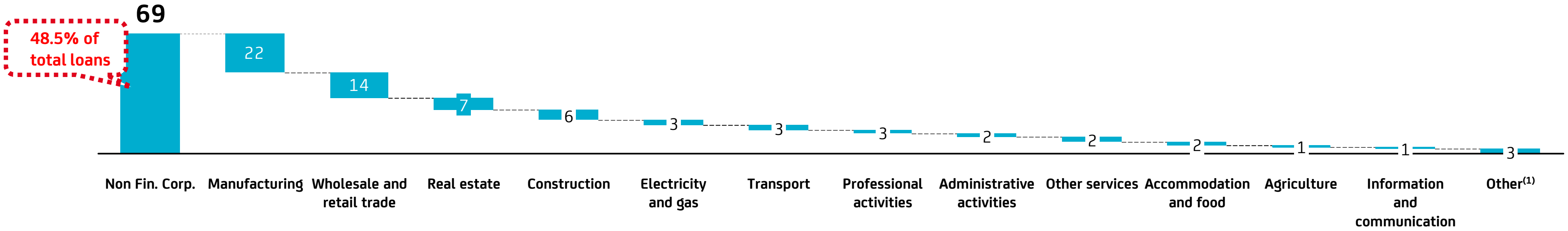


	CBK Germany	CBK Austria	CEE(1)	CIB
Migration rate	2.4%	12.6%	13.1%	n.m.

(1) Including Profit Center Milan.

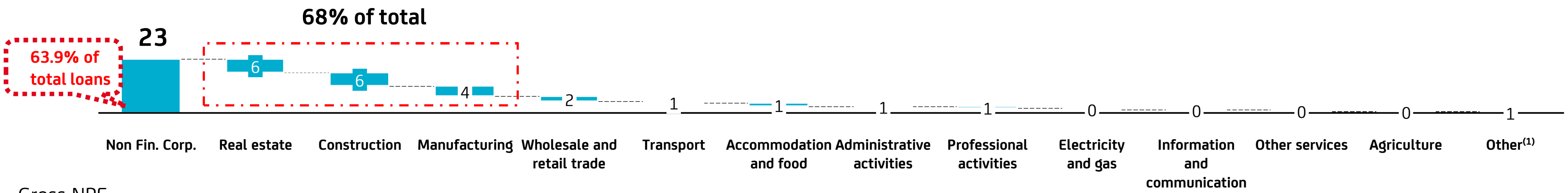
CBK ITA and Non CORE – Asset quality by industry

CBK ITA – Gross loans break down by Nace Classification



	Non Fin. Corp.	Manufacturing	Wholesale and retail trade	Real estate	Construction	Electricity and gas	Transport	Professional activities	Administrative activities	Other services	Accommodation and food	Agriculture	Information and communication	Other(1)
Gross NPE ratio %	10.1	7.2	10.0	8.1	18.0	13.2	15.1	15.6	16.4	8.4	6.6	3.9	9.0	9.9

NON CORE - Gross loans break down by Nace Classification



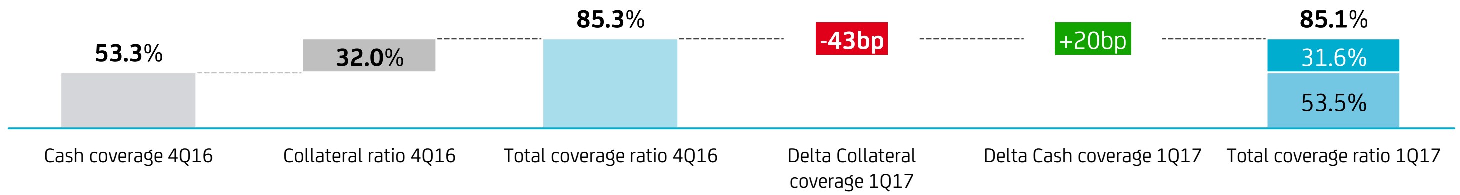
	Non Fin. Corp.	Real estate	Construction	Manufacturing	Wholesale and retail trade	Transport	Accommodation and food	Administrative activities	Professional activities	Electricity and gas	Information and communication	Other services	Agriculture	Other(1)
Gross NPE ratio %	87.1	81.6	93.7	88.9	89.0	81.7	79.4	89.8	92.6	69.8	88.8	90.9	83.6	81.6

Note: Region Italy perimeter excluded: household, financial corporation and public sector

(1) Other includes other NACE code.

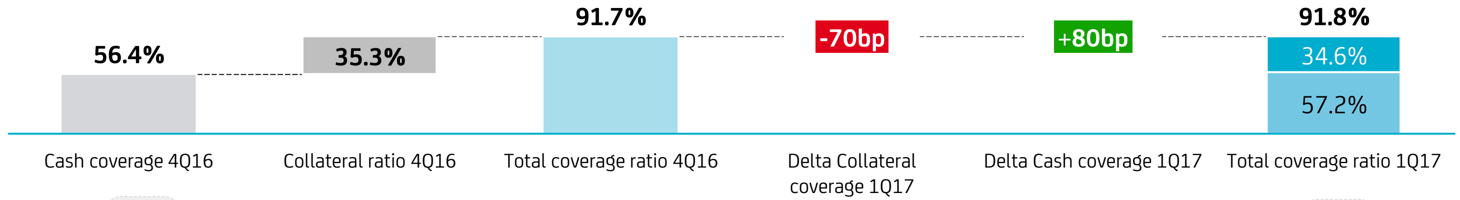
CBK ITA and Non CORE – Collateralization level

CBK ITA - NPE Cash + Collateral coverage ratio walk



	4Q16	1Q17
NPE stock, bn	9.6	10.0
o/w unsecured	41%	42%
o/w secured	59%	58%
o/w RE guarantees	49%	50%

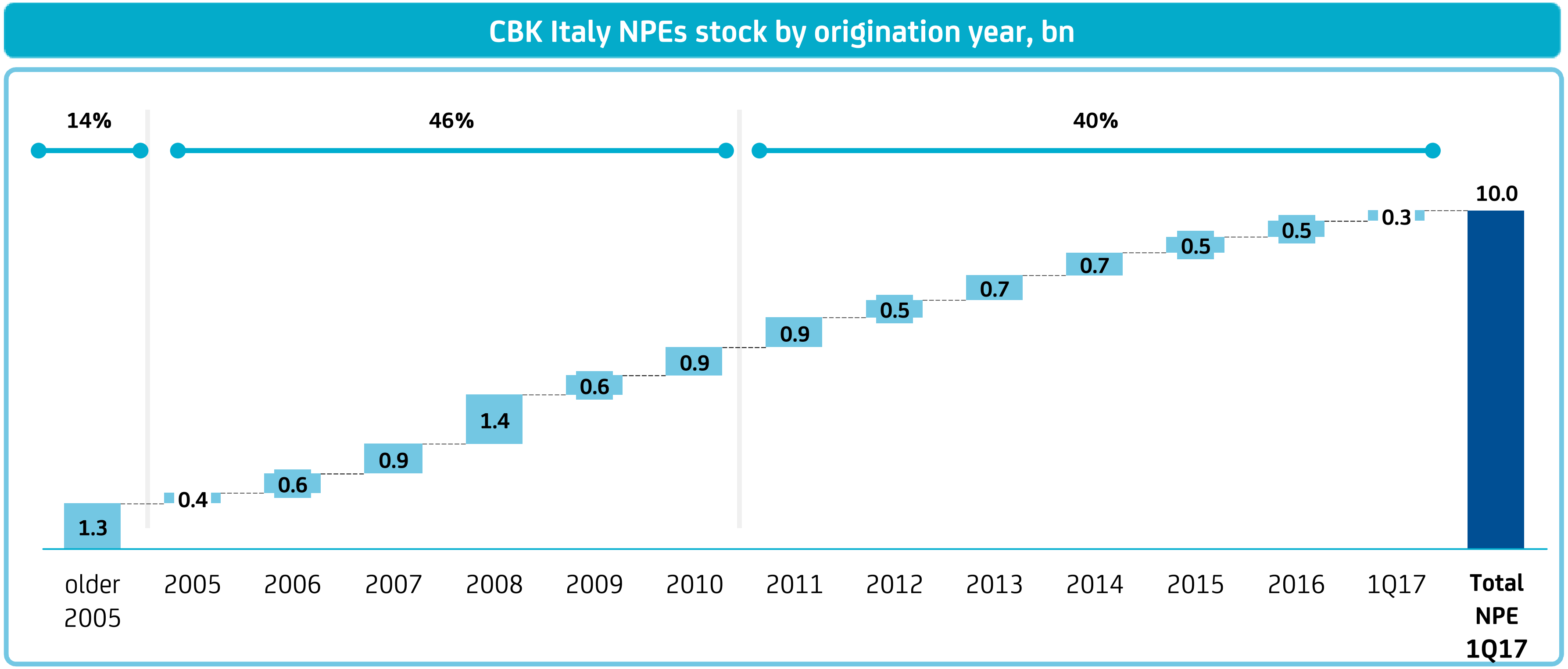
NON CORE - NPE Cash + Collateral coverage ratio walk



	4Q16	1Q17
NPE stock, bn	31.5	30.9
o/w unsecured	29%	30%
o/w secured	71%	70%
o/w RE guarantees	62%	62%

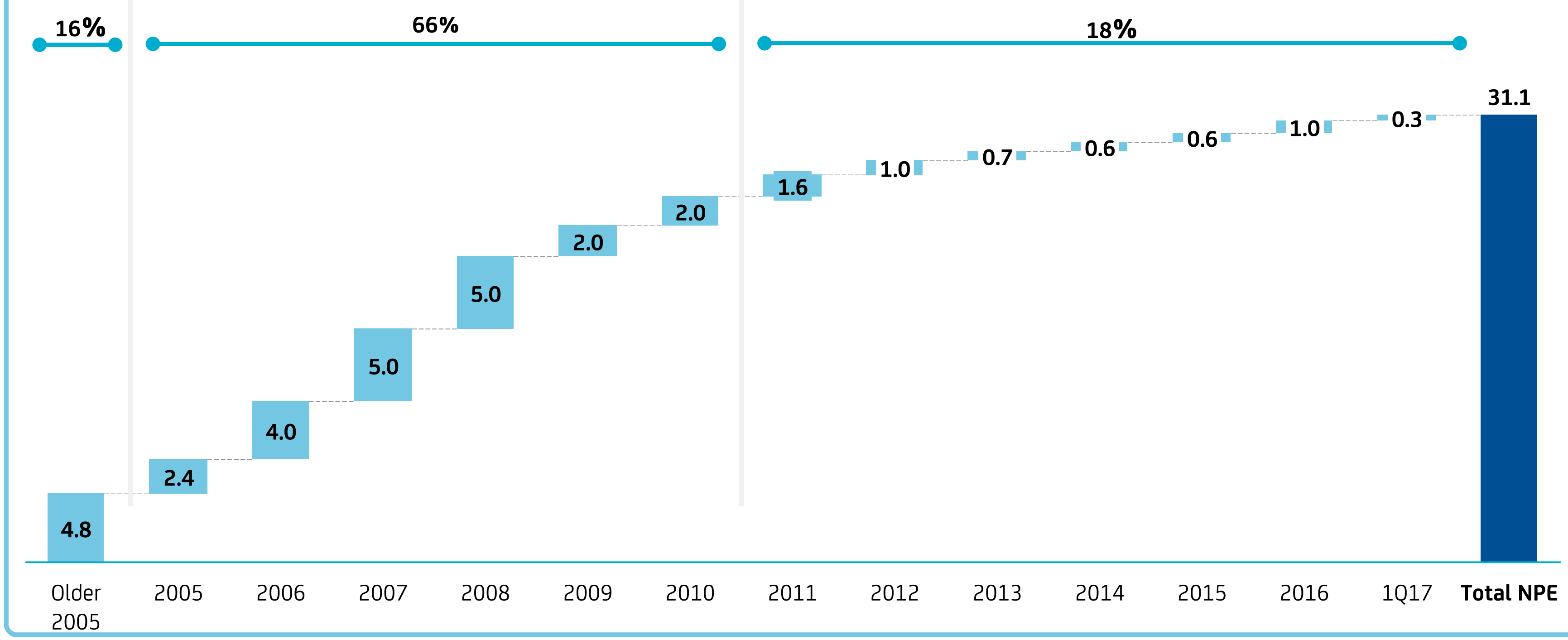
NB: FINO Portfolio not included; Collateral ratio calculated as EBA methodology = Collateral value capped at net loan level / Gross Loan.

CBK Italy – NPEs stock by origination year



Non Core - Gross NPEs breakdown by origination date

Non Core – Gross NPEs stock by origination date, bn



Group – P&L and volumes

Data in m	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	Δ % vs. 1Q17	Δ % vs. 2Q16	1H16	1H17	Δ % vs. 1H16
Total revenues	4,674	5,262	4,642	4,223	4,833	4,855	+0.4%	-7.8%	9,937	9,688	-2.5%
Operating costs	-2,976	-2,982	-2,940	-3,555	-2,886	-2,858	-1.0%	-4.2%	-5,958	-5,744	-3.6%
Gross operating profit	1,698	2,280	1,702	667	1,947	1,997	+2.6%	-12.4%	3,979	3,944	-0.9%
LLPs	-760	-884	-977	-9,586	-670	-564	-15.8%	-36.1%	-1,644	-1,235	-24.9%
Profit before taxes	288	837	445	-12,547	833	1,117	+34.1%	+33.4%	1,125	1,950	+73.3%
Net profit from discontinued	398	379	378	-525	376	79	-79.0%	-79.1%	778	456	-41.4%
Net profit	406	916	447	-13,558	907	945	+4.2%	+3.3%	1,321	1,853	+40.2%
Cost / Income ratio, %	63.7%	56.7%	63.3%	84.2%	59.7%	58.9%	-0.9pp	+2.2pp	60.0%	59.3%	-0.7pp
Cost of risk, bp	67	77	85	855	60	50	-10bp	-27bp	72	55	-17bp
RoTE	3.8%	8.7%	4.2%	n.m.	9.4%	8.2%	-1.3pp	-0.5pp	6.3%	8.7%	+2.4pp
Customer loans	421,077	428,459	426,150	417,868	419,267	420,655	+0.3%	-1.8%	428,459	420,655	-1.8%
Customer deposits	379,626	380,401	386,139	395,979	391,645	394,944	+0.8%	+3.8%	380,401	394,944	+3.8%
Total RWA	394,359	399,260	390,901	387,136	385,262	352,669	-8.5%	-11.7%	399,260	352,669	-11.7%
FTEs (#)	100,139	99,831	99,183	98,304	96,423	95,288	-1.2%	-4.6%	99,831	95,288	-4.6%

NB: loans and deposits excluding repos.

Group exc. Non Core – P&L and volumes

Data in m	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	Δ % vs. 1Q17	Δ % vs. 2Q16	1H16	1H17	Δ % vs. 1H16
Total revenues	4,685	5,328	4,709	4,353	4,874	4,903	+0.6%	-8.0%	10,012	9,778	-2.3%
Operating costs	-2,926	-2,962	-2,904	-3,503	-2,843	-2,837	-0.2%	-4.2%	-5,888	-5,681	-3.5%
Gross operating profit	1,758	2,366	1,805	850	2,031	2,066	+1.7%	-12.7%	4,124	4,097	-0.7%
LLPs	-417	-482	-432	-2,027	-470	-310	-34.1%	-35.8%	-900	-779	-13.4%
Profit before taxes	721	1,347	1,100	-4,756	1,142	1,451	+27.0%	+7.7%	2,068	2,593	+25.4%
Net profit	699	1,230	892	-5,231	1,112	1,161	+4.4%	-5.6%	1,929	2,273	+17.8%
Cost / Income ratio, %	62.5%	55.6%	61.7%	80.5%	58.3%	57.9%	-0.5pp	+2.3pp	58.8%	58.1%	-0.7pp
Cost of risk, bp	40	45	40	191	44	29	-15bp	-17bp	43	36	-7bp
RoAC	5.7%	10.0%	7.4%	n.m.	10.3%	10.9%	+66bp	+0.9pp	7.9%	10.6%	+2.7pp
Customer loans	387,915	397,785	396,655	398,906	401,029	404,264	+0.8%	+1.6%	397,785	404,264	+1.6%
Customer deposits	378,288	379,335	385,056	395,009	390,653	393,908	+0.8%	+3.8%	379,335	393,908	+3.8%
Total RWA	365,256	371,908	364,650	360,940	360,032	329,926	-8.4%	-11.3%	371,908	329,926	-11.3%
FTEs (#)	99,461	99,278	98,646	97,776	95,913	94,788	-1.2%	-4.5%	99,278	94,788	-4.5%

NB: loans and deposits excluding repos and intercompany.

Commercial Bank Italy – P&L and volumes

Data in m	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	Δ % vs. 1Q17	Δ % vs. 2Q16	1H16	1H17	Δ % vs. 1H16
Total revenues	1,931	1,990	1,835	1,678	1,856	1,927	+3.8%	-3.2%	3,921	3,783	-3.5%
Operating costs	-1,165	-1,152	-1,140	-1,115	-1,110	-1,112	+0.2%	-3.5%	-2,317	-2,221	-4.1%
Gross operating profit	766	837	695	562	747	815	+9.2%	-2.7%	1,604	1,562	-2.6%
LLPs	-228	-243	-240	-1,292	-241	-227	-5.7%	-6.4%	-471	-468	-0.5%
Profit before taxes	454	426	325	-1,758	454	495	+9.1%	+16.2%	880	949	+7.8%
Net profit	309	288	225	-1,424	317	328	+3.6%	+14.0%	597	645	+7.9%
Cost / Income ratio, %	60.3%	57.9%	62.1%	66.5%	59.8%	57.7%	-2.1pp	-0.2pp	59.1%	58.7%	-0.4pp
Cost of risk, bp	68	71	70	380	71	66	-5bp	-4bp	70	69	-1bp
RoAC	11.7%	11.1%	8.2%	n.m.	12.8%	13.0%	+bp	+1.9pp	11.4%	12.9%	+1.5pp
Customer loans	135,620	138,282	136,991	134,906	135,597	138,209	+1.9%	-0.1%	138,282	138,209	-0.1%
Customer deposits	125,440	126,683	128,391	134,495	132,662	134,830	+1.6%	+6.4%	126,683	134,830	+6.4%
Total RWA	79,040	79,488	78,826	79,043	78,747	81,405	+3.4%	+2.4%	79,488	81,405	+2.4%
FTEs (#)	36,322	36,384	35,587	35,250	34,630	34,295	-1.0%	-5.7%	36,384	34,295	-5.7%

NB: loans and deposits excluding repos and intercompany.

Commercial Bank Germany – P&L and volumes

Data in m	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	Δ % vs. 1Q17	Δ % vs. 2Q16	1H16	1H17	Δ % vs. 1H16
Total revenues	657	609	599	619	703	734	+4.3%	+20.4%	1,266	1,437	+13.5%
Operating costs	-479	-480	-475	-471	-476	-463	-2.7%	-3.4%	-959	-940	-2.0%
Gross operating profit	178	129	125	148	227	270	+19.0%	n.m.	307	497	+62.1%
LLPs	22	7	-21	36	-20	-32	+60.5%	n.m.	29	-52	n.m.
Profit before taxes	163	142	109	-213	172	202	+18.0%	+42.4%	305	374	+22.6%
Net profit	111	95	70	-149	113	239	n.m.	n.m.	206	353	+70.9%
Cost / Income ratio, %	73.0%	78.8%	79.2%	76.1%	67.7%	63.2%	-4.5pp	-15.6pp	75.8%	65.4%	-10.4pp
Cost of risk, bp	-11	-3	10	-18	10	16	+6bp	+19bp	-7	13	+20bp
RoAC	8.4%	7.0%	4.8%	n.m.	9.2%	20.5%	+11bp	+13.5pp	7.7%	14.9%	+7.2pp
Customer loans	79,593	80,508	80,721	80,660	82,698	83,134	+0.5%	+3.3%	80,508	83,134	+3.3%
Customer deposits	81,943	85,769	87,442	86,603	83,804	84,393	+0.7%	-1.6%	85,769	84,393	-1.6%
Total RWA	34,770	35,372	35,015	36,109	36,436	35,231	-3.3%	-0.4%	35,372	35,231	-0.4%
FTEs (#)	11,213	11,036	11,071	10,946	10,798	10,375	-3.9%	-6.0%	11,036	10,375	-6.0%

NB: loans and deposits excluding repos and intercompany.

Commercial Bank Austria – P&L and volumes

Data in m	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	Δ % vs. 1Q17	Δ % vs. 2Q16	1H16	1H17	Δ % vs. 1H16
Total revenues	381	446	412	401	366	402	+10.0%	-9.7%	826	768	-7.1%
Operating costs	-313	-320	-295	-309	-284	-272	-4.1%	-14.9%	-633	-556	-12.2%
Gross operating profit	67	126	116	92	82	130	+58.9%	+3.5%	193	212	+9.9%
LLPs	-4	10	21	-60	52	30	-42.4%	n.m.	7	82	n.m.
Profit before taxes	-205	111	100	-342	51	170	n.m.	+53.5%	-95	221	n.m.
Net profit	-207	88	97	-365	68	205	n.m.	n.m.	-119	273	n.m.
Cost / Income ratio, %	82.3%	71.8%	71.8%	77.1%	77.6%	67.6%	-10.0pp	-4.1pp	76.6%	72.4%	-4.3pp
Cost of risk, bp	3	-9	-17	49	-44	-25	+18bp	-17bp	-3	-35	-32bp
RoAC	n.m.	11.0%	12.2%	n.m.	9.0%	28.2%	+19bp	+17.2pp	-8.6%	18.6%	+27.1pp
Customer loans	44,708	44,383	44,512	44,984	44,960	44,626	-0.7%	+0.5%	44,383	44,626	+0.5%
Customer deposits	47,251	47,060	47,322	47,096	46,711	46,375	-0.7%	-1.5%	47,060	46,375	-1.5%
Total RWA	24,735	23,685	23,536	23,675	22,423	21,960	-2.1%	-7.3%	23,685	21,960	-7.3%
FTEs (#)	5,764	5,671	5,645	5,596	5,424	5,329	-1.7%	-6.0%	5,671	5,329	-6.0%

NB: loans and deposits excluding repos and intercompany.

CIB – P&L and volumes

Data in m	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	Δ % vs. 1Q17	Δ % vs. 2Q16	1H16	1H17	Δ % vs. 1H16
Total revenues	1,070	1,127	1,058	965	1,152	1,023	-11.2%	-9.3%	2,196	2,174	-1.0%
Operating costs	-422	-437	-434	-428	-428	-410	-4.3%	-6.3%	-860	-838	-2.5%
Gross operating profit	647	690	624	537	723	613	-15.3%	-11.1%	1,337	1,336	-0.0%
LLPs	-62	-67	-29	-408	-72	3	n.m.	n.m.	-129	-70	-46.2%
Profit before taxes	442	577	570	-258	541	601	+11.1%	+4.3%	1,019	1,143	+12.2%
Net profit	300	378	375	119	369	398	+8.0%	+5.4%	677	767	+13.2%
Cost / Income ratio, %	39.5%	38.8%	41.0%	44.4%	37.2%	40.1%	+2.9pp	+1.3pp	39.1%	38.5%	-0.6pp
Cost of risk, bp	24	25	11	157	27	-1	-28bp	-26bp	25	13	-12bp
RoAC	13.7%	16.3%	15.7%	4.3%	15.6%	17.5%	+1.9pp	+1.2pp	15.0%	16.5%	+1.5pp
Customer loans	67,755	73,035	72,024	75,470	74,457	74,905	+0.6%	+2.6%	73,035	74,905	+2.6%
Customer deposits	46,074	43,616	44,631	45,770	45,211	46,839	+3.6%	+7.4%	43,616	46,839	+7.4%
Total RWA	72,730	79,604	74,187	74,977	71,730	70,379	-1.9%	-11.6%	79,604	70,379	-11.6%
FTEs (#)	3,577	3,521	3,506	3,453	3,419	3,417	-0.1%	-3.0%	3,521	3,417	-3.0%

NB: loans and deposits excluding repos and intercompany.

CEE division – P&L and volumes

Data in m	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	Δ const % 1Q17	Δ const % 2Q16	1H16	1H17	Δ const % 1H16
Total revenues	942	1,169	1,057	998	1,070	1,074	+0.5%	-9.7%	2,111	2,144	-0.9%
Operating costs	-361	-379	-383	-371	-380	-387	+1.6%	-1.2%	-741	-767	-0.3%
Gross operating profit	580	790	674	627	690	687	-0.1%	-13.8%	1,370	1,377	-1.2%
LLPs	-139	-187	-151	-316	-185	-81	-59.0%	-60.2%	-326	-266	-22.5%
Profit before taxes	373	570	503	266	378	590	+57.6%	+3.5%	942	968	+1.8%
Net profit	316	459	437	199	332	495	+49.8%	+8.9%	775	827	+7.0%
Cost / Income ratio, %	38.4%	32.5%	36.3%	37.2%	35.5%	36.0%	+0.5pp	+3.6pp	35.1%	35.8%	+0.7pp
Cost of risk, bp	96	128	102	210	122	53	-69bp	-75bp	112	88	-25bp
RoAC	10.5%	15.4%	14.6%	6.7%	11.3%	17.4%	+6.0pp	+2.0pp	12.9%	14.3%	+1.4pp
Customer loans	57,721	58,919	59,541	59,935	60,458	59,774	-0.2%	-0.3%	58,919	59,774	-0.3%
Customer deposits	57,874	56,524	57,522	59,175	60,929	59,677	-0.6%	+3.1%	56,524	59,677	+3.1%
Total RWA	92,452	94,277	93,421	91,403	91,098	87,390	-1.9%	-1.4%	94,277	87,390	-1.4%
FTEs (#)	24,149	24,236	24,460	24,271	24,177	24,224	n.m.	n.m.	24,236	24,224	n.m.

NB: loans and deposits excluding repos and intercompany.
NB: variations Q/Q and Y/Y at constant FX (RoAC, C/I, NPEs and CoR variations at current FX).

Fineco – P&L and volumes

Data in m	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	Δ % vs. 1Q17	Δ % vs. 2Q16	1H16	1H17	Δ % vs. 1H16
Total revenues	140	149	132	138	142	141	-0.7%	-5.4%	289	282	-2.2%
Operating costs	-60	-58	-53	-55	-61	-60	-0.4%	+5.1%	-118	-121	+2.9%
Gross operating profit	80	91	78	83	81	80	-0.9%	-12.0%	171	161	-5.7%
LLPs	-1	-1	-1	-1	-1	-1	+85.9%	-26.4%	-3	-2	-45.0%
Profit before taxes	77	89	66	74	78	78	+0.0%	-11.9%	165	156	-5.7%
Net profit	18	24	16	17	18	19	+1.7%	-21.1%	42	37	-11.5%
Cost / Income ratio, %	43.0%	38.7%	40.6%	40.0%	42.9%	43.0%	+0.1pp	+4.3pp	40.8%	42.9%	+2.1pp
Cost of risk, bp	66	64	31	27	20	30	+10bp	-34bp	65	25	-39bp
RoAC	84.9%	106.2%	70.8%	61.3%	59.8%	70.9%	+11.1pp	-35.2pp	95.8%	64.9%	-30.9pp
Customer loans	701	781	815	910	1,015	1,303	+28.3%	+66.9%	781	1,303	+66.9%
Customer deposits	16,513	16,981	17,029	18,570	18,707	19,281	+3.1%	+13.5%	16,981	19,281	+13.5%
Total RWA	1,838	1,805	1,778	1,890	1,937	2,063	+6.5%	+14.3%	1,805	2,063	+14.3%
FTEs (#)	1,021	1,025	1,033	1,052	1,044	1,067	+2.2%	+4.1%	1,025	1,067	+4.1%

NB: loans and deposits excluding repos and intercompany.

NB: net profit reflects consolidated view, i.e. 35% ownership by UniCredit. Previous data restated.

Non Core – P&L and volumes

Data in m	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	Δ % vs. 1Q17	Δ % vs. 2Q16	1H16	1H17	Δ % vs. 1H16
Total revenues	-10	-65	-67	-130	-41	-49	+18.0%	-25.5%	-76	-90	+18.7%
Operating costs	-50	-20	-36	-53	-43	-21	-51.8%	+2.6%	-70	-63	-9.1%
Gross operating profit	-60	-85	-102	-183	-84	-69	-17.6%	-18.9%	-145	-153	+5.4%
LLPs	-343	-401	-545	-7,559	-201	-255	+27.0%	-36.5%	-744	-455	-38.8%
Profit before taxes	-433	-510	-655	-7,791	-309	-334	+7.9%	-34.5%	-943	-643	-31.8%
Net profit	-293	-315	-445	-8,327	-205	-216	+5.3%	-31.5%	-608	-421	-30.8%
Cost / Income ratio, %	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Cost of risk, bp	398	503	724	n.m.	426	580	+154bp	+78bp	449	501	+52bp
RoAC	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Customer loans	33,163	30,674	29,495	18,962	18,237	16,391	-10.1%	-46.6%	30,674	16,391	-46.6%
Customer deposits	1,339	1,066	1,083	970	992	1,035	+4.4%	-2.9%	1,066	1,035	-2.9%
Total RWA	29,103	27,352	26,251	26,196	25,230	22,742	-9.9%	-16.9%	27,352	22,742	-16.9%
FTEs (#)	677	553	537	529	510	500	-2.0%	-9.4%	553	500	-9.4%

NB: loans and deposits excluding repos and intercompany.

Corporate Center & Other – P&L and volumes

Data in m	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	Δ % vs. 1Q17	Δ % vs. 2Q16	1H16	1H17	Δ % vs. 1H16
Total revenues	-435	-161	-384	-445	-414	-396	-4.3%	n.m.	-596	-810	+35.9%
Operating costs	-125	-136	-124	-753	-105	-133	+26.5%	-2.3%	-261	-238	-8.8%
Gross operating profit	-560	-297	-507	-1,198	-519	-529	+1.9%	+78.0%	-857	-1,048	+22.3%
LLPs	-6	-1	-11	12	-3	-1	-57.4%	+33.6%	-6	-4	-44.3%
Profit before taxes	-582	-567	-575	-2,525	-532	-687	+29.2%	+21.2%	-1,149	-1,218	+6.1%
Net profit	-148	-101	-329	-3,628	-105	-523	n.m.	n.m.	-249	-628	n.m.
Cost / Income ratio, %	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Cost of risk, bp	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Customer loans	1,817	1,877	2,052	2,041	1,844	2,313	+25.4%	+23.2%	1,877	2,313	+23.2%
Customer deposits	3,192	2,702	2,719	3,300	2,630	2,514	-4.4%	-7.0%	2,702	2,514	-7.0%
Total RWA	59,691	57,677	57,887	53,843	57,661	31,499	-45.4%	-45.4%	57,677	31,499	-45.4%
FTEs (#)	17,415	17,406	17,344	17,207	16,421	16,082	-2.1%	-7.6%	17,406	16,082	-7.6%

NB: loans and deposits excluding repos and intercompany.

Glossary

Glossary (1/7)

Adj.	Data adjusted for non recurring items
AFS	Available for Sale
AT1	Additional Tier 1 Capital
AuC	Asset under Custody
AuM	Asset under Management
AVA	Additional Value Adjustment
Bad loans	Exposures to borrowers in a state of insolvency or in an essentially similar situation, regardless of any loss forecasts made by the bank
Branches	Consistent with CMD perimeter
CBK	Commercial Banking
CEE	Central Eastern Europe includes: Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bosnia and Herz., Serbia, Russia, Romania, Bulgaria, Turkey (at equity), Baltics (Latvia, Lithuania, Estonia) only for Leasing

Note: All financial data reported in the presentation in Euro currency.

Glossary (2/7)

CET1 Ratio	Common Equity Tier 1 ratio fully loaded throughout the document unless otherwise stated
CIB	Corporate & Investment Banking
CMD	Capital Markets Day
Collateral coverage ratio	Calculated as per EBA metodology, with collateral value copped at net (gross) loan level
Cost/income	Ratio between operating expenses and total revenues
CoR	Cost of Risk calculated as LLP of the period analized / Average loans volume in the period analized
Coverage ratio	Stock Loan loss reserves on NPEs on Gross NPEs
Cure rate	Back to performing (annualized) on stock of NPE at the beginning of the period
Customer spread	Rate on customer loans – Rate on customer deposits
DBO	Defined Benefit Obligation
DGS	Contribution to Deposit Guarantee Scheme

Note: All financial data reported in the presentation in Euro currency.

Glossary (3/7)

Default rate	Percentage of gross loans migrating from performing to NPE over a given period (annualized) divided by the initial amount of gross loans
De-risking	De-risking refers to the phenomenon of financial institutions terminating or restricting business relationships with clients or categories of clients to avoid, rather than manage, risk
DTA	Deferred Tax Asset
DVA	Debt Value Adjustment
EL	Expected Loss
EPS	Earning per shares
FINO	Failure Is Not an Option: acronym of a NPE portfolio under disposal of the original amount of 17.7bn
Forborne loan	Exposure to which forbearance measures have been applied, i.e. concessions towards a debtor who is facing or about to face financial difficulties
FTEs	Full time Equivalent (net of industrial)
FTEs Industrial	FTEs related to legal entities belonging to non financial entities fully consolidated within the Group

Note: All financial data reported in the presentation in Euro currency.

Glossary (4/7)

FX	Foreign Exchange
Group Corporate Center (Group CC)	Corresponding to the divisional database section: "Global Corporate Center" including Corporate Center, COO Services and Elisions
IFRS5	Accounting principle related to assets held for sale
KPIs	Key performance indicators
JVs	Joint Ventures
LCR	Liquidity Coverage Ratio (amount of liquidity available for a bank to meet its short term liquidity needs)
Leverage ratio	The leverage ratio is defined as Tier 1 capital divided by a non-risk-based measure (exposure) of an institution's on- and off-balance sheet items
LLPs	Loan Loss Provisions
Migration rate	representing the percentage of UTP that turn into bad loans
MDA	Maximum Distributable Amount

Note: All financial data reported in the presentation in Euro currency.

Glossary (5/7)

Net Inflows	Inflows (from gross performing loans to gross impaired loans) – outflows (collections and flows from gross impaired loans back to gross performing loans)
Net Outflows	Outflows (collections and flows from gross impaired loans back to gross performing loans) – inflows (from gross performing loans to gross impaired loans)
NPEs	Non-Performing Exposures shall be classified in the following risk classes: Bad Loans (“Sofferenze”), Unlikely to Pay ("Inadempienze Probabili") and Past Due ("Esposizioni scadute e/o sconfinanti deteriorate")
Non Core	In 2013 UniCredit ring-fenced the so-called "Non-Core" portfolio in Italy with a target to reduce clients exposure considered as not strategic; selected assets in Italy to be managed with a risk mitigation approach
NPE Ratio	(Gross or Net) Non-performing exposure as a percentage of total loans.
Non HR costs	Other administrative expenses net of expenses recovery and indirect costs, depreciation and amortization
NSFR	Net Stable Funding Ratio
OCS	Own Credit Spread
Past Due	Problematic exposures that, at the reporting date, are more than 90 days past due on any material obligation

Note: All financial data reported in the presentation in Euro currency.

Glossary (6/7)

Pro-forma	Pro-forma data excluding the temporary effect of Pioneer & Pekao classified under IFRS5
Recovery rate	NPE exposure reduction (gross Book Value) due to recovery activity on stock of NPE at the beginning of the period
Repos	Repurchase agreement
RoAC	Return on Allocated Capital (Annualized net profit / Allocated Capital), Allocated Capital based on RWA equivalent figures calculated with a CET1 ratio target of 12.5% as for plan horizon, including deductions for shortfall and securitizations.
RoTE	Return on Tangible Equity (Annualized Net income / Average Tangible Equity)
RWA	Risk Weighted Assets
SFT	Securities financing transaction
SRF	Contribution to Single Resolution Fund
Tangible equity	Tangible equity excluding AT1

Note: All financial data reported in the presentation in Euro currency.

Glossary (7/7)

TFAs	Total Financial Assets, commercial figures
TLTRO	Targeted long term refinancing operation
UTP	Unlikely To Pay: the classification in this category is the result of the judgment of the bank about the unlikeliness, without recourse to actions such as realizing collaterals, that the obligor will pay in full (principal and / or interest) its credit obligations
WE	Western Europe includes: Italy, Germany and Austria

Note: All financial data reported in the presentation in Euro currency.