One Bank, One UniCredit
Transform 2019

Transform Operating Model and Maximise Commercial Bank Value

G.F. Papa

London, 12 December 2017

Banking that matters. | UniCredit

One Bank, One UniCredit
The five pillars

ONE BANK

ONE

UniCredit

5 STRATEGIC PILLARS

- STRENGTHEN AND OPTIMISE CAPITAL
- IMPROVE ASSET QUALITY
- TRANSFORM OPERATING MODEL
- MAXIMISE COMMERCIAL BANK VALUE
- ADOPT LEAN BUT STEERING CENTRE

One Bank, One UniCredit

A simple successful Pan European Commercial Bank with a fully plugged-in CIB

Transform 2019 fully on track yielding tangible results underpinned by group-wide business momentum

"One Bank, One UniCredit" approach to maximise synergies

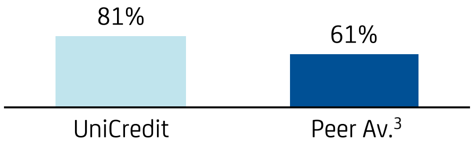
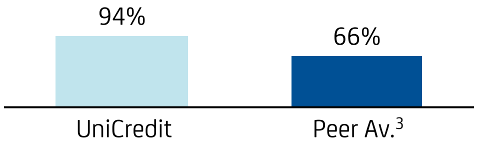
Strong commercial dynamics thanks to network revamp

Pragmatic approach to digital to support Transform 2019

Positioning UniCredit as a Pan European winner

One Bank, One UniCredit
Snapshot of our successful business

Data updated as of 9M17

	Commercial bank[1] % of total revenues – 9M17	EU – based[2] % of total revenues 9M17
Focused		

	Countries with banking operations	Market position[5]
Pan-European but local	14 o/w 12 in EU[4]	ITA #2 GER #3 AUT #1 CEE #1[6]

	GTB powerhouse	Syndicated Lending in core countries	Lending CMIB[7]	Client driven CIB revenues[11]
Distinctive factories	#1 Best Bank in Cash Management Trade Finance Provider in Western Europe and CEE[8]	ITA #1 GER #1 AUT #1 CEE#2 All Syndicated Loans[9]	#2 Loans and Bonds[10]	74%

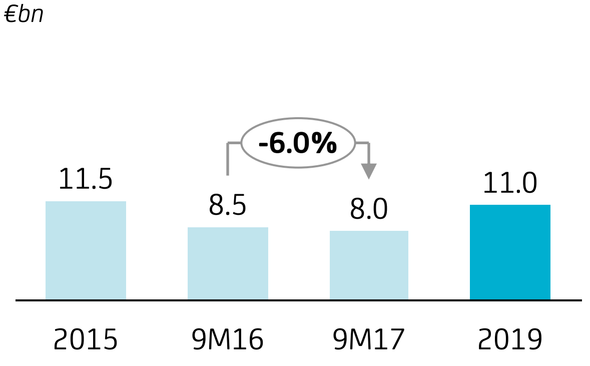
Scale: 2nd Corporate lender in EU[12] — 25[13] million clients — 4,975[13] Retail branches

1. CBK Italy, CBK Germany, CBK Austria, CEE as percentage of Group Revenues; 9M17
2. UniCredit excludes Turkey and Russia with a pro-quota approach; BNP Paribas data at FY16 and Société Générale data calculated as of proxy of loans at geographical level; 9M17
3. Peers include: BNP Paribas, Intesa Sanpaolo, Santander and BBVA (only for geographical breakdown), Société Générale
4. Italy, Germany, Austria, Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bosnia and Herz., Serbia, Russia, Romania, Bulgaria, Turkey
5. Based on Total Assets 9M17. For Austria domestic assets as of end of 2015 on local GAAP (source OeNB). For Germany considering private banks
6. Based on total assets. Compared to Erste, Intesa Sanpaolo, KBC, OTP, RBI, Société Générale, ranking as of 1H17
7. Capital Markets and Investment Banking, 9M17
8. Euromoney Cash management Survey, 2017 and Euromoney Cash Management Survey 2017
9. All Syndicated Loans, Home Countries League Tables (all curr.) 9M17
10. Combined Loans and Bonds – EMEA All borrowers (EUR denominated) 9M17
11. CIB revenues excluding Treasury 9M17
12. Peers include: BNP Paribas, Intesa Sanpaolo, Santander, Société Générale, Deutsche Bank
13. Including 100% clients and branches in Turkey; 9M17, excluding Fineco

Source: Dealogic, Euromoney 2017, Global Finance, OeNB

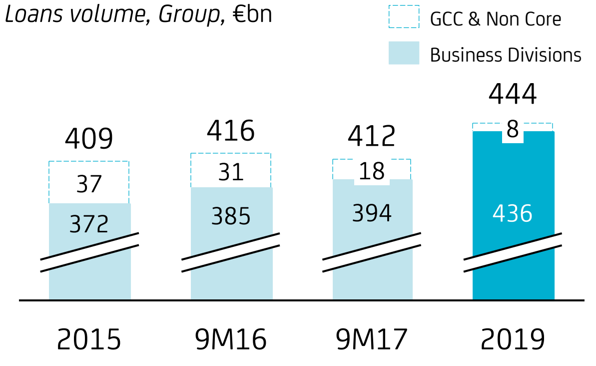
Business momentum and dynamic commercial performance

Net Interest Income[1]



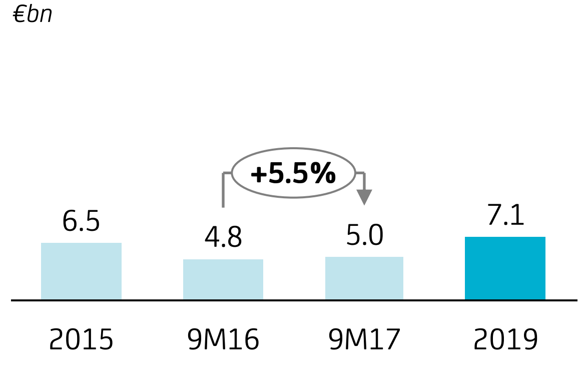
- NII commercial dynamics supported by lower cost of funding
- Compression of customer spread mainly due to persistently low interest rates

Loans[2]



- Loan volumes of Business Divisions increased by 8.5bn in last twelve months
- Continuous improvement of the portfolio quality

Fees and Commissions



- Investment fees up 12.4% 9M16/9M17 thanks to higher AuM and TFAs
- Increased transactional fees (+7.4% 9M16/9M17) supported by strong GTB performance

1. Including line adjustments due to accounting changes (see Annex, slides 32-35 for additional details). Stated NII: 10.9bn in 2015, 7.9bn in 9M16, 7.7bn in 9M17
2. Excluding Repos; including line adjustments due to accounting changes (see Annex, slides 32-35 for additional details). Stated Loans: 418bn in 2015, 426bn in 9M16, 421bn in 9M17

Commercial Banking Italy

Transformation of operating model fully on track

Business achievements

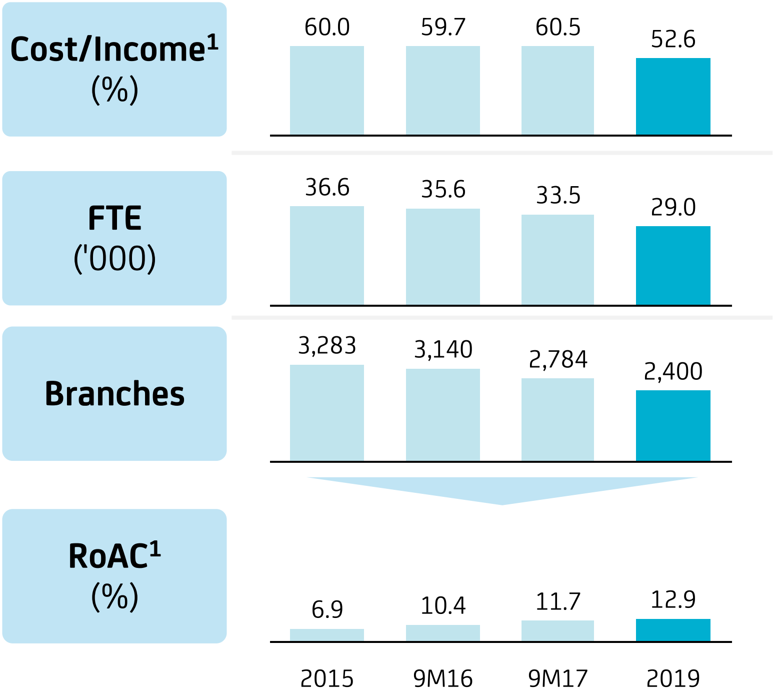
Improved customer focus with a lower cost structure

- New segmentation of Corporate clients
- New service models for Affluent and Small Business
- New branch formats being rolled-out
- End-to-End product processes redesign
- Focus on multichannel client approach

Increasing risk adjusted profitability

- Strong focus on AuM sales
- Increasing Consumer Finance
- Strict risk discipline

Efficiency improvement



1. Figures were recasted on a like-to-like basis to consider changes in scope of business segment and line adjustment; Allocated Capital based on RWA equivalent figures calculated as 12.5% of divisional RWA – See Annex, slides 32-35 for additional details

Commercial Banking Germany

Good results supported by strong growth in all segments

Business achievements

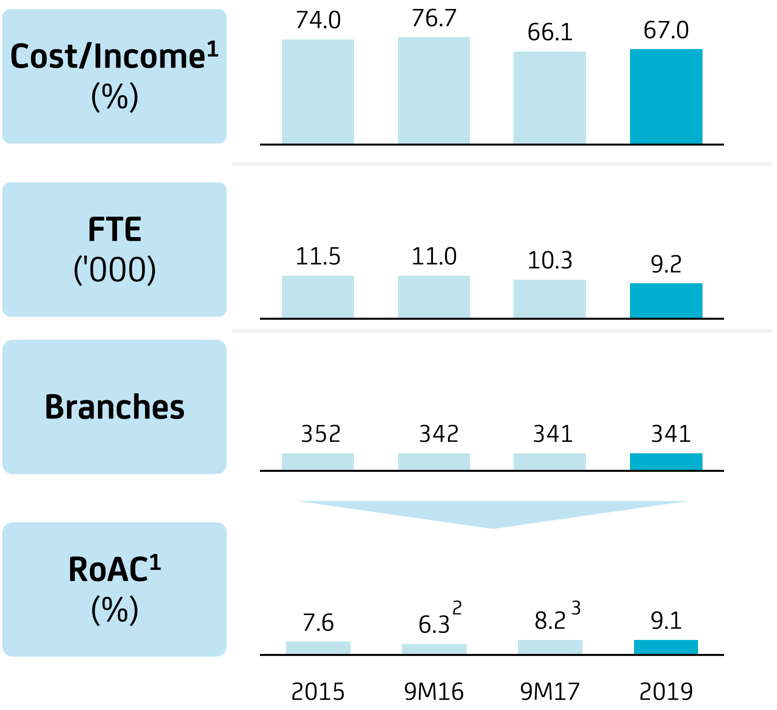
Improved customer focus with a lower cost structure

- New SME service model
- Enhanced Retail focus
- Increased CIB- Commercial Banking cooperation and cross-selling revenues
- New Bankassurance partnership with Allianz

Increasing risk adjusted profitability

- Growing Trade Finance business
- Successful conversion of Deposits towards AuM
- Continuous growth in Retail lending
- Low CoR given high quality of portfolio

Efficiency improvement



1. Figures were recasted on a like-to-like basis to consider changes in scope of business segment and line adjustment – See Annex, slides 32-35 for additional details; allocated Capital based on RWA equivalent figures calculated as 12.5% of divisional RWA

2. Normalised RoAC for Visa sale (10m)

3. Normalised RoAC for a net capital gain on disposal in 3Q17 and in 2Q17 related to the release of a tax provision (for a total of 207m)

Commercial Banking Austria
Organisation streamlined, renewed focus on premium advisory

Business achievements

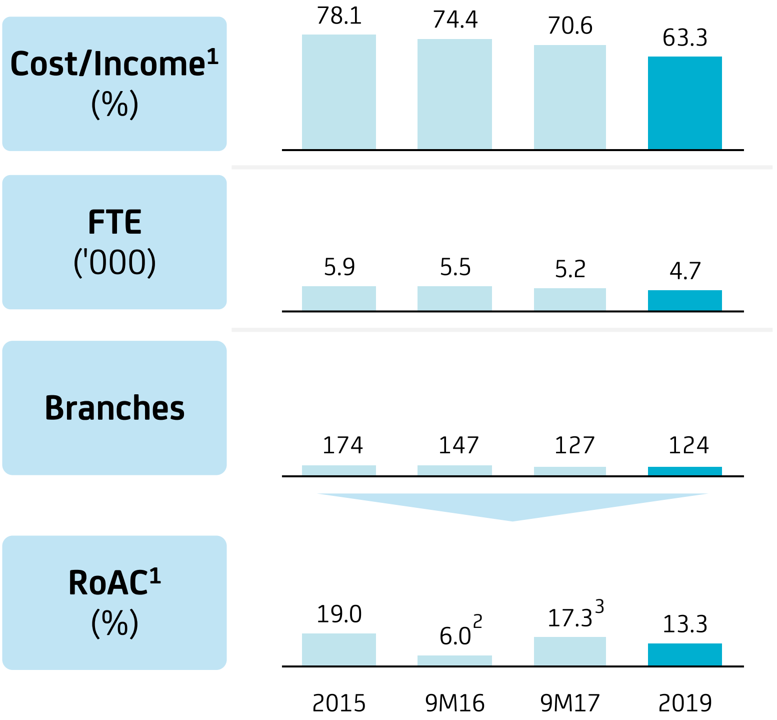
Improved customer focus with a lower cost structure

- Growing volumes in household lending
- Improved client satisfaction from new Retail service model
- Progress in digital transformation

Increasing risk adjusted profitability

- Increasing new loans production maintaining portfolio asset quality
- Stronger focus on cross-selling
- Retail AuM growth driving fees increase

Efficiency improvement



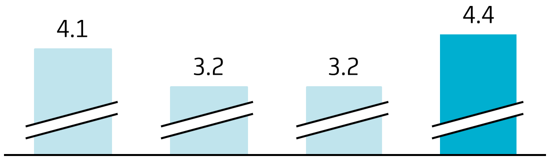
1. Figures were recasted on a like-to-like basis to consider changes in scope of business segment and line adjustment – See Annex, slides 32-35 for additional details; allocated Capital based on RWA equivalent figures calculated as 12.5% of divisional RWA

2. Normalised RoAC for Visa sale (+34m) and Integration costs (-208m)
3. Normalised for non recurring items in 3Q17: real estate disposals (+65m) and tax effects (+17m) for a total of +82m

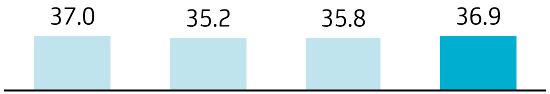
Tangible results in CEE thanks to transformation actions

	Key achievements	KPIs[1]
Organic growth	• Stable revenue generation in 9M17[2], in line with Transform 2019 targets: - NII stable 9M16/9M17, sustained by lower cost of funding - Fees +7%[3] 9M16/9M17, mainly thanks to transaction banking • Continued client acquisition (i.e. +10% new clients 9M17 vs 2015)	**Revenues** (€bn)
Cost savings	• Focus on cost discipline, confirming a low C/I ratio	**Cost/Income** (%)
Risk discipline	• NPEs reduction ahead of target, with NPE ratio down 9M16/9M17 by 140 bps	**Gross NPEs ratio[4]** (%)
Sustainable profitability	• RoAC up by 90 bps 9M16/9M17[5]	**RoAC** (%)

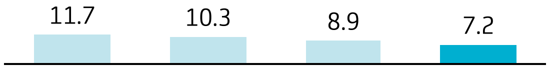
Revenues (€bn)



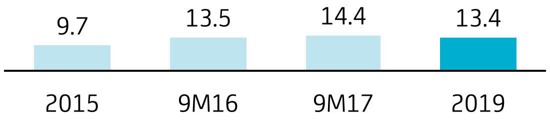
Cost/Income (%)



Gross NPEs ratio[4] (%)



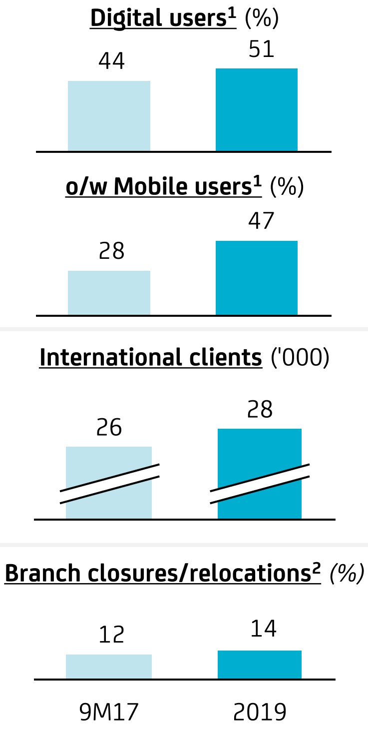
RoAC (%)



1. Figures were recasted on a like-to-like basis to consider changes in scope of business segment and line adjustment – See Annex, slides 32-35 for additional details; allocated Capital based on RWA equivalent figures calculated as 12.5% of divisional RWA
2. Current FX rates at +0.1% y/y and +3.8% y/y normalized for Visa sale; constant FX rate at -1.3% and +2.4% normalized for Visa sale
3. At current FX rates; constant FX rate: +4.4% 9M16/9M17
4. Excluding Turkey, Ukraine
5. +201bps normalized for Visa sale

Further strengthened leadership position in CEE

	Key achievements	KPIs
Innovation and digitalisation	• Solid growth in digital, in particular mobile +15p.p. vs. 2015 • Agile methodology in key projects • Further progress in data management and analytics: new online tools successfully implemented	see chart
Synergies with the Group	• Enhanced international client coverage • Effective best practice sharing throughout CEE and Group	see chart
Footprint evolution	• Ongoing network optimisation delivering good results	see chart



1. Including Turkey at 100%. Ratio defined as number of Retail digital/mobile users on active retail customers
2. Calculated as number of closures/relocations of branches on total number of branches vs. 2015

Confirmed CIB market leadership

Key achievements

Confirmed market leadership

- Leading EMEA European Debt Finance House
- Consistently "Top 3" book-runner in Loans and Bonds in core markets

Solid commercial performance

- Client driven revenues boosted by strong commercial activity
- CIB-Commercial Banking cross-selling driven by effective initiatives in cross-division and cross-border business

Continuous cost discipline and simplification

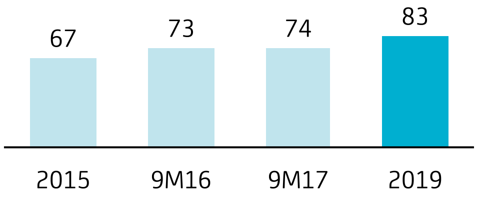
- Ongoing streamlining of businesses and operating platform resulting in reduced costs
- Continuous cost discipline to reach 2019 C/I target

KPIs

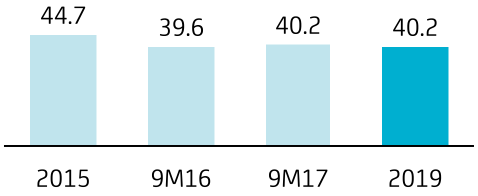
League Tables
Combined Loans and Bonds – EMEA[1]

2012	2013	2014	2015	2016	9M17
#2	#2	#3	#2	#3	#2

Client Driven Revenues (%)



Cost Income Ratio[2] (%)



1. All borrowers (EUR denominated)
2. Figures were recasted on a like-to-like basis to consider changes in scope of business segment and line adjustment – See Annex, slides 32-35 for additional details

GTB, a strong backbone of the Group as well as a technology innovator

GTB Powerhouse

- Strategic Pan-European presence in 14 European core markets
- International network spanning a further 16 countries worldwide
- Access to a network of 4,000 correspondent banks, covering ~175 countries

Client offer

- Proven set of core competencies in a wide range of products:
  - Cash Management & E-Banking
  - Trade Services
  - Working Capital Management
  - Cash & Clearing Products for FIs
  - Global Security Services[1]

Technology innovator

- Digital innovations covering the whole value chain:
  - Client access
  - Product Offering
  - Back-end processes
  - Data analytics

GTB strong contributor to Group results

- €1.7bn GTB revenues[2] in 9M17, representing about 11% of Group total Revenues

2017 Awards

Best Trade Finance Provider in Western Europe and CEE

Euromoney Awards for Excellence
Best Bank for Transaction Services in Central & Eastern Europe in 2017

Best Bank in Cash Management in 11 countries

Five-Star Cash Manager in Western Europe and CEE

1. In Austria and CEE
2. In Western Europe Commercial banking, CEE Division and CIB Division

Maximise synergies across the Group

	Key achievements
CIB – Commercial Banking cooperation	• Stronger managerial commitment • Dedicated cross-selling committees to drive business and identify opportunities
International client support	• Improved focus on CIB and International Corporate clients cross-border business
Corporate – HNWI/ Private/ Retail synergies	• Dedicated initiatives in Italy, Germany, Austria and CEE to maximise synergies • Optimised Product and Investment Platform

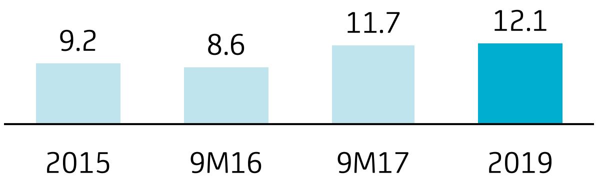
Group-wide best practice sharing process in place

Video: interview with Delivery Hero

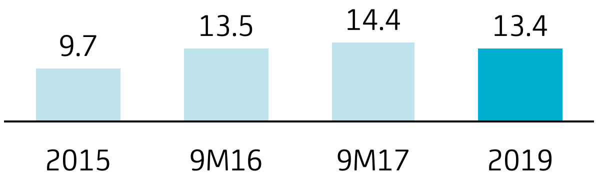
Key indicators proving tangible progress of transformation

RoAC[1] (%)

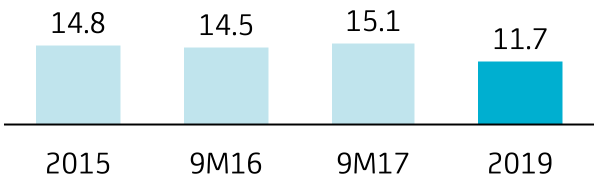
Western Europe Commercial Banking[2]



CEE



CIB



Segment	KPIs[1]	9M16	9M17	2019
Western Europe Commercial Banking[2]	Revenues	€8.9bn	€8.8bn	€11.6bn
	Cost/Income	65.3%	63.1%	57.2%
	CoR	37 bps	34 bps	37 bps
CEE	Revenues	€3.2bn	€3.2bn	€4.4bn
	Cost/Income	35.2%	35.8%	36.9%
	CoR	115 bps	97 bps	102 bps
CIB	Revenues	€3.3bn	€3.1bn	€3.9bn
	Cost/Income	39.6%	40.2%	40.2%
	CoR	24 bps	18 bps	21 bps

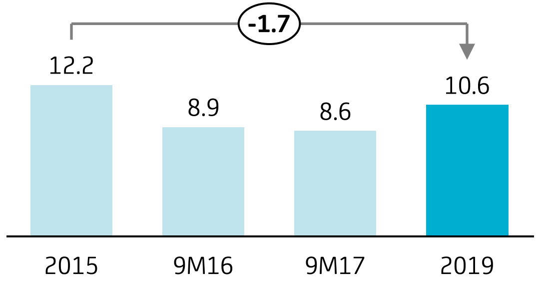
2019 Group RoTE target is confirmed **>9%**

1. Figures were recasted on a like-to-like basis to consider changes in scope of business segment and line adjustment – See Annex, slides 32-35 for additional details; allocated Capital based on RWA equivalent figures calculated as 12.5% of divisional RWA
2. Italy, Germany and Austria, RoAC normalised for Germany and Austria as per slides 7 and 8

Productivity increase, while significantly reducing costs, branches and FTE

Cost savings

Group costs, €bn

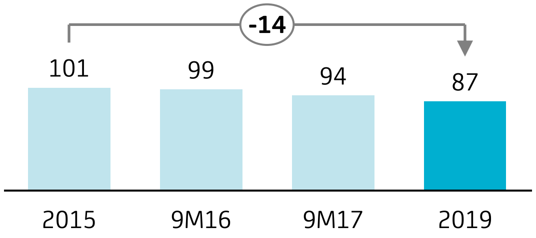


- Decrease in costs on track with Transform 2019
- Sound 9M16/9M17 cost reduction of both HR (i.e. -4.7%) and Non-HR costs (i.e. -2.5%)

FTE reduction

Group FTE, '000

>59% to be achieved by end 2017

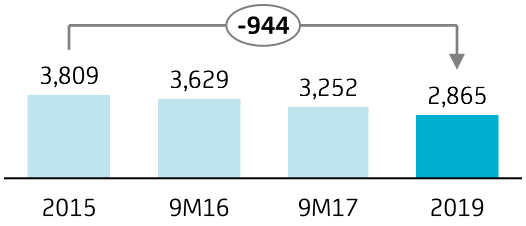


- FTE reductions ahead of Transform 2019 schedule
- 2017 target already achieved, as of 9M17 reached about 51% of 2019 target[2]

Branch reduction in Western Europe[1]

Branches in Western Europe[1]

72% achieved as of November



- Execution of branch-closures in line with plan targets
- 557 branch closures by 9M17[2], representing 59% of 2019 target of closures

IT simplification, end-to-end process redesign and new digital solutions as key enablers of productivity increase

1. Retail branches, Italy, Germany and Austria
2. vs 2015 baseline

Note: Numbers might not add due to rounding reason

Transform 2019 progress monitoring mechanism

Actions

- Structured monitoring of initiatives
- Dedicated Transformation Office
- Group-wide managerial KPIs
- Periodical performance review with CEO and GM

Transform 2019 progress monitoring mechanism

Meetings	Objectives	Participants	Frequency
Transformation Jour Fixe	• Consolidated view • Overall coordination • Decision making	• CEO and GM • Pillar Sponsors • Program Owners	• Monthly
Pillar Steering Committees	• Steer transformation • Problem solving	• Pillar Sponsors • Program Owners • CEO and GM permanently invited	• Weekly/ Monthly[1]

1. Depending on Pillar and Programs

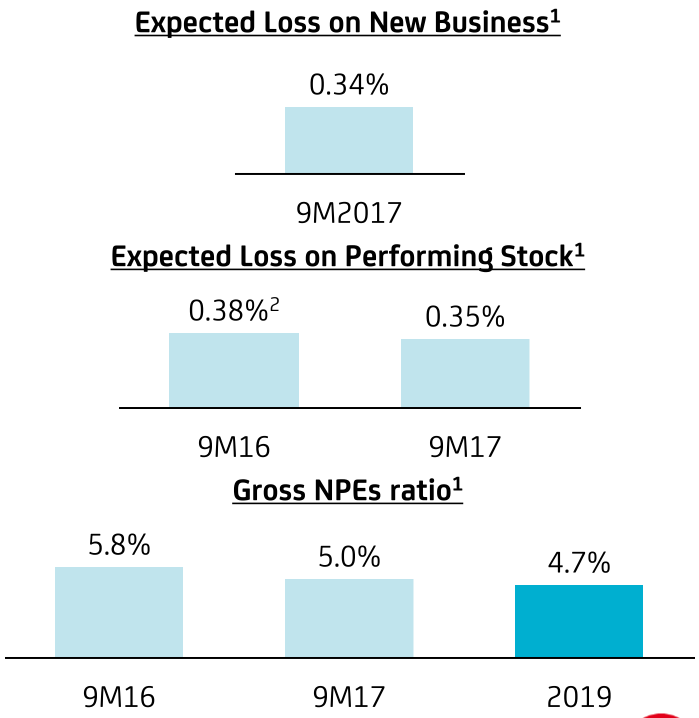
Improved risk profile thanks to a strong risk discipline

Underwriting

- Disciplined and sustainable new origination, supported by centralization and automation of credit processes
- Expected Loss on New Business KPI to ensure sound origination

Monitoring

- Business as first line of defense for tight portfolio monitoring
- Advanced automated early warning signals
- Expected Loss on Performing Stock KPI to observe risk dynamics



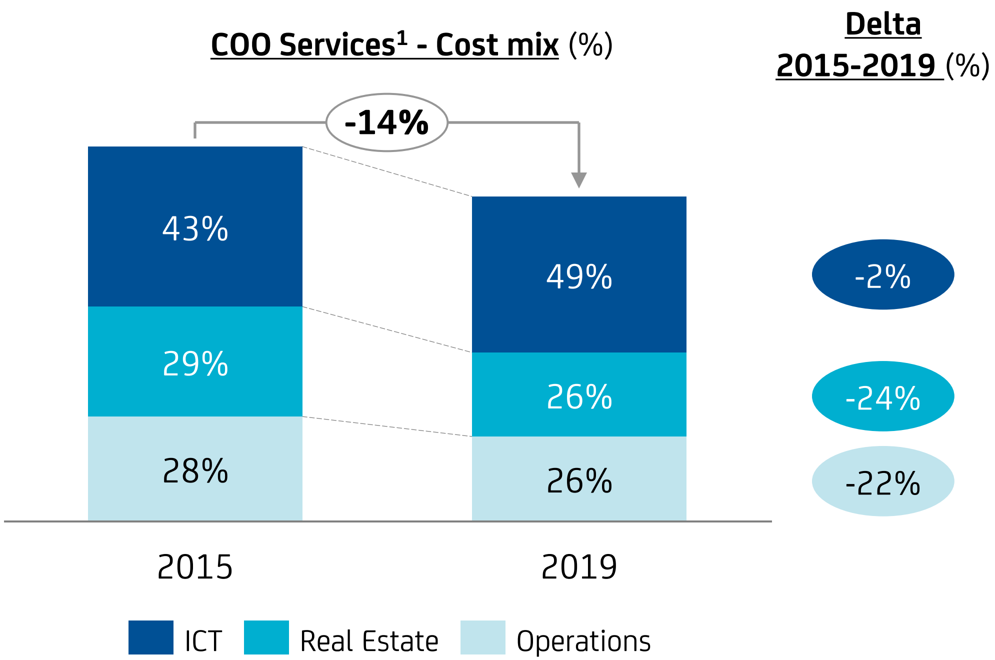
1. Perimeter: Group Core
2. Pro-forma including models recalibration occurred end of 2016

Digital initiatives to support Transform 2019 implementation

Areas of Digital development	Ongoing initiatives
Digital & multichannel experience	• New multi-country online and mobile banking platforms • Retail payments innovation • Digital sales enablement and transaction migration
Advisory services	• New advanced digital and analytical tools in support of Advisors • Increasing use of advanced data analytics
Processes optimisation	• End-to-End processes redesign and digitalisation
Risk Management	• Pre-scored credit lines • Focus on cyber-security

Structural change of cost base driven by evolving customers behaviour and increasing digitalisation

Cost base evolution



- Different cost mix, with increasing reliance on IT
- Simplification of IT infrastructure and evolution towards next generation IT architecture
- Optimisation of Real Estate
- Process automation and digitalisation, reducing labour-intense Back-Office activities

1. COO Services P&L included in Group Corporate Center perimeter. TCO: Total cost of ownership by Service lines: IT, RE and OPs (Back office, Procurement, Workout, Governance, Security) including related HR and NHR costs

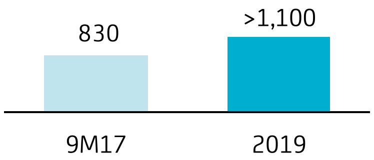
IT simplification, back-office streamlining and real estate optimisation key enablers of productivity increase

	Ongoing initiatives	KPIs

Evolution of IT architecture

- Reduction of IT complexity by decommissioning applications
- Modernization of Core Banking system
- Simplification and improvement of IT infrastructure

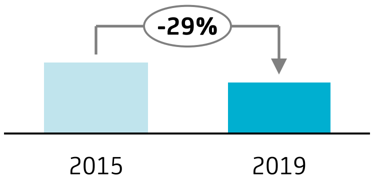
Decommissioning of applications (vs 2016)



Operations efficiency

- Back-Office capacity enhancement
- Processes digitalisation and streamlining with E2E approach
- New organisational design and simplification of geographical presence

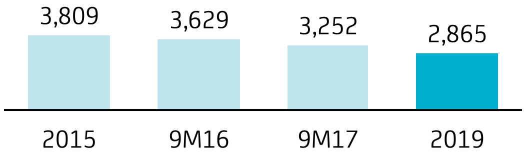
Back-Office FTE



Real estate optimisation

- Reduction of Western Europe branches[1]
- Optimisation of head-quarter spaces

Western Europe branches[1]



1.Retail branches, Italy, Germany and Austria

Our Human Capital as fundamental enabler of Transform 2019

Nurture our talents

Evolve the way of working

Create opportunities

Full engagement and commitment to Transform 2019

One Bank, One UniCredit

A simple successful Pan European Commercial Bank with a fully plugged-in CIB

Transform 2019 fully on track yielding tangible results underpinned by group-wide business momentum

"One Bank, One UniCredit" approach to maximise synergies

Strong commercial dynamics thanks to network revamp

Pragmatic approach to digital to support Transform 2019

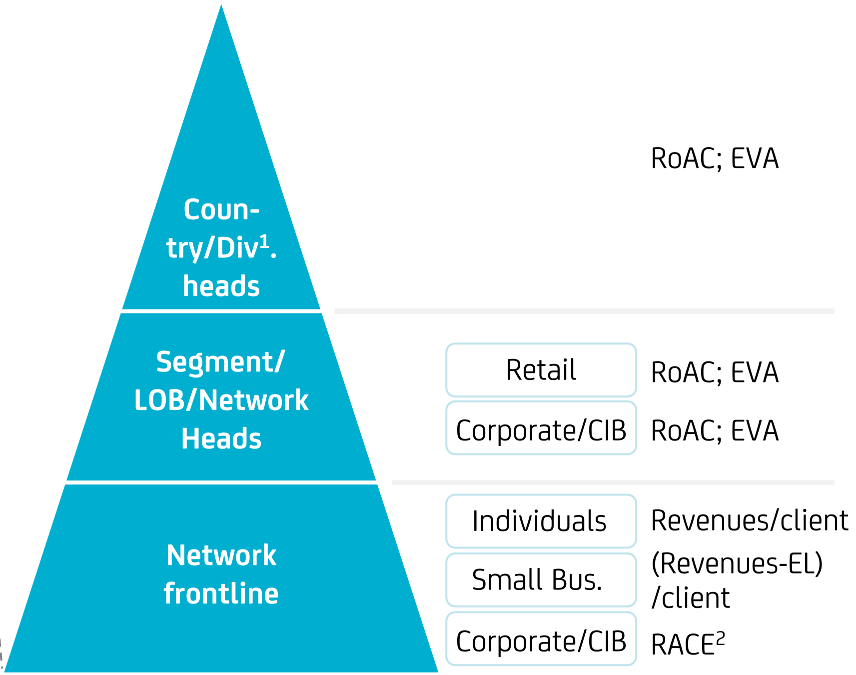
Positioning UniCredit as a Pan European winner

Annex

Managerial KPIs to steer Transform 2019

Group-wide managerial KPIs	
Value creation	RoAC
Risk & capital governance	CET 1 ratio fully loaded
	New business EL
	Performing stock EL
	Δ Gross NPEs yoy
	Loan and deposit volumes
Industrial drivers and clients	Δ Opex vs. target
	Cross-selling
	Net new clients

Example of cascading – Value creation



KPIs cascaded down to divisions

1. Including CIB division
2. Defined as Risk Adjusted Capital Efficiency

Targets
CBK Italy

€m

	2015	9M16	9M17	2019	CAGR 15-19
Revenues	7,676	5,797	5,541	7,521	-0.5%
Costs	-4,602	-3,459	-3,351	-3,956	-3.7%
Cost/income	60.0%	59.7%	60.5%	52.6%	
Cost of Risk	94 bps	74 bps	66 bps	58 bps	
RWA	77,008	78,826	81,496	105,190	8.1%
RoAC	6.9%	10.4%	11.7%	12.9%	

Note: figures were recasted on a like-to-like basis to consider changes in scope of business segment and line adjustment – See slides 34-35 for additional details; Allocated Capital based on RWA equivalent figures calculated as 12.5% of divisional RWA

Targets
CBK Germany

€m

	2015	9M16	9M17	2019	CAGR 15-19
Revenues	2,694	1,870	2,103	2,516	-1.7%
Costs	-1,995	-1,435	-1,391	-1,685	-4.1%
Cost/income	74.0%	76.7%	66.1%	67.0%	
Cost of Risk	9 bps	1 bps	11 bps	15 bps	
RWA	33,303	34,603	34,974	36,188	2.1%
RoAC	7.6%	6.3%[1]	8.2%[2]	9.1%	

1. Normalised Roac for Visa sale (+10m)
2. Normalised RoAC for a net capital gain on disposal in 3Q17 and in 2Q17 related to the release of a tax provision (for a total of 207m)

Note: figures were recasted on a like-to-like basis to consider changes in scope of business segment and line adjustment – See slides 34-35 for additional details; allocated Capital based on RWA equivalent figures calculated as 12.5% of divisional RWA

Targets
CBK Austria

€m

	2015	9M16	9M17	2019	CAGR 15-19
Revenues	1,711	1,246	1,157	1,583	-1.9%
Costs	-1,336	-927	-816	-1,002	-6.9%
Cost/income	78.1%	74.4%	70.6%	63.3%	
Cost of Risk	7 bps	-5 bps	-18 bps	16 bps	
RWA	24,969	23,536	21,581	22,549	-2.5%
RoAC	19.0%	6.0%[1]	17.3%[2]	13.3%	

1. Normalised RoAC for Visa sale (+34m) and Integration costs (-208m)
2. Normalised for non recurring items in 3Q17: real estate disposals (+65m) and tax effects (+17m) for a total of +82m

Note: figures were recasted on a like-to-like basis to consider changes in scope of business segment and line adjustment – See slides 34-35 for additional details; Allocated Capital based on RWA equivalent figures calculated as 12.5% of divisional RWA

Targets
CEE Division

€ m, current FX rate

	2015	9M16	9M17	2019	CAGR 15-19
Revenues	4,051	3,195	3,198	4,372	1.9%
Costs	-1,497	-1,125	-1,146	-1,615	1.9%
Cost/income	37.0%	35.2%	35.8%	36.9%	
Cost of Risk	185 bps	115 bps	97 bps	102 bps	
RWA	90,603	93,421	86,700	99,071	2.3%
RoAC	9.7%	13,5%	14.4%	13.4%	

Note: figures were recasted on a like-to-like basis to consider changes in scope of business segment and line adjustment – See slides 34-35 for additional details; Allocated Capital based on RWA equivalent figures calculated as 12.5% of divisional RWA

Targets
CIB Division

€m

	2015	9M16	9M17	2019	CAGR 15-19
Revenues	3,997	3,283	3,082	3,922	-0.5%
Costs	-1,785	-1,300	-1,240	-1,575	-3.1%
Cost/income	44.7%	39.6%	40.2%	40.2%	
Cost of Risk	7 bps	24 bps	18 bps	21 bps	
RWA	71,645	74,626	71,470	87,485	5.1%
RoAC	14.8%	14.5%	15.1%	11.7%	

Note: figures were recasted on a like-to-like basis to consider changes in scope of business segment and line adjustment – See slides 34-35 for additional details; Allocated Capital based on RWA equivalent figures calculated as 12.5% of divisional RWA

Line adjustments from accounting changes

Accounting change[1]	Description	Impact	Net effect
NPEs time value accounting[2]	New Bank of Italy regulation requires to account for Time value release as NII and no longer as LLP write-back	NII ↑ LLP ↑	0
NPEs accrued interest	Interest from UTP and Past Due calculated on Net Book Value rather than Gross Book Value resulting in lower NII and lower associated LLP, according to IFRS9 guidance	NII ↓ LLP ↓	0
Reclassification of customer loans	Customers Debt Securities in issue[3] excluded from Customer Loans and included in Financial assets	Loans to customers ↓ Financial assets ↑	0

No impact on Net Income or RoTE

Combined effect in 2019

€bn

NII	+0.2
LLP	-0.2
Loans to customers	-12
Financial assets	+12

1. All effects from 2018
2. Difference between (i) the sum of expected recoverable cash flows of NPEs and (ii) its Net Present Value (i.e. Net Book Value)
3. Currently included in loan book

Line adjustments from accounting changes
Total Group – 2015

	2015			Initial Transform 2019 targets		
	Previous	Delta	Restated	Previous	Delta	Restated
P&L. €bn						
Revenues	19.9	0.5	**20.4**	20.4	0.2	**20.6**
of which NII	*10.9*	*0.5*[1]	***11.5***	*10.9*	*0.2*[1]	***11.1***
LLP	-4.0	-0.5[1]	**-4.5**	-2.4	-0.2[1]	**-2.6**
Net income	1.5	0	**1.5**	4.7	0	**4.7**
Other						
Loans[2]. *€bn*	418	-9[3]	**409**	467	-12[3]	**455**
CoR[4]. *bps*	89	14[5]	**103**	49	6[5]	**55**
Cost/Income[6]	61.6%	-1.6p.p.[1]	**60.0%**	<52%	-0.6p.p.[1]	**<52%**

Combined effect equal to zero

1. Delta given by effect of: NPEs time value accounting. NPEs accrued interest
2. Loans net of repos
3. Delta given by effect of: reclassification of customers loans
4. Cost of Risk computed as LLP over average loans
5. Delta given by effect of: NPEs time value accounting. NPEs accrued interest. reclassification of customers loans
6. Cost/Income computed as total operating cost over revenues

Line adjustments from accounting changes
Total Group – 9M16/9M17

P&L. €bn	9M16 Previous	9M16 Delta	9M16 Restated	9M17 Previous	9M17 Delta	9M17 Restated
Revenues	15.2	0.6	**15.8**	14.8	0.2	**15.0**
of which NII	*7.9*	*0.6*[1]	***8.5***	*7.7*	*0.2*[1]	***8.0***
LLP	-2.6	-0.6[1]	**-3.2**	-1.8	-0.2[1]	**-2.1**
Net income	1.8	0	**1.8**	4.7	0	**4.7**

9M16: Combined effect equal to zero

9M17: Combined effect equal to zero

Other	9M16 Previous	9M16 Delta	9M16 Restated	9M17 Previous	9M17 Delta	9M17 Restated
Loans[2]. *€bn*	426.1	-9.7[3]	**416.4**	421.1	-9.2[3]	**411.9**
CoR[4]. *bps*	77	19[5]	**96**	54	9[5]	**63**
Cost/Income[6]	58.6%	-2.2p.p.[1]	**56.4%**	57.9%	-0.9p.p.[1]	**57.0%**

1. Delta given by effect of: NPEs time value accounting. NPEs accrued interest
2. Loans net of repos
3. Delta given by effect of: reclassification of customers loans
4. Cost of Risk computed as LLP over average loans
5. Delta given by effect of: NPEs time value accounting. NPEs accrued interest. reclassification of customers loans
6. Cost/Income computed as total operating cost over revenues

Line adjustments from accounting changes
Business Divisions - 9M16

P&L. €bn	Revenues[1] Previous	Revenues[1] Delta	Revenues[1] Restated	*of which NII* Previous	*of which NII* Delta	*of which NII* Restated	LLP Previous	LLP Delta	LLP Restated
CBK Italy	5.8	+0.0	**5.8**	*3.0*	+0.0	***3.0***	-0.7	-0.0	**-0.8**
CBK Germany	1.9	+0.0	**1.9**	*1.1*	+0.0	***1.2***	-0.0	-0.0	**-0.0**
CBK Austria	1.2	+0.0	**1.2**	*0.6*	+0.0	***0.6***	-0.0	-0.0	**-0.0**
CEE	3.2	+0.0	**3.2**	*1.9*	+0.0	***1.9***	-0.5	-0.0	**-0.5**
CIB	3.3	+0.0	**3.3**	*1.8*	+0.0	***1.8***	-0.2	-0.0	**-0.2**

Other	Loans[2]. €bn Previous	Loans[2]. €bn Delta	Loans[2]. €bn Restated	CoR[3]. *bps* Previous	CoR[3]. *bps* Delta	CoR[3]. *bps* Restated	Cost/Income[4] Previous	Cost/Income[4] Delta	Cost/Income[4] Restated
CBK Italy	137.0	-0.3	**136.7**	70	4	**74**	60.1%	-0.4p.p.	**59.7%**
CBK Germany	80.1	-	**80.1**	-1	2	**1**	77.3%	-0.6p.p.	**76.7%**
CBK Austria	44.5	-	**44.5**	-8	2	**-5**	74.9%	-0.5p.p.	**74.4%**
CEE	59.5	-0.3	**59.3**	109	7	**115**	35.5%	-0.3p.p.	**35.2%**
CIB	72.7	-8.9	**63.8**	20	4	**24**	39.8%	-0.2p.p.	**39.6%**

1. Delta given by effect of: NPEs time value accounting. NPEs accrued interest
2. Loans net of repos: delta given by effect of: reclassification of customers loans

3. Cost of Risk computed as LLP over average loans: delta given by effect of: NPEs time value accounting. NPEs accrued interest. reclassification of customers loans
4. Cost/Income computed as total operating cost over revenues: delta given by effect of: NPEs time value accounting. NPEs accrued interest

Line adjustments from accounting changes
Business Divisions - 9M17

P&L. €bn	Revenues[1] Previous	Revenues[1] Delta	Revenues[1] Restated	*of which NII* Previous	*of which NII* Delta	*of which NII* Restated	LLP Previous	LLP Delta	LLP Restated
CBK Italy	5.5	+0.0	**5.5**	*2.8*	+0.0	***2.8***	-0.7	-0.0	**-0.7**
CBK Germany	2.1	+0.0	**2.1**	*1.3*	+0.0	***1.3***	-0.1	-0.0	**-0.1**
CBK Austria	1.2	+0.0	**1.2**	*0.5*	+0.0	***0.5***	0.1	-0.0	**0.1**
CEE	3.2	+0.0	**3.2**	*1.9*	+0.0	***1.9***	-0.4	-0.0	**-0.4**
CIB	3.1	+0.0	**3.1**	*1.6*	+0.0	***1.6***	-0.1	-0.0	**-0.1**

Other	Loans[2]. €bn Previous	Loans[2]. €bn Delta	Loans[2]. €bn Restated	CoR[3]. *bps* Previous	CoR[3]. *bps* Delta	CoR[3]. *bps* Restated	Cost/Income[4] Previous	Cost/Income[4] Delta	Cost/Income[4] Restated
CBK Italy	137.1	-0.2	**136.9**	66	0	**66**	60.4%	+0.1p.p.	**60.5%**
CBK Germany	81.5	-	**81.5**	9	2	**11**	66.5%	-0.4p.p.	**66.1%**
CBK Austria	44.5	-	**44.5**	-19	1	**-18**	70.8%	-0.2p.p.	**70.6%**
CEE	59.8	-0.1	**59.7**	94	4	**97**	36.0%	-0.2p.p.	**35.8%**
CIB	78.4	-8.7	**69.7**	15	3	**18**	40.4%	-0.1p.p.	**40.2%**

1. Delta given by effect of: NPEs time value accounting. NPEs accrued interest
2. Loans net of repos: delta given by effect of: reclassification of customers loans

3. Cost of Risk computed as LLP over average loans: delta given by effect of: NPEs time value accounting. NPEs accrued interest. reclassification of customers loans
4. Cost/Income computed as total operating cost over revenues: delta given by effect of: NPEs time value accounting. NPEs accrued interest. Italy affected by Buddy Bank cost shift from CC

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