4Q17 and FY17 Results

Milan, 8 February 2018

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Agenda

Strong underlying performance supporting Transform 2019 – All first year targets achieved

Group underlying financial performance strong with net operating profit at 5.7bn up 74% FY/FY. Adjusted net profit[(1)] of 3.7bn. FY17 adjusted RoTE[(1)] at 7.2%. FY19 RoTE target >9% confirmed

Core Bank performed very well with Group Core adjusted RoTE[(1)] at 9.1%, 1.9p.p. higher than Group adjusted RoTE. FY17 Group Core gross NPE ratio significantly improved by 73bps Y/Y to 4.9%

Resilient FY17 Group NII at 10.3bn. Strong FY17 commercial dynamics with number of clients up by 629,000[(2)], AuM up 21.4bn (+10.9% Y/Y) and fees up 445m (+7.1% FY/FY)

Transform 2019 is ahead of schedule and delivering tangible results. FY17 cost performance very good with costs down 4.0% at 11.4bn, supported by branch closures and FTE reductions. FY18 and FY19 cost targets confirmed at 11.0bn and 10.6bn, respectively

Continued de-risking with FINO phase 1 closed in July 2017 and FINO phase 2 closed in January 2018. FY17 gross NPE ratio down to 10.2% and CoR at 58bps, in line with guidance. FY19 CoR target of 55bps confirmed

CET1 ratio at 13.60%, 13.02% pro forma of IFRS9[(3)] and FINO[(4)]

(1) Group Core adjusted net profit and adjusted RoTE exclude the net impact of the Pioneer and Pekao disposals (+2.1bn 3Q17, +93m 4Q17) and -310m FX reserve in 2Q17 related to Pekao. Group adjusted net profit and adjusted RoTE in addition to these items also exclude a one-off charge booked in Non Core (-80m 3Q17) related to FINO. RoTE calculated at CMD perimeter, taking into account the capital increase and Pekao & Pioneer disposals as at 1 January 2017. Adjustments for 2016 and 2017 summarised in Annex on pages 46 and 47.

(2) Calculated as the difference between number of clients at beginning and end of period.

(3) IFRS9 first time adoption (FTA) on 1 January 2018 estimated at -75bps. The overall "net impact" on the fully loaded CET1 ratio is expected at c.-40bps, as the FTA will be partially compensated by tax effects and lower shortfall over the course of FY18.

(4) The completion of FINO phase 2 in January 2018 and the significant risk transfer (SRT) of the FINO portfolio, for which UniCredit has notified the ECB of its intention to proceed in accordance to regulation, will result in a +17 bps fully loaded CET1 ratio impact in 1Q18. The overall net impact on the fully loaded CET1 ratio will be c.+10 bps, as previously stated in the 17 July 2017 press release, since the SRT positive impact is partially offset by the higher RWA of the underlying FINO portfolio at end of 2017.

Robust 4Q17 – Strong commercial dynamics in all divisions

Strong commercial dynamics help deliver the best fourth quarter since 2007. Stated 4Q17 net profit of 801m, adjusted net profit(1) of 708m

4Q17 revenues of 4.8bn, up 4.2% Q/Q and 7.4% Y/Y. Main drivers were NII and strong performance in fees, up 12.3% Y/Y

4Q17 total costs declined both in terms of HR and Non HR costs (down 0.2% and 1.4% Q/Q, respectively). No seasonal increase in contrast to previous years, supported by expense recoveries from workout

4Q17 gross operating profit of 2.0bn, up 11.8% Q/Q, 29.7% Y/Y

NPEs down 2.8bn Q/Q underpinned by additional disposals of 2.0bn. Non Core net NPEs down 7.7% Q/Q to 11.4bn, meeting FY17 target

4Q17 CoR at 69bps including 15bps models impact, resulting in a FY17 CoR of 58bps

4Q17 capital impact of regulation, models and procyclicality -24bps CET1 ratio

(1) Group adjusted net profit exclude the net impact of the Pioneer and Pekao disposals (+2.1bn 3Q17, +93m 4Q17) and -310m FX reserve in 2Q17 related to Pekao, as well as a one-off charge booked in Non Core (-80m 3Q17) related to FINO. Adjustments for 2016 and 2017 summarised in Annex on pages 46 and 47.

Group – FY17 adjusted net profit at 3.7bn

Group key figures	FY16 adj.	FY17	Δ % vs. FY16 adj.	4Q16 adj.	3Q17	4Q17	Δ % vs. 3Q17	Δ % vs. 4Q16 adj.
Total revenues, m	19,295	19,619	+1.7%	4,509	4,646	4,842	+4.2%	+7.4%
Operating costs, m	-11,827	-11,350	-4.0%	-2,930	-2,813	-2,794	-0.7%	-4.6%
Loan loss provisions, m	-4,207	-2,605	-38.1%	-1,486	-598	-772	+29.1%	-48.1%
Net profit, m	n.m.	5,473	n.m.	n.m.	2,820	801	-71.6%	n.m.
Adjusted net profit, m(1)	1,297	3,708	n.m.	-352	838	708	-15.5%	n.m.
Fully loaded CET1 ratio(2)	7.54%	13.60%	+6.1p.p.	7.54%	13.81%	13.60%	-0.2p.p.	+6.1p.p.
RWA transitional, bn	387.1	356.1	-8.0%	387.1	350.0	356.1	+1.7%	-8.0%
Loans, excluding repos, bn	417.9	421.8	+1.0%	417.9	421.1	421.8	+0.2%	+1.0%
Gross NPE, bn	56.3	48.4	-14.0%	56.3	51.3	48.4	-5.6%	-14.0%
Adjusted RoTE(1)	2.0%	7.2%	+5.2p.p.	n.m.	6.8%	5.5%	-1.3p.p.	n.m.
Cost / Income	61.3%	57.9%	-3.4p.p.	65.0%	60.5%	57.7%	-2.9p.p.	-7.3p.p.
Cost of risk, bps	93	58	-35bps	132	53	69	+16bps	-64bps

(1) Group adjusted net profit and adjusted RoTE exclude the net impact of the Pioneer and Pekao disposals (+2.1bn 3Q17, +93m 4Q17) and -310m FX reserve in 2Q17 related to Pekao, as well as a one-off charge booked in Non Core (-80m 3Q17) related to FINO. Adjustments for 2016 and 2017 summarised in Annex on pages 46 and 47.

(2) Assuming dividends equal to a 20% payout ratio on normalised earnings, i.e. excluding the net impact of the Pioneer and Pekao disposals (+2.1bn 3Q17, +93m 4Q17) and -310m FX reserve in 2Q17 related to Pekao. 7.54% in FY16 and 4Q16 stated.

Transform 2019 achievements (1/2)

1 2 3 4 5 6 7 Transform 2019 update

STRENGTHEN AND OPTIMISE CAPITAL	Rights issue, Pioneer and Pekao disposals completed 1bn AT1 issued	• 13bn rights issue, Pioneer and Pekao disposals completed • CET1 ratio at 13.02% pro forma of IFRS9(1) and FINO(2) • Successfully issued 1bn AT1 in December 2017 and the inaugural 1.5bn non-preferred senior in January 2018. Both were underpinned by very strong investor demand • Moody's upgraded UniCredit SpA's outlook to positive from stable supported by the successful execution of Transform 2019
IMPROVE ASSET QUALITY	Balance sheet de-risking	• FINO transaction successfully closed in January 2018 • Disposals of 4.4bn(3) NPEs in FY17, of which 2.0bn in 4Q17 • Group Core gross NPE ratio down by 9bps Q/Q to 4.9% in 4Q17, with coverage ratio remaining solid at 55.4%
TRANSFORM OPERATING MODEL	Branch and FTE reduction IT decommissioning	• 682 branch closures since December 2015 in Western Europe, 72% of 944 2019 target • FTEs down 9,000 since December 2015, 64% of 14,000 2019 target. FTEs down 2,113 Q/Q • Reduction of IT complexity by decommissioning 921 applications, 84% of 2019 target

(1) IFRS9 first time adoption (FTA) on 1 January 2018 estimated at -75bps. The overall "net impact" on the fully loaded CET1 ratio is expected at c.-40bps, as the FTA will be partially compensated by tax effects and lower shortfall over the course of FY18.

(2) The completion of FINO phase 2 in January 2018 and the significant risk transfer (SRT) of the FINO portfolio, for which UniCredit has notified the ECB of its intention to proceed in accordance to regulation, will result in a +17 bps fully loaded CET1 ratio impact in 1Q18. The overall net impact on the fully loaded CET1 ratio will be c.+10 bps, as previously stated in the 17 July 2017 press release, since the SRT positive impact is partially offset by the higher RWA of the underlying FINO portfolio at end of 2017.

(3) Of which 2.4bn in Non Core.

Transform 2019 achievements (2/2)

MAXIMISE COMMERCIAL BANK VALUE	
Commercial engine running	
Network revamp	
Go-to bank for customers	
Leading Debt and Trade Finance house in Europe	

- FY17 AuM CB Italy net sales of 11bn, three times higher than FY16, with AuM-related commissions up 28% FY/FY
- New "Smart" or "Cashless" branch formats with higher degree of automation implemented in 441 (55% of 800 2019 target) retail branches in Italy, improving customer service
- New service models implemented in Italy for Affluent and Small Business client segments and in Germany for Small-Medium Enterprises
- Ranking #1 in “Syndicated Loans in EUR” in Italy, Germany, Austria and CEE as well as in “EMEA Covered Bonds”(1), #1 by number of transactions in “Combined EMEA Bonds and Loans in EUR” and “EMEA Bonds in EUR”. #1 in IPO in Italy, #2 in Germany
- Best Global Trade Finance Provider for "All Services", "Products/Payments" and "Overall Executions" (Euromoney Trade Finance Survey 2018)

ADOPT LEAN BUT STEERING CENTRE

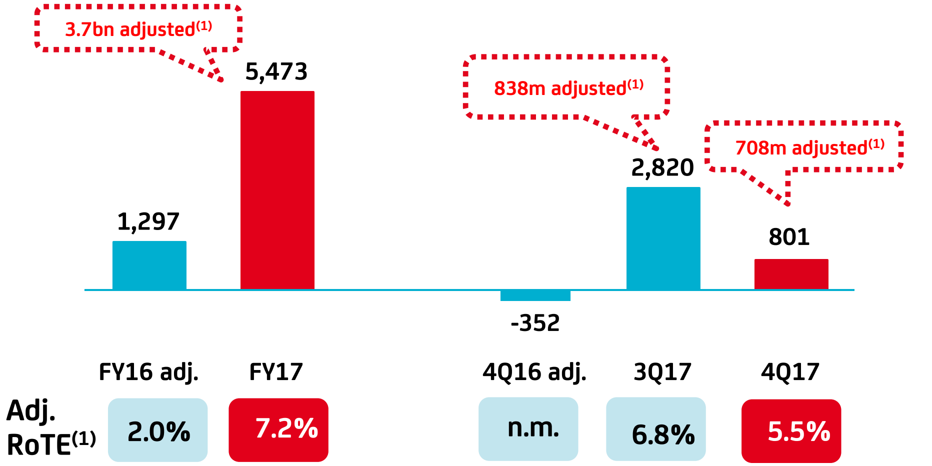
- Governance
- Group CC streamlining

- Strengthened corporate governance with simplified share capital structure and removal of 5% limit on voting rights, in line with best in class European companies
- Since December 2015, FTEs down 12.4% (-2,200 FTEs). Trend confirmed in 4Q17 and FY17
- Weight of Group Corporate Centre on total costs at 4.1% in FY17, down 0.3p.p. FY/FY (FY15 actual: 5.1%, FY19 target: 3.5%)

(1) Source: Dealogic, as of 5 January 2018. Period 1 January – 31 December 2017; rankings by volume unless otherwise stated.

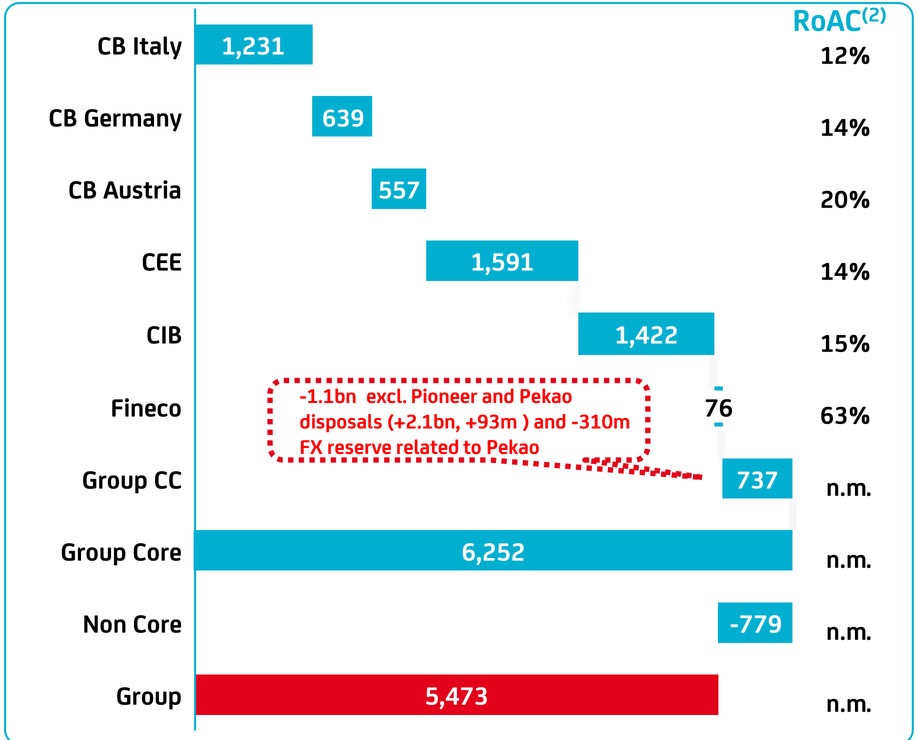
Group – FY17 3.7bn adjusted Group net profit
Very good performance across all business divisions

Net profit, m



- Group adjusted[1] RoTE 7.2% in FY17
- Main drivers CEE with record result, followed by CIB and CB Italy
- Group Core net profit of 6.3bn
- Group Core adjusted[1] RoTE 9.1% in FY17

Net profit by division FY17, m



(1) Group Core adjusted net profit and adjusted RoTE exclude the net impact of the Pioneer and Pekao disposals (+2.1bn 3Q17, +93m 4Q17) and -310m FX reserve in 2Q17 related to Pekao. Group adjusted net profit and adjusted RoTE in addition to these items also exclude a one-off charge booked in Non Core (-80m 3Q17) related to FINO. RoTE calculated at CMD perimeter, taking into account the capital increase and Pekao & Pioneer disposals as at 1 January 2017. Adjustments for 2016 and 2017 summarised in Annex on pages 46 and 47.

(2) Normalised RoAC: CB Germany 8.3%, CB Austria 16.7%, CIB 14.4%. Adjustments for 2017 summarised in Annex on page 47.

Group – Net operating profit up 73.7% FY/FY thanks to strong underlying commercial performance and strict cost and risk discipline

Main drivers

- Resilient NII at 10.3bn in FY17 in line with guidance. NII flat (-0.1% FY/FY) as pressure on customer spreads is compensated by lower funding costs
- Fees increased 7.1% FY/FY thanks to strong commercial dynamics, mainly in investment (+15.8% FY/FY) and transactional fees (+6.3% FY/FY)
- Costs down 4.0% FY/FY thanks to lower HR costs (-3.1% FY/FY) and Non HR costs (-5.5% FY/FY). 4Q17 total costs down 0.7% Q/Q
- FY17 LLPs down 38.1% FY/FY, leading to CoR of 58bps, in line with guidance. 4Q17 LLPs up 29.1% Q/Q due to models impact
- Net profit from discontinued operations FY17 includes the net impact of Pioneer and Pekao disposals (+2.1bn 3Q17, +93m 4Q17) and FX reserve in 2Q17 related to Pekao (-310m)
- Low tax rate in 4Q17 driven by DTA write-ups, almost fully compensating the negative impact of other non operating items

Data in m	*FY16 adj.*	*FY17*	*Δ % vs. FY16 adj.*	*4Q16 adj.*	*3Q17*	*4Q17*	*Δ % vs. 3Q17*	*Δ % vs. 4Q16 adj.*
Total revenues	19,295	19,619	+1.7%	4,509	4,646	4,842	+4.2%	+7.4%
o/w Net interest	*10,307*	*10,299*	*-0.1%*	*2,415*	*2,500*	*2,583*	*+3.3%*	*+7.0%*
o/w Fees	*6,263*	*6,708*	*+7.1%*	*1,499*	*1,592*	*1,683*	*+5.7%*	*+12.3%*
o/w Trading	*1,756*	*1,818*	*+3.5%*	*459*	*381*	*384*	*+0.8%*	*-16.4%*
Operating costs	-11,827	-11,350	-4.0%	-2,930	-2,813	-2,794	-0.7%	-4.6%
Gross operating profit	7,468	8,268	+10.7%	1,580	1,833	2,049	+11.8%	+29.7%
Loan loss provisions	-4,207	-2,605	-38.1%	-1,486	-598	-772	+29.1%	-48.1%
Net operating profit	3,261	5,664	+73.7%	94	1,235	1,277	+3.4%	n.m.
Other charges & provisions	-1,217	-1,064	-12.6%	-244	-273	-193	-29.2%	-20.9%
o/w Systemic charges	*-712*	*-588*	*-17.3%*	*-55*	*-149*	*14*	*n.m.*	*n.m.*
Profit before taxes	1,811	4,148	n.m.	-327	926	830	-10.4%	n.m.
Income taxes	-805	-609	-24.4%	-85	-181	-66	-63.8%	-22.3%
Net profit from discontinued operations	695	2,251	n.m.	182	2,126	96	-95.5%	-47.2%
Net profit	n.m.	5,473	n.m.	n.m.	2,820	801	-71.6%	n.m.
Adjusted net profit(1)	**1,297**	**3,708**	**n.m.**	**-352**	**838**	**708**	**-15.5%**	**n.m.**

(1) Group adjusted net profit excludes the net impact of the Pioneer and Pekao disposals (+2.1bn 3Q17, +93m 4Q17) and -310m FX reserve in 2Q17 related to Pekao, as well as a one-off charge booked in Non Core (-80m 3Q17) related to FINO. Adjustments for 2016 and 2017 summarised in Annex on pages 46 and 47.

Group Core[1] – FY17 adjusted net profit 4.4bn, adjusted RoTE of 9.1%
Gross NPE ratio at 4.9%, down 73bps Y/Y

Main drivers

- Very good perfomance with adjusted RoTE of 9.1% in FY17
- Resilient revenues of 19.8bn in FY17(+1.0% FY/FY) mainly driven by dynamic fees (+7.3% FY/FY)
- Costs down 3.9% FY/FY
- Strict risk discipline driving LLPs down 23.4% FY/FY. FY17 CoR of 43bps
- Gross NPE ratio of 4.9%[3], down 73bps Y/Y

Data in m	*FY16 adj.*	*FY17*	*Δ % vs. FY16*	*4Q16 adj.*	*3Q17*	*4Q17*	*Δ % vs. 3Q17*	*Δ % vs. 4Q16 adj.*
Total revenues	19,567	19,770	+1.0%	4,640	4,674	4,876	+4.3%	+5.1%
o/w Net interest	*10,477*	*10,336*	*-1.3%*	*2,474*	*2,511*	*2,590*	*+3.2%*	*+4.7%*
o/w Fees	*6,317*	*6,780*	*+7.3%*	*1,527*	*1,604*	*1,704*	*+6.2%*	*+11.6%*
Operating costs	-11,683	-11,224	-3.9%	-2,891	-2,759	-2,786	+1.0%	-3.6%
Gross operating profit	7,884	8,546	+8.4%	1,748	1,915	2,090	+9.1%	+19.5%
LLP	-2,459	-1,883	-23.4%	-1,127	-460	-644	+40.0%	-42.9%
Net operating profit	5,425	6,663	+22.8%	621	1,455	1,446	-0.6%	n.m.
Net profit	n.m.	6,252	n.m.	n.m.	3,026	951	-68.6%	n.m.
Adjusted net profit[2]	3,543	4,407	+24.4%	747	965	858	-11.0%	+14.9%
Adjusted RoTE[2]	7.7%	9.1%	+1.5p.p.	7.2%	8.3%	7.0%	-1.3p.p.	-0.2p.p.
C/I	59.7%	56.8%	-2.9p.p.	62.3%	59.0%	57.1%	-1.9p.p.	-5.2p.p.
CoR (bps)	58	43	-15bps	106	42	59	+17bps	-47bps
Gross NPE ratio	5.6%	4.9%	-73bps	5.6%	5.0%	4.9%	-9bps	-73bps

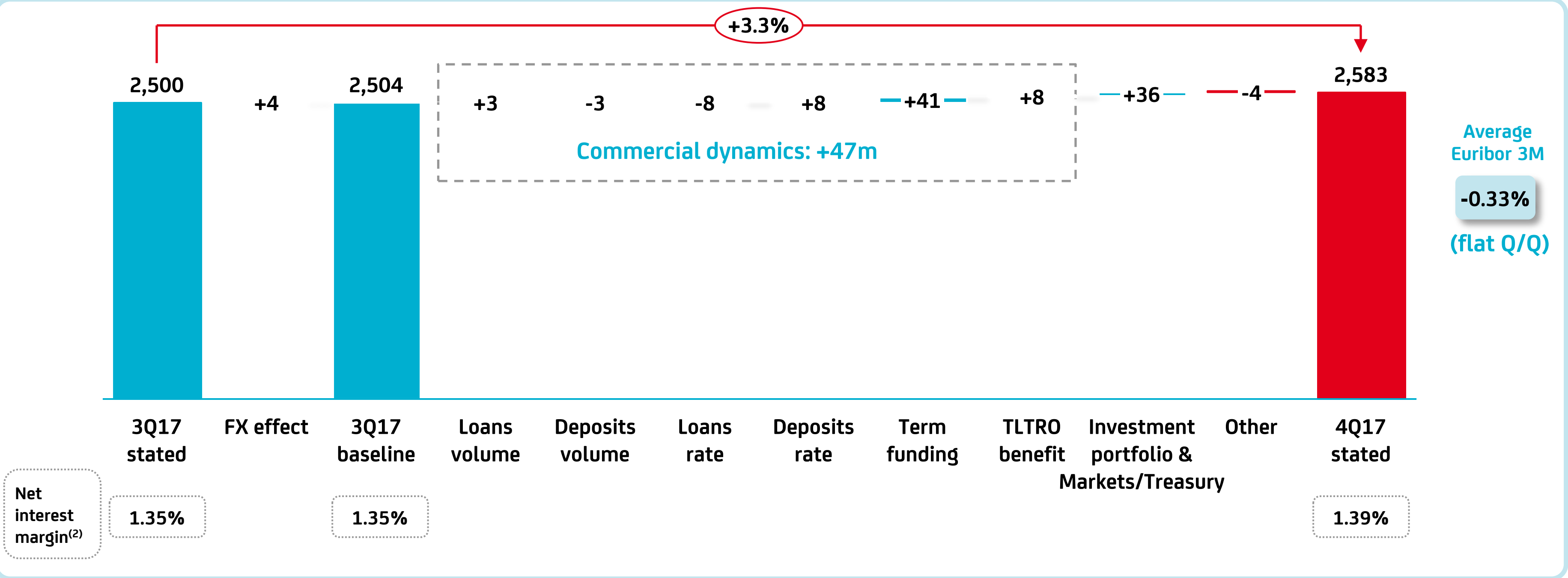
(1) Group Core is equivalent to Group excluding Non Core. It is not a separate division.

(2) Group Core adjusted net profit and adjusted RoTE exclude the net impact of the Pioneer and Pekao disposals (+2.1bn 3Q17, +93m 4Q17) and -310m FX reserve in 2Q17 related to Pekao. RoTE calculated at CMD perimeter, taking into account the capital increase and Pekao & Pioneer disposals as at 1 January 2017. Adjustments for 2016 and 2017 summarised in Annex on pages 46 and 47.

(3) Weighted average of EBA sample banks is 4.2%. Source: EBA risk dashboard (data as of 3Q17).

Group – Resilient 4Q17 net interest mainly thanks to lower funding costs

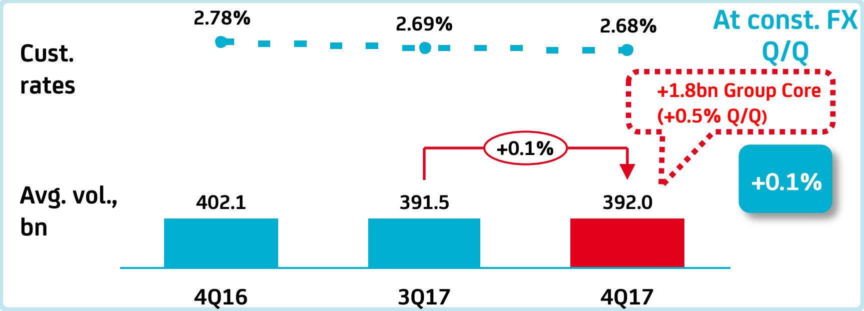
Net interest[1] Q/Q, m



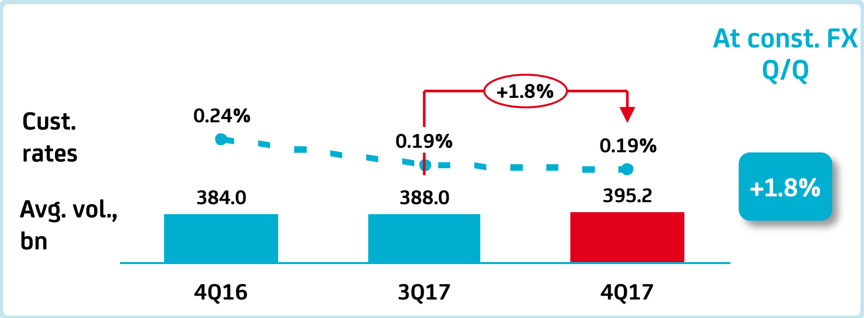
(1) Net contribution from hedging strategy of non-maturity deposits in 4Q17 at 380m, -0.6m Q/Q and -9.3m Y/Y.
(2) Net interest margin calculated as interest income divided by interest earning assets minus interest expenses divided by interest bearing liabilities.

Group – Group Core loan volumes up 1.8bn Q/Q, while Group customer rates down 1bp in 4Q17
Customer spreads stabilising across all divisions

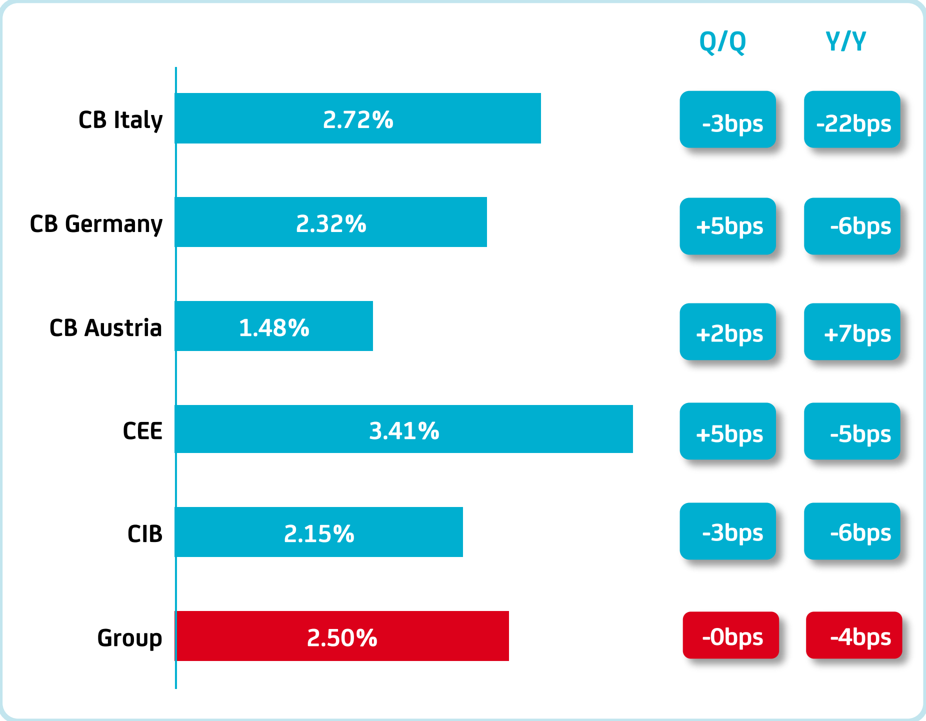
Avg. commercial loans(1) and rates



Avg. commercial deposits(1) and rates



Customer spreads(2) 4Q17



(1) Average commercial volumes are managerial figures that exclude debt securities booked in loans and are calculated as daily averages. Loans net of provisions.
(2) Customer spread defined as the difference between rate on customer loans and rate on customer deposits.

Group – End-of-period Group Core customer loans up 9.6bn[1] Y/Y

Customer loans (end-of-period)[2], bn

	bn	Q/Q	Y/Y
CB Italy	138.4	+0.9%	+2.6%
CB Germany	80.9	-0.7%	+0.5%
CB Austria	44.3	-0.5%	-1.4%
CEE	60.0	At constant FX +0.3%	At constant FX +0.1%
CIB	79.2	+1.1%	+4.8%
Fineco	1.9	+26.1%	n.m.
Group CC	2.6	+1.7%	+29.8%
Group Core	407.6	+0.5%	+2.2%
Non Core	14.3	-8.3%	-24.6%
Group	421.8	+0.2%	+1.0%

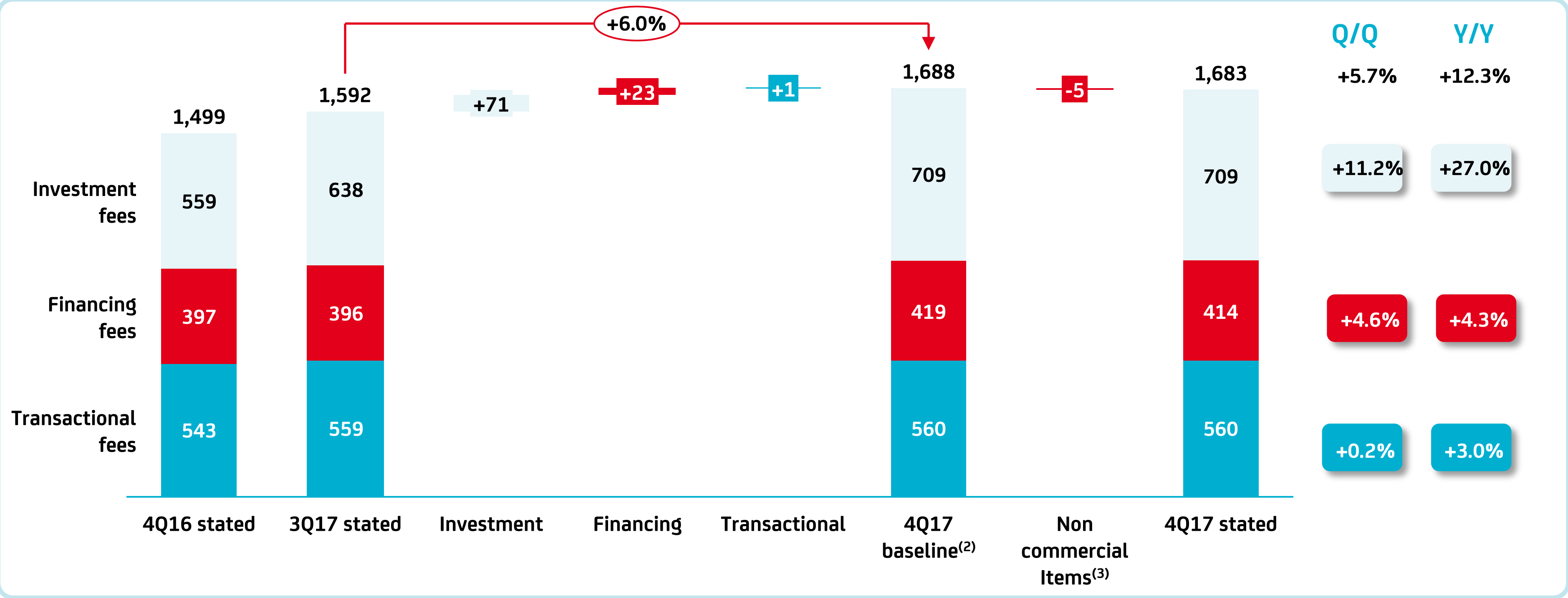
Customer deposits (end-of-period)[2], bn

	bn	Q/Q	Y/Y
CB Italy	142.0	+3.1%	+5.6%
CB Germany	91.6	+6.1%	+6.4%
CB Austria	46.3	-0.9%	-1.7%
CEE	62.4	At constant FX +3.1%	At constant FX +5.6%
CIB	47.9	+8.4%	+3.5%
Fineco	20.1	+1.3%	+8.0%
Group CC	2.5	+6.9%	-23.8%
Group Core	412.7	+3.8%	+4.5%
Non Core	1.0	-2.9%	+7.8%
Group	413.8	+3.8%	+4.5%

(1) Including 1.0bn loans in CB Germany that have been reclassified to held for sale in 3Q17.
(2) End-of-period accounting volumes calculated excluding repos and intercompany items.

Group – Fees up 12.3% Y/Y. Investment fees up 11.2% Q/Q

Fees Q/Q, stated figures(1) m



(1) All 2016 and 2017 figures have been restated for the consolidation effects arising from the intercompany fees relating to Bank Pekao and Pioneer, which until 2Q17 were classified as held for sale, in accordance to IFRS5 principle.

(2) "Baseline" data excluding non commercial items.

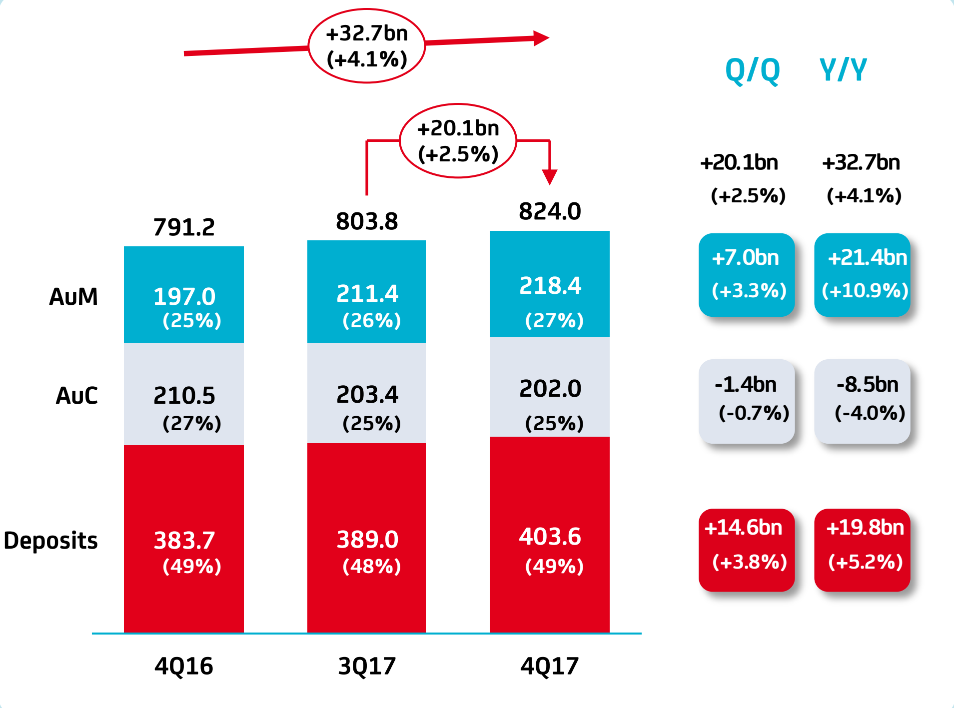
(3) "Non commercial items" include securitisation expenses and outsourced workout costs.

Group – Strong commercial dynamics drove AuM. Up 21.4bn, 10.9% Y/Y

Main drivers

- **TFAs** up 20.1bn Q/Q to 824.0bn:
  - ✓ **Assets under Management** at 218.4bn, up 3.3% Q/Q and 10.9% Y/Y. Main contributors CB Italy and CB Germany. Higher net sales of 19.1bn in FY17, up 12.4bn FY/FY
  - ✓ **Assets under Custody** at 202.0bn, down 0.7% Q/Q mainly due to CB Italy
  - ✓ **Deposits** at 403.6bn increased 3.8% Q/Q mainly thanks to CB Germany, CB Italy and CIB

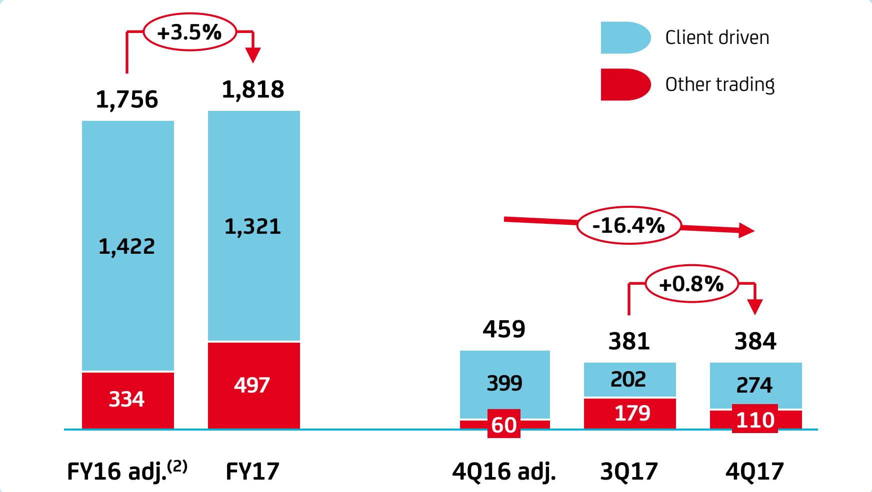
Group TFAs(1) 4Q17, bn



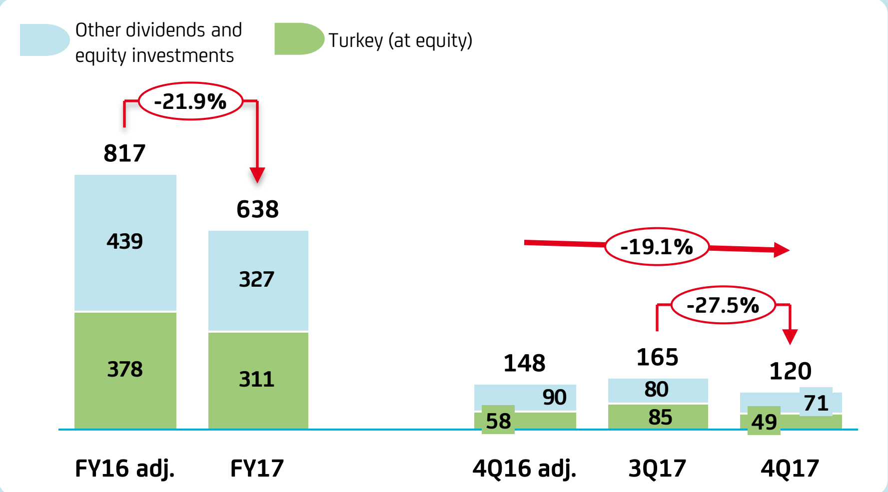
(1) Refers to Group commercial Total Financial Assets. Non-commercial elements, i.e. Group Corporate Centre, Non Core, Leasing/Factoring and Market Counterparts are excluded. Numbers are managerial figures.

Group – Trading income up 3.5% FY/FY, client activity picking up in 4Q17

Trading income, m



Dividends[1], m



- Client driven share of trading income in 4Q17 up 18.4p.p. Q/Q to 71.4%
- Trading income up 3.5% FY/FY, 39.4% Q/Q adjusted for non-recurring capital gains[3]

- Turkey's contribution flat FY/FY at constant FX
- Other dividends down 25.5% FY/FY due to non-recurring dividends from non-strategic participations in FY16 (e.g. Bank of Italy)

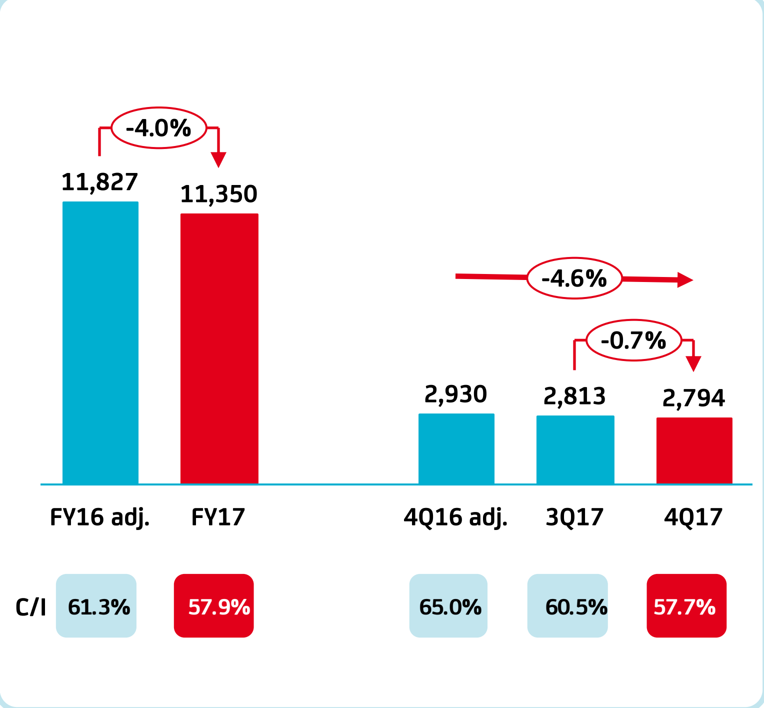
(1) Include dividends and equity investments. Turkey is valued at equity method and contributes to the dividend line to the Group P&L based on managerial view.
(2) FY16 adjusted for +324m non-recurring items mainly related to VISA Europe and a security disposal gain.
(3) Non-recurring capital gains pre-tax in 3Q17: +87m in CIB and +39m in CB Germany. In 4Q17: +28m in CB Germany.

Group – Costs 4.0% lower FY/FY, ahead of schedule
FY18 11.0bn and FY19 10.6bn total cost targets confirmed

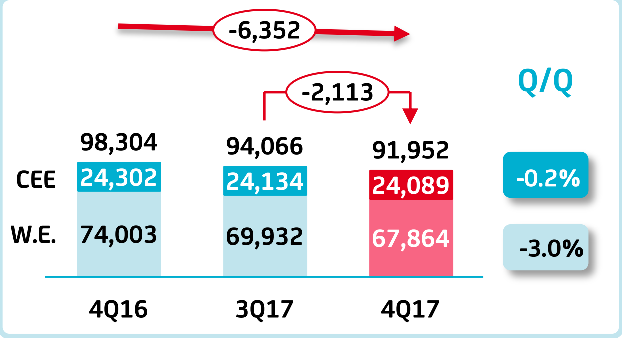
Main drivers

- Execution of Transform 2019 progressing well:
  - ✓ 64% of FTE reduction target achieved
  - ✓ 72% of branch closures completed
- FTEs down 6,352 Y/Y
- C/I down to 57.9% in FY17
- FY17 total costs at 11.4bn, ahead of schedule
- No seasonality in 4Q17 supported by expense recoveries. These are expected to be lower in 1Q18
- FY18 11.0bn and FY19 10.6bn total cost targets confirmed

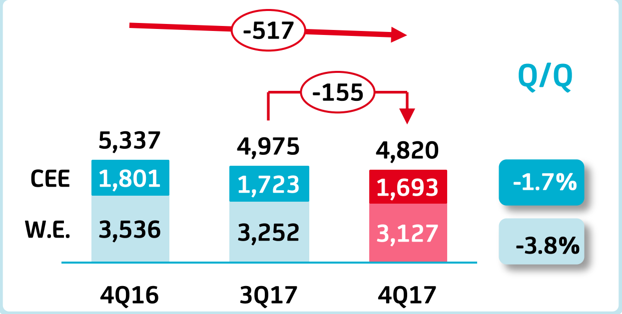
Costs, m



FTEs (eop)



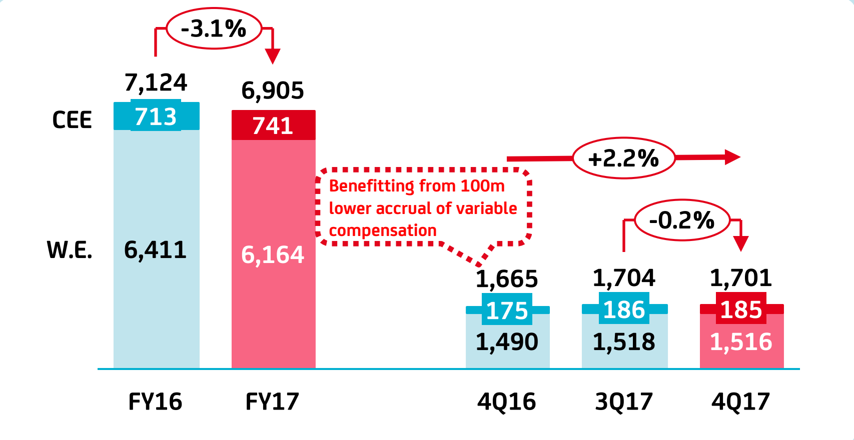
Branches(1)



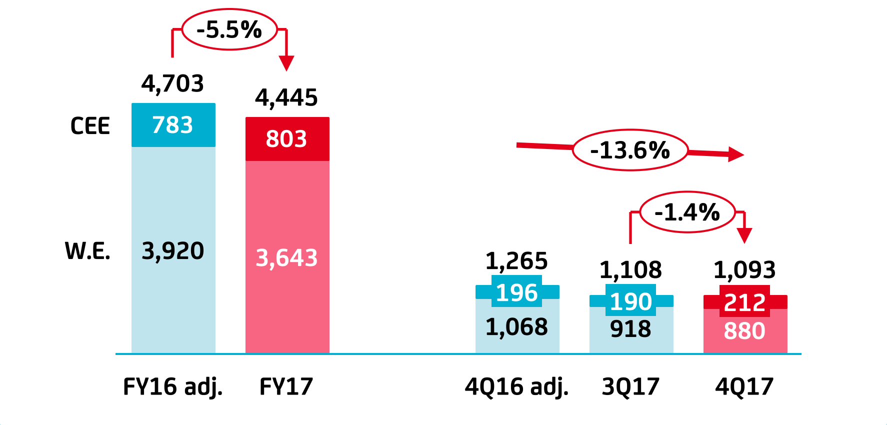
(1) Branch figures consistent with CMD perimeter.

Group – Cost reduction on track with HR and Non HR costs down FY/FY, thanks to disciplined cost control and no 4Q17 cost seasonality

Staff expenses, m



Non HR costs(1), m



- Staff expenses down 3.1% FY/FY, down 0.2% Q/Q
- 4Q17 staff expenses impacted by resumed bonus accruals and FTE exits skewed towards the end of the quarter
- Up 2.2% Y/Y due to lower accrual of variable compensation in 4Q16

- Non HR costs down 5.5% FY/FY mainly in real estate, consulting and depreciation
- Compared to 4Q16, no seasonality in 4Q17, leading to Non HR costs down 1.4% Q/Q, driven by exceptionally high expense recoveries in 4Q17 (mainly in Non Core)

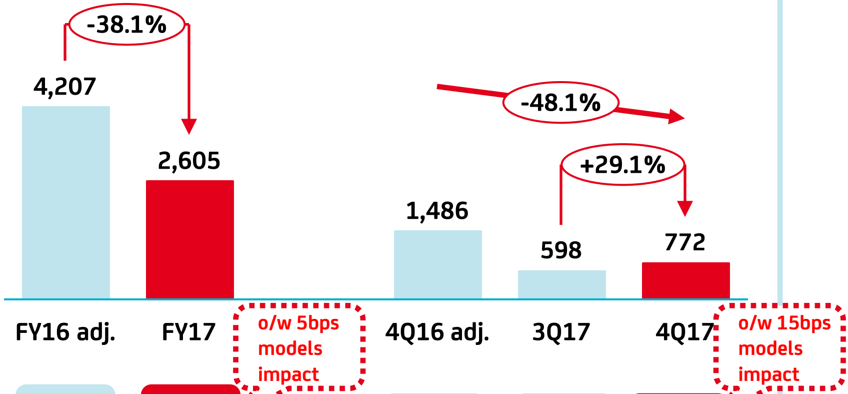
(1) Non HR costs include "other administrative expenses", "recovery of expenses" and "amortisation, depreciation and impairment losses on intangible and tangible assets".

Group – FY17 CoR of 58bps in line with guidance. 4Q17 CoR of 69bps driven by models impact

Main drivers[1]

- FY17 LLPs down 38.1% FY/FY to 2,605m, with CoR at 58bps, of which 5bps impact from models
- Group gross NPE ratio down 49bps Q/Q to 10.2% with solid coverage ratio at 56.2%
- Group Core gross NPE ratio down to 4.9%
- CoR across divisions in FY17:
  - ✓ CB Italy CoR at 69bps. CoR increase Q/Q mainly due to models impact (+28bps in 4Q17, +8bps in FY17)
  - ✓ 13bps in CB Germany, beginning to normalise after write-backs
  - ✓ -7bps in CB Austria due to net write-backs in FY17
  - ✓ In CEE at normalised levels of 95bps
  - ✓ CIB CoR at 22bps, in line with 21bps FY19 target

Loan loss provisions, m



	FY16 adj.	FY17	4Q16 adj.	3Q17	4Q17
Cost of risk	+93bps	+58bps	+132bps	+53bps	+69bps
Cov. ratio gross NPE			55.6%	56.5%	56.2%
Gross NPE ratio			11.8%	10.6%	10.2%

(1) Starting from 31 December 2016 the credit exposures belonging to the so-called "FINO" portfolio were recognised in the item "Non-current assets and disposal groups classified as held for sale". Following the "FINO" portfolio disposal, which occurred in July 2017 and the application of the IAS 39 principle, the credit exposures related to this portfolio have been derecognised for accounting purposes from the balance sheet assets. Managerial figures.

CB Italy – Transform 2019 driving business turnaround, FY17 net operating profit of 2.0bn up 1.2bn FY/FY thanks to strong fees and significantly lower LLPs

Main drivers

- Revenues of 7.4bn in FY17 in line with target
- NII 4.6% lower FY/FY due to ongoing pressure on customer rates
- New loans production[2] at 20.7bn in FY17 up 5.2% FY/FY, supported by corporates
- Fees up 6.7% FY/FY, thanks to investment fees (+12.9% FY/FY) and transactional fees (+4.6% FY/FY). Strong AuM net sales of 11bn in FY17 (up 7.6bn FY/FY), despite network restructuring
- AuM/TFA up 2.7p.p. Y/Y to 36.9% (vs. 33% in 2015[3])
- In FY17 347,000 gross new clients
- Costs down 3.0% FY/FY. C/I ratio down 1.7p.p. to 59.9% in FY17, below FY17 61% target
- CoR at 69bps in FY17. CoR increase Q/Q mainly due to models impact (+28bps in 4Q17, +8bps in FY17)
- RoAC at 11.9% in FY17

Data in m	*FY16*	*FY17*	*Δ % vs. FY16*	*4Q16*	*3Q17*	*4Q17*	*Δ % vs. 3Q17*	*Δ % vs. 4Q16*
Total revenues	7,434	7,415	-0.2%	1,678	1,759	1,873	+6.5%	+11.7%
o/w Net interest	*3,851*	*3,674*	*-4.6%*	*875*	*907*	*921*	*+1.5%*	*+5.3%*
o/w Fees	*3,482*	*3,716*	*+6.7%*	*810*	*861*	*937*	*+8.8%*	*+15.7%*
Operating costs	-4,573	-4,438	-3.0%	-1,115	-1,108	-1,091	-1.5%	-2.1%
Gross operating profit	2,860	2,977	+4.1%	563	651	782	+20.2%	+39.0%
LLP	-2,003	-945	-52.8%	-1,292	-210	-266	+26.9%	-79.4%
Net operating profit	857	2,032	n.m.	-729	441	516	+16.9%	n.m.
Net profit	-603	1,231	n.m.	-1,429	246	350	+42.5%	n.m.
RoAC	-6.0%	11.9%	+17.9p.p.	-70.6%	9.7%	12.5%	+2.8p.p.	+83.1p.p.
C/I	61.5%	59.9%	-1.7p.p.	66.4%	63.0%	58.2%	-4.7p.p.	-8.2p.p.
CoR (bps)	147	69	-78bps	380	61	77	+16bps	n.m.
Branches[1]	3,054	2,663	-12.8%	3,054	2,784	2,663	-4.3%	-12.8%
FTEs	35,222	32,372	*-8.1%*	35,222	33,531	32,372	-3.5%	*-8.1%*
Gross NPE ratio	6.8%	6.6%	-20bps	6.8%	6.7%	6.6%	-11bps	-20bps

(1) Branch figures consistent with CMD perimeter.

(2) Managerial figures.

(3) Recasted data.

CB Germany – Strong commercial dynamics with revenues up 6.7% FY/FY excluding 90m one-off in 2Q17. Net operating profit up 27.9% FY/FY despite normalisation of LLPs

Main drivers

- NII up 5.2% in FY17 excluding 90m positive one-off(2) in 2Q17. Customer spread compression slowing down (-6bps Y/Y)
- New loans production(3) at 11.6bn in FY17
- Fees up 7.0% FY/FY thanks to investment (+9.0% FY/FY) and transactional fees (+27.0% FY/FY)
- Excellent year for CIB/CB Germany Joint Venture driven by Equity Capital Markets and Corporate Finance Advisory
- In FY17 50,000 gross new clients
- Costs lower 3.6% FY/FY, mainly driven by strong Non HR cost reduction 15.3% FY/FY
- FTE further reduced, down 2.0% Q/Q and 7.5% Y/Y
- CoR at 13bps in FY17 beginning to normalise after write-backs
- Normalised(4) RoAC at 8.3% in FY17

Data in m	*FY16*	*FY17*	*Δ % vs. FY16*	*4Q16*	*3Q17*	*4Q17*	*Δ % vs. 3Q17*	*Δ % vs. 4Q16*
Total revenues	2,472	2,726	+10.3%	616	660	635	-3.7%	+3.1%
o/w Net interest	*1,489*	*1,656*	*+11.2%*	*347*	*390*	*393*	*+0.9%*	*+13.4%*
o/w Fees	*726*	*777*	*+7.0%*	*181*	*178*	*178*	*-0.1%*	*-1.3%*
Operating costs	-1,903	-1,835	-3.6%	-469	-454	-444	-2.2%	-5.3%
Gross operating profit	568	891	+56.9%	147	206	191	-7.1%	+29.8%
LLP	44	-108	n.m.	36	0	-56	n.m.	n.m.
Net operating profit	612	783	+27.9%	183	206	136	-34.0%	-25.9%
Net profit	120	639	n.m.	-149	156	133	-14.5%	n.m.
RoAC	1.4%	13.6%	+12.2p.p.	-13.6%	13.4%	10.9%	-2.5p.p.	+24.5p.p.
C/I	77.0%	67.3%	-9.7p.p.	76.1%	68.8%	69.9%	+1.1p.p.	-6.2p.p.
CoR (bps)	-5	13	+19bps	-18	0	27	+27bps	+45bps
Branches(1)	341	341	+0.0%	341	341	341	+0.0%	+0.0%
FTEs	10,910	10,091	-7.5%	10,910	10,296	10,091	-2.0%	-7.5%
Gross NPE ratio	2.8%	2.2%	-62bps	2.8%	2.2%	2.2%	-1bps	-62bps

(1) Branch figures consistent with CMD perimeter.
(2) 2Q17 one-off in net interest income (+90m) related to release of a tax provision.
(3) Managerial figures.
(4) Normalised RoAC for net capital gain on disposals in 3Q17 (+38m), in 4Q17 (+28m) and in 2Q17 (+170m) related to the release of a tax provision.

CB Austria – Net operating profit up 34.0% FY/FY driven by cost reductions and net write-backs

Main drivers

- Stated revenues down 5.4% FY/FY fully driven by the non recurring gain on the VISA sale in FY16
- Fees up 4.8% FY/FY driven by investment fees (+5.8% FY/FY). AuM up 4.3% FY/FY to 23.1bn
- New loans production(2) at 6.7bn in FY17, stable FY/FY. Strict underwriting led to reduced new commercial real estate loans. Residential mortgages growing
- In FY17 51,000 gross new clients
- Organisational streamlining close to completion. Costs down 12.2% FY/FY thanks to a reduction of HR costs (-9.7% FY/FY) and Non HR costs (-14.9% FY/FY)
- LLPs release of 32m due to net write-backs in FY17
- Normalised(3) RoAC at 16.7% in FY17

Data in m	*FY16*	*FY17*	*Δ % vs. FY16*	*4Q16*	*3Q17*	*4Q17*	*Δ % vs. 3Q17*	*Δ % vs. 4Q16*
Total revenues	1,639	1,550	-5.4%	401	385	397	+3.3%	-0.8%
o/w Net interest	*771*	*691*	*-10.5%*	*170*	*180*	*166*	*-7.7%*	*-2.0%*
o/w Fees	*595*	*623*	*+4.8%*	*156*	*151*	*164*	*+8.3%*	*+4.6%*
Operating costs	-1,236	-1,085	-12.2%	-309	-261	-269	+3.2%	-12.8%
Gross operating profit	403	465	+15.4%	92	124	128	+3.4%	+39.4%
LLP	-32	32	n.m.	-60	-14	-35	n.m.	-40.6%
Net operating profit	371	497	+34.0%	32	110	93	-15.4%	n.m.
Net profit	-384	557	n.m.	-364	188	96	-48.8%	n.m.
RoAC	-13.6%	19.6%	+33.2p.p.	-50.9%	26.7%	14.4%	-12.3p.p.	+65.3p.p.
C/I	75.4%	70.0%	-5.4p.p.	77.0%	67.7%	67.7%	-0.0p.p.	-9.3p.p.
CoR (bps)	7	-7	-13bps	49	12	31	+19bps	-19bps
Branches(1)	141	123	-12.8%	141	127	123	-3.1%	-12.8%
FTEs	5,486	4,966	*-9.5%*	5,486	5,199	4,966	*-4.5%*	*-9.5%*
Gross NPE ratio	4.9%	4.4%	-49bps	4.9%	4.4%	4.4%	+7bps	-49bps

(1) Branch figures consistent with CMD perimeter.
(2) Managerial figures.
(3) Normalised RoAC for real estate disposals (+65m) and tax effects (+17m) in 3Q17.

CEE – Outperformance leading to a net operating profit of 2.1bn in FY17
Substantial de-risking with gross NPE ratio down 200bps Y/Y

Main drivers

- Stated revenues resilient at 4.2bn, down 0.3% FY/FY at constant FX, despite the non recurring gain on the VISA sale in FY16. In line with FY17 4.1bn target
- NII up 1.3% FY/FY at constant FX as lower funding costs more than compensate flat loan volumes and pressure on customer spreads
- Fees up 3.3% FY/FY at constant FX, mainly driven by transactional fees
- In FY17 the number of clients increased by 653,000(2)
- Mobile user penetration(3) up 11.1p.p. Y/Y to 31.6%
- Costs increase 0.7% FY/FY at constant FX, well below inflation. C/I ratio at 36.9% in FY17 unchanged FY/FY, below FY17 38.5% target
- CoR at normalised levels of 95bps in FY17
- Gross NPE ratio down 200bps Y/Y to 7.9% thanks to strict risk discipline, focus on restructuring and disposals
- RoAC at 14.0% in FY17, well above 10.5% target

Data in m (1)	*FY16*	*FY17*	*Δ % vs. FY16 constant*	*4Q16*	*3Q17*	*4Q17*	*Δ % vs. 3Q17 constant*	*Δ % vs. 4Q16 constant*
Total revenues	4,166	4,188	-0.3%	998	1,040	1,004	-3.5%	+1.6%
o/w Net interest	*2,491*	*2,600*	*+1.3%*	*639*	*645*	*666*	*+2.9%*	*+3.9%*
o/w Fees	*804*	*849*	*+3.3%*	*198*	*217*	*199*	*-7.9%*	*+0.1%*
Operating costs	-1,496	-1,544	+0.7%	-371	-376	-398	+5.7%	+6.6%
Gross operating profit	2,669	2,644	*-0.9%*	627	663	607	*-8.5%*	*-1.4%*
LLP	-793	-574	-29.8%	-316	-161	-147	-10.3%	-54.6%
Net operating profit	1,877	2,071	+11.0%	312	503	460	-8.0%	+50.8%
Net profit	1,409	1,591	+15.4%	198	413	352	-13.9%	+82.5%
RoAC	11.8%	14.0%	+2.1p.p.	6.7%	14.7%	12.5%	-2.3p.p.	+5.8p.p.
C/I	35.9%	36.9%	+0.9p.p.	37.2%	36.2%	39.6%	+3.4p.p.	+2.4p.p.
CoR (bps)	134	95	-40bps	210	106	97	-9bps	-113bps
Branches	1,801	1,693	-6.0%	1,801	1,723	1,693	-1.7%	-6.0%
FTEs	24,302	24,089	-0.9%	24,302	24,134	24,089	-0.2%	-0.9%
Gross NPE ratio	9.9%	7.9%	-200bps	9.9%	8.9%	7.9%	-98bps	-200bps

(1) Stated numbers at current FX. Variations Q/Q and Y/Y at constant FX (RoAC, C/I, NPEs and CoR variations at current FX).
(2) Calculated as difference between number of clients at beginning and end of period.
(3) Including Turkey at 100%. Ratio defined as number of retail mobile users as percentage of active customers.

CIB – Net operating profit up 13.2% FY/FY driven by sustained client activity

Main drivers

- Commercial NII resilient reflecting solid flow of financing activities despite pressure on spreads. NII down 8.9% FY/FY mainly due to lower contribution of investment portfolio
- Fees up 2.0% FY/FY driven by strong client activity in Structured Finance and Debt & Equity Capital Markets
- Client driven revenues at 75% in FY17, up 2p.p. FY/FY
- Costs decreased 5.9% FY/FY. C/I ratio at 40.0% in FY17, one of the lowest in the industry, already in line with FY19 40.2% target
- LLPs down 56.5% FY/FY thanks to strict risk discipline. CoR at 22bps in FY17, in line with 21bps FY19 target
- Normalised(1) RoAC at 14.4% in FY17

Data in m (1)	*FY16*	*FY17*	*Δ % vs. FY16*	*4Q16*	*3Q17*	*4Q17*	*Δ % vs. 3Q17*	*Δ % vs. 4Q16*
Total revenues	4,233	4,066	-3.9%	968	890	995	+11.8%	+2.8%
o/w Net interest	*2,297*	*2,092*	*-8.9%*	*543*	*497*	*516*	*+3.9%*	*-4.9%*
o/w Fees	*620*	*632*	*+2.0%*	*125*	*143*	*169*	*+18.1%*	*+34.9%*
o/w Trading	*1,234*	*1,243*	*+0.7%*	*274*	*251*	*255*	*+1.8%*	*-6.7%*
Operating costs	-1,730	-1,627	-5.9%	-430	-397	-387	-2.7%	-10.0%
Gross operating profit	2,504	2,440	-2.6%	538	493	609	+23.5%	+13.1%
LLP	-566	-246	-56.5%	-408	-55	-121	n.m.	-70.2%
Net operating profit	1,938	2,193	+13.2%	130	438	487	+11.3%	n.m.
Net profit	1,175	1,422	+20.9%	117	299	371	+24.2%	n.m.
RoAC	12.1%	15.3%	+3.2p.p.	4.8%	13.1%	15.8%	+2.7p.p.	+11.0p.p.
C/I	40.9%	40.0%	-0.8p.p.	44.4%	44.6%	38.9%	-5.8p.p.	-5.5p.p.
CoR (bps)	53	22	-31bps	156	20	44	+24bps	-112bps
FTEs	3,480	3,316	-4.7%	3,480	3,371	3,316	-1.6%	-4.7%
Gross NPE ratio	3.9%	3.4%	-56bps	3.9%	3.1%	3.4%	+27bps	-56bps

(1) Normalised RoAC for net capital gain on disposals in 3Q17 (+84m).

Fineco – Strong AuM growth, up 15.6% Y/Y. Net operating profit up 6.0% FY/FY

Main drivers

- Strong revenue generation, up 4.9% FY/FY supported by net interest and fees
- Loan volumes 4Q17 at 1.9bn, up 111.6% Y/Y
- Strong AuM performance (up 15.6% Y/Y) driving fees up 11.2% FY/FY. AuM net sales of 3.9bn, up 121% FY/FY
- In FY17 115,000 gross new clients
- Operating costs under control confirming strong focus on efficiency while expanding the business. C/I ratio down 0.7p.p. FY/FY to 39.8%
- Net profit at 76m in FY17. Excluding 2016 extraordinary gain on Visa (+3.6m), net profit up 6.4% FY/FY
- RoAC at 62.7% in FY17

Data in m	*FY16*	*FY17*	*Δ % vs. FY16*	*4Q16*	*3Q17*	*4Q17*	*Δ % vs. 3Q17*	*Δ % vs. 4Q16*
Total revenues	558	586	+4.9%	138	148	156	+5.1%	+12.6%
o/w Net interest	*249*	*264*	*+6.1%*	*63*	*67*	*70*	*+3.9%*	*+10.4%*
o/w Fees	*243*	*270*	*+11.2%*	*66*	*70*	*71*	*+1.5%*	*+7.5%*
Operating costs	-226	-233	+3.0%	-55	-54	-59	+9.4%	+5.9%
Gross operating profit	332	353	+6.2%	83	94	97	+2.6%	+17.0%
LLP	-4	-5	+22.7%	-1	-2	-2	+36.3%	n.m.
Net operating profit	328	347	+6.0%	82	93	95	+2.1%	+15.5%
Minorities	-137	-138	+1.1%	-32	-30	-41	+35.0%	+27.6%
Net profit(1)	75	76	+1.1%	17	16	22	+35.0%	+27.5%
RoAC	79.4%	62.7%	-16.8p.p.	61.3%	54.5%	66.3%	+11.8p.p.	+5.0p.p.
C/I	40.6%	39.8%	-0.7p.p.	40.0%	36.2%	37.7%	+1.5p.p.	-2.4p.p.
AuM	28,608	33,080	+15.6%	28,608	31,339	33,080	+5.6%	+15.6%
AuM/TFA %	47.5%	49.2%	+1.7p.p.	47.5%	48.0%	49.2%	+1.3p.p.	+1.7p.p.

(1) Consolidated view, i.e. 35% ownership by UniCredit, net profit only for FY16 restated.

Group Corporate Centre – Bottom line affected by capital gains from Pioneer and Pekao disposals, adjusted net loss at 1.1bn in FY17

Main drivers

- Negative revenues up 20.2% FY/FY mainly related to lower dividends and FX movements
- Costs down 59.0% FY/FY. Adjusted for non recurring items related to Transform 2019 in FY16, costs are down 10.8% FY/FY driven by both HR and Non HR costs
- Lean but Steering Corporate Centre transformation on track with a reduction of 1,751 FTEs Y/Y
- Corporate Centre costs/Total costs at 4.1% in FY17, down 0.3p.p. FY/FY
- Adjusted net loss at 1.1bn FY17, excluding the net impact of Pioneer and Pekao disposals (+2.1bn 3Q17, +93m 4Q17) and FX reserve in 2Q17 related to Pekao (-310m)

Data in m	FY16	FY17	Δ % vs. FY16	4Q16	3Q17	4Q17	Δ % vs. 3Q17	Δ % vs. 4Q16
Total revenues	-633	-761	+20.2%	-263	-207	-185	-10.6%	-29.6%
Operating costs	-1,128	-462	-59.0%	-753	-110	-139	+26.3%	-81.5%
Gross operating profit	-1,761	-1,224	-30.5%	-1,016	-317	-324	+2.2%	-68.1%
LLPs	-5	-37	n.m.	12	-18	-16	-10.3%	n.m.
Profits on investments	-689	-208	-69.8%	-711	8	-89	n.m.	-87.5%
Profit before taxes	-3,447	-1,760	-48.9%	-2,342	-418	-609	+45.7%	-74.0%
Income Taxes	-98	488	n.m.	-233	63	141	n.m.	n.m.
Net profit from discontinued operations	-157	2,136	n.m.	-717	2,068	97	-95.3%	n.m.
Net loss/profit	-4,199	737	n.m.	-3,620	1,709	-374	n.m.	-89.7%
FTEs	17,324	15,573	-10.1%	17,324	15,970	15,573	-2.5%	-10.1%
Costs GCC/ Tot. costs(1)	4.4%	4.1%	-0.3p.p.	4.9%	3.9%	5.0%	+0.3p.p.	+0.0p.p.

(1) Costs Group Corporate Center adjusted/Total costs adjusted for non recurring items in FY16 and 4Q16. Adjustments for 2016 summarised in Annex on pages 46.

Non Core – Net loss reduced mainly thanks to lower LLPs
Continued de-risking of Non Core with net NPEs down 17.0% FY/FY to 11.4bn

1 2 3 4 5 6 7

Main drivers[1]

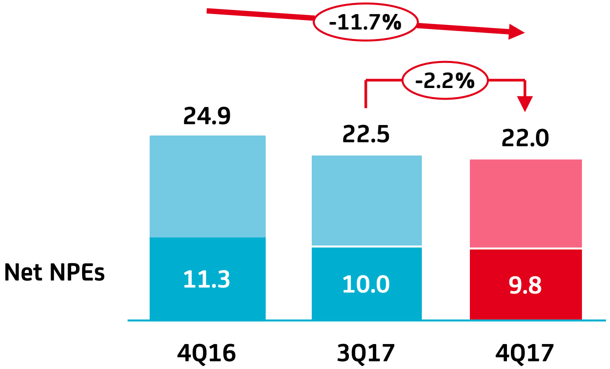
- Negative revenues lower by 44.5% FY/FY primarily thanks to net interest and lower servicing fees following the FINO transaction
- Lower operating costs (-21.0% FY/FY) mainly thanks to lower FTEs and other workout related expenses
- LLPs at 722m in FY17, with solid coverage ratio at 56.9%
- Net loss at 779m in FY17
- Continued net NPEs decrease, down 17% FY/FY to 11.4bn, reaching FY17 target

Data in m	*FY16*	*FY17*	*Δ % vs. FY16*	*4Q16*	*3Q17*	*4Q17*	*Δ % vs. 3Q17*	*Δ % vs. 4Q16*
Total revenues	-273	-151	-44.5%	-130	-28	-33	+18.5%	-74.4%
Operating costs	-160	-126	-21.0%	-54	-53	-8	-85.6%	-85.7%
Gross operating profit	-432	-277	-35.8%	-184	-82	-41	-49.7%	-77.7%
LLP	-8,847	-722	-91.8%	-7,559	-138	-128	-7.3%	-98.3%
Net loss	-9,382	-779	-91.7%	-8,329	-207	-150	-27.2%	-98.2%
Gross customer loans	37,137	29,789	-19.8%	37,137	32,488	29,789	-8.3%	-19.8%
o/w NPEs	*31,476*	*26,475*	*-15.9%*	*31,476*	*28,822*	*26,475*	*-8.1%*	*-15.9%*
o/w Performing	*5,661*	*3,314*	*-41.5%*	*5,661*	*3,666*	*3,314*	*-9.6%*	*-41.5%*
NPE coverage ratio, %	56.4%	56.9%	+57bps	56.4%	57.1%	56.9%	-18bps	+57bps
Net NPEs	13,737	11,405	-17.0%	13,737	12,362	11,405	-7.7%	-17.0%
RWA	26,196	21,714	-17.1%	26,196	21,712	21,714	+0.0%	-17.1%

(1) Starting from 31 December 2016 the credit exposures belonging to the so-called "FINO" portfolio were recognised in the item “Non-current assets and disposal groups classified as held for sale”. Following the “FINO" portfolio disposal, which occurred in July 2017 and the application of the IAS 39 principle, the credit exposures related to this portfolio have been derecognised for accounting purposes from the balance sheet assets. Managerial figures.

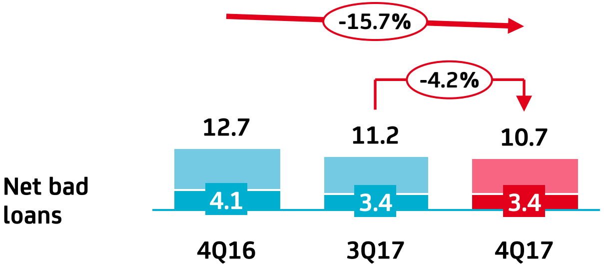
Group Core – Ongoing de-risking, gross NPEs down 11.7% Y/Y with improving coverage ratio

Non performing exposures[1], bn



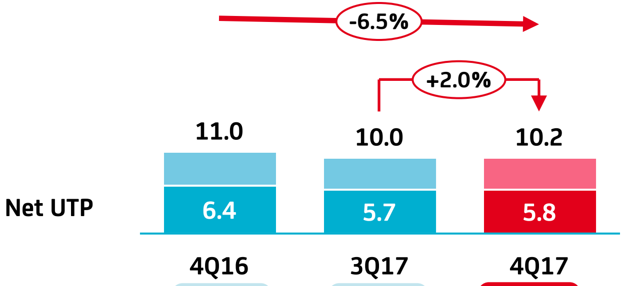
	4Q16	3Q17	4Q17
Gross NPE ratio	5.6%	5.0%	4.9%
Net NPE ratio	2.6%	2.3%	2.3%
Coverage ratio	54.7%	55.7%	55.4%

o.w. Gross bad loans, bn



	4Q16	3Q17	4Q17
Coverage ratio	67.9%	69.5%	68.4%

o.w. Gross unlikely to pay, bn

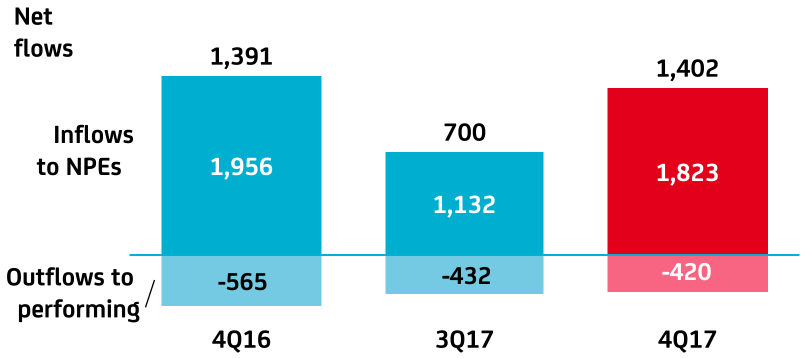


	4Q16	3Q17	4Q17
Coverage ratio	41.6%	42.8%	43.3%

(1) Gross NPEs including gross bad loans, gross unlikely-to-pay and gross past due. Gross past due at 1.0bn in 4Q17 (-19.2% Q/Q and -17.6% Y/Y).

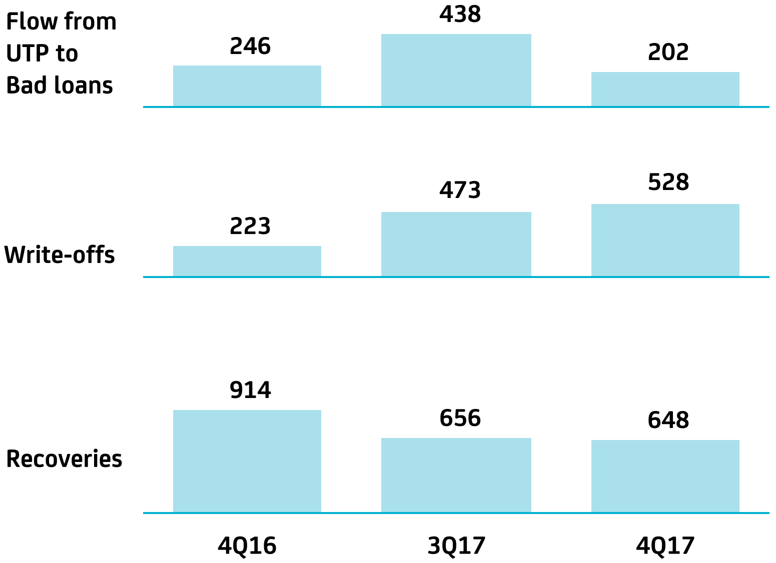
Group Core – Inflows impacted by seasonality and some single names

Group Core – net flows to NPEs, m



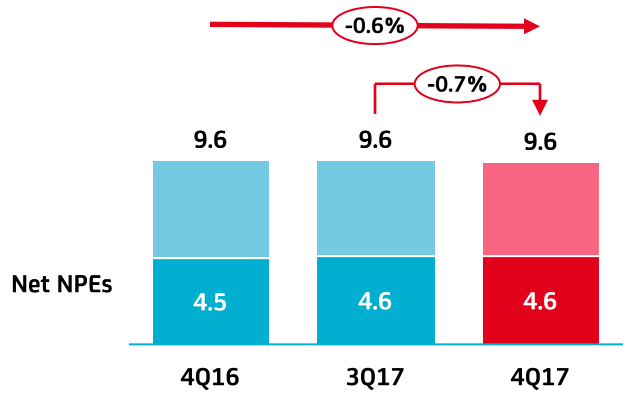
	4Q16	3Q17	4Q17
Default rate	2.0%	1.1%	1.8%
Cure rate	8.8%	7.0%	6.8%
Migration rate	8.4%	16.0%	7.4%

Group Core – Loan evolution drivers, m



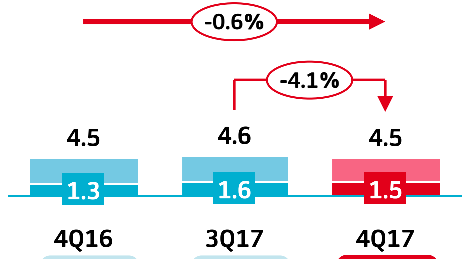
CB Italy – Stable gross NPEs at 9.6bn, with coverage ratio at 52.2%

Non performing exposures[1], bn



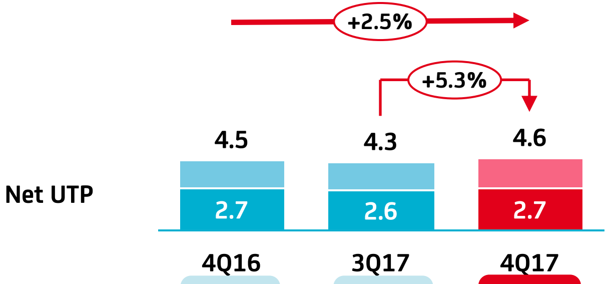
	4Q16	3Q17	4Q17
Gross NPE ratio	6.8%	6.7%	6.6%
Net NPE ratio	3.3%	3.4%	3.3%
Coverage ratio	53.3%	52.0%	52.2%

o.w. Gross bad loans, bn



	4Q16	3Q17	4Q17
Coverage ratio	70.5%	65.8%	65.7%

o.w. Gross unlikely to pay, bn

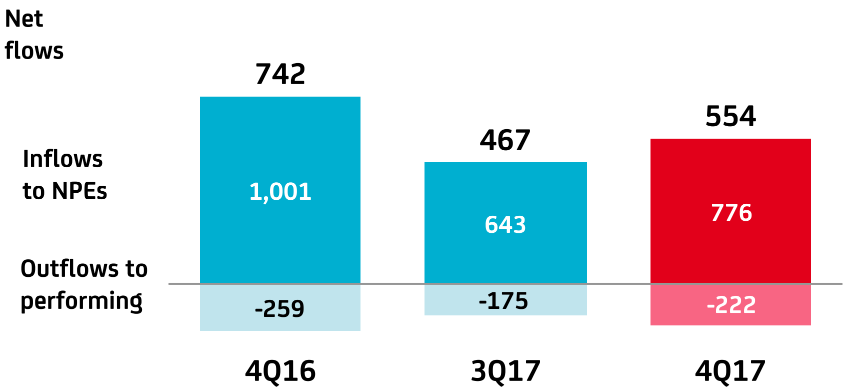


	4Q16	3Q17	4Q17
Coverage ratio	39.7%	40.6%	41.2%

(1) Gross NPEs including gross bad loans, gross unlikely-to-pay and gross past due. Gross past due at 543m in 4Q17 (-17.1% Q/Q and -20.2%Y/Y).

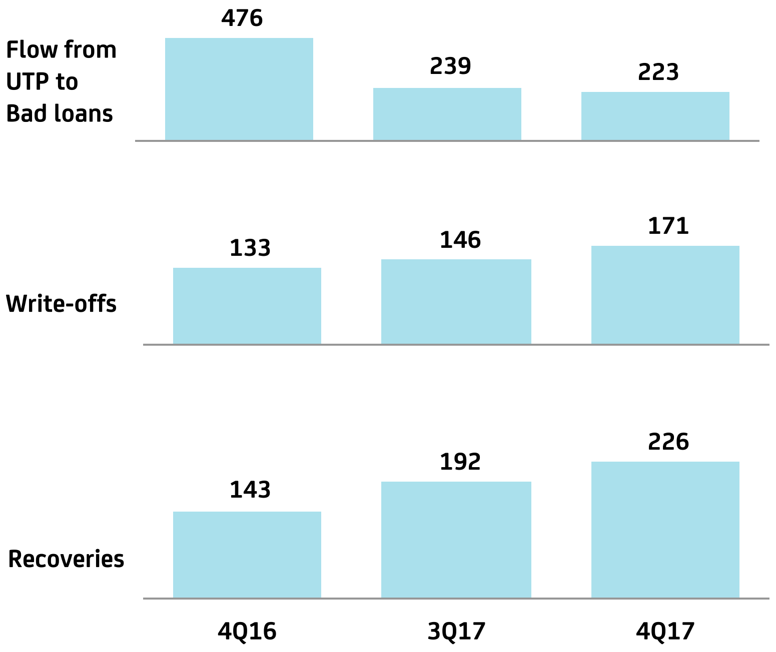
CB Italy – Despite seasonality in 4Q17, net flows were down 25.5% Y/Y
Sound trend of recoveries Q/Q and Y/Y

CB Italy – Net flows to NPEs, m



	4Q16	3Q17	4Q17
Default rate	3.1%	1.9%	2.4%
Cure rate	13.2%	7.3%	9.2%
Migration rate	49.5%	21.5%	20.1%

CB Italy – Loan evolution drivers, m

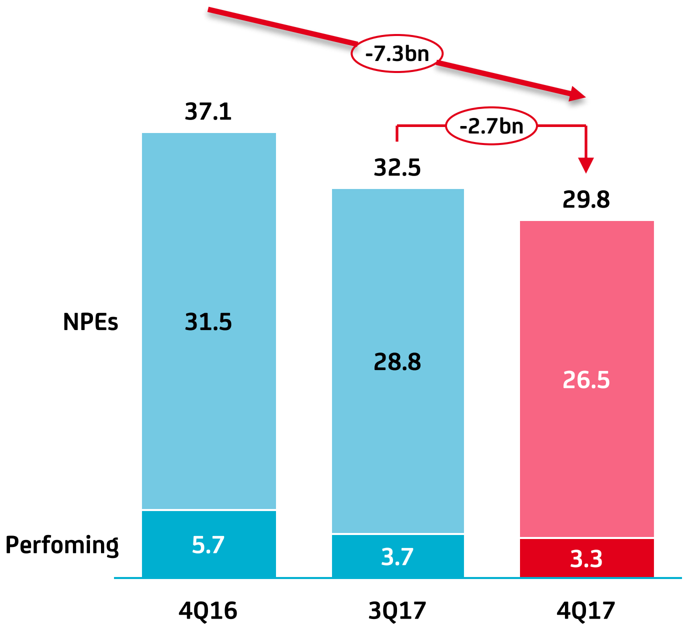


Non Core – FINO transaction successfully closed in January 2018
Gross loans reduced by 7.3bn Y/Y

Actions of Non Core run down[1]

FINO	FINO phase 2 closed in January 2018
Repayments	0.2bn in 4Q17
Disposals	1.2bn in 4Q17, 2.4bn in FY17
Recoveries	0.4bn in 4Q17
Write-offs	0.4bn in 4Q17
Back to Core	0.5bn mainly driven by corporates

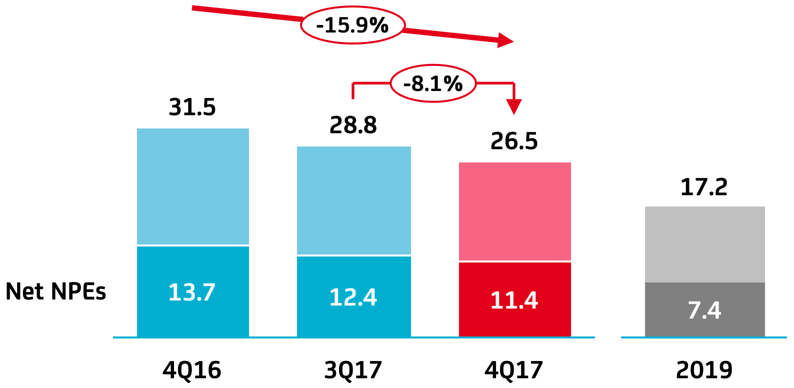
Gross loans, bn



(1) Starting from 31 December 2016 the credit exposures belonging to the so-called "FINO" portfolio were recognised in the item “Non-current assets and disposal groups classified as held for sale”. Following the “FINO" portfolio disposal, which occurred in July 2017 and the application of the IAS 39 principle, the credit exposures related to this portfolio have been derecognised for accounting purposes from the balance sheet assets. Managerial figures.

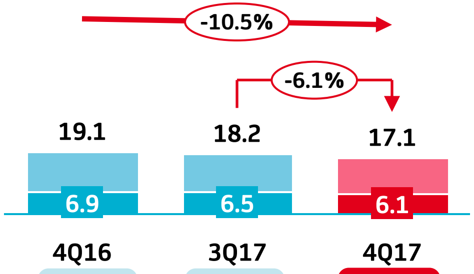
Non Core – 2017 net NPE target of 11.4bn achieved with a stable coverage ratio of 57%

Non performing exposures[1], bn



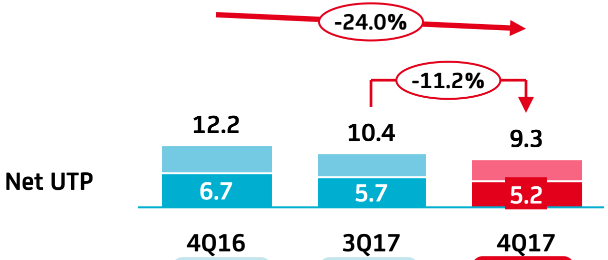
	4Q16	3Q17	4Q17	2019
Gross NPE ratio	84.8%	88.7%	88.9%	100%
Net NPE ratio	71.7%	78.0%	78.3%	100%
Coverage ratio	56.4%	57.1%	56.9%	>57%

o.w. Gross bad loans, bn



	4Q16	3Q17	4Q17
Coverage ratio	64.0%	64.2%	64.2%

o.w. Gross unlikely to pay, bn

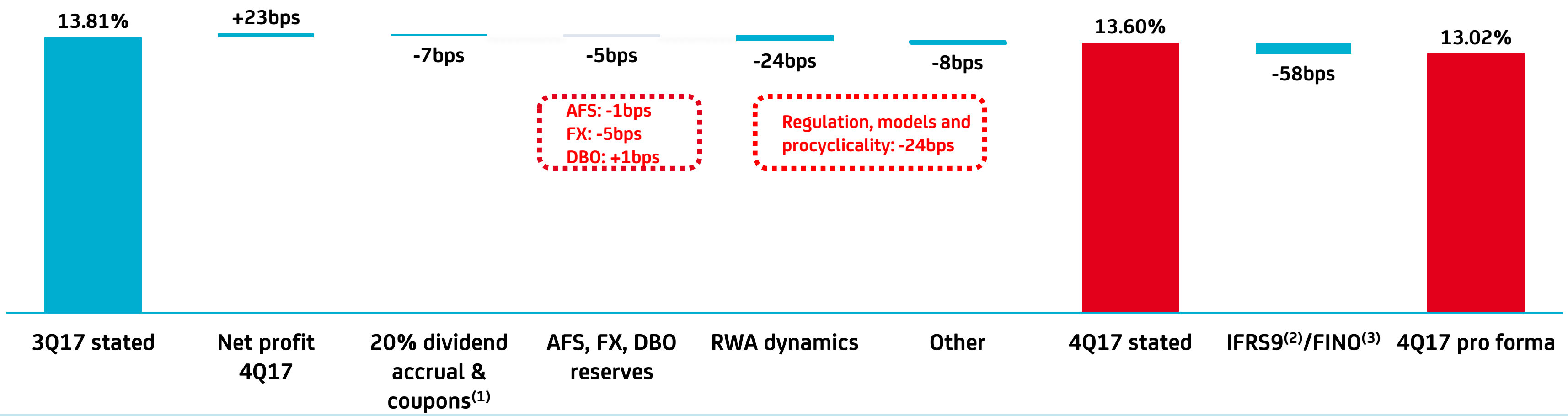


	4Q16	3Q17	4Q17
Coverage ratio	44.7%	45.1%	43.8%

(1) Starting from 31 December 2016 the credit exposures belonging to the so-called "FINO" portfolio were recognised in the item "Non-current assets and disposal groups classified as held for sale". Following the "FINO" portfolio disposal, which occurred in July 2017 and the application of the IAS 39 principle, the credit exposures related to this portfolio have been derecognised for accounting purposes from the balance sheet assets. Managerial figures. Gross NPEs including gross bad loans, gross unlikely-to-pay and gross past due. Gross past due at 136m in 4Q17 (-33.4% Q/Q and -33.2% Y/Y).

Group – CET1 ratio at 13.60%, 13.02% pro forma of the IFRS9 and FINO impact

Fully loaded Common Equity Tier 1 ratio, %



- CET1 ratio down 21bps mainly due to RWA dynamics, partly compensated by earnings generation net of dividends accrual and coupons
- FY17 dividends accrual based on 20% payout on normalised[4] earnings leading to a proposed cash dividend of 0.32 per share or 0.7bn
- Confirmed negative CET1 ratio impact of regulation, models and procyclicality in 4Q17 at 24bps

(1) Coupons on AT1 instruments paid in 4Q17 equal to 109m before tax.

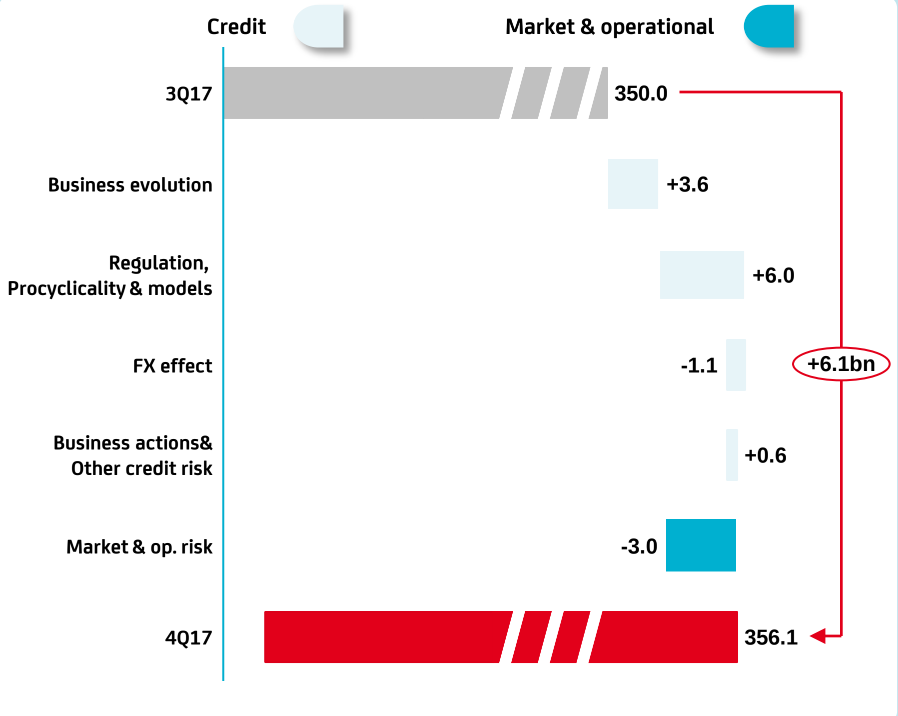
(2) IFRS9 first time adoption (FTA) on 1 January 2018 estimated at -75bps. The overall "net impact" on the fully loaded CET1 ratio is expected at c.-40bps, as the FTA will be partially compensated by tax effects and lower shortfall over the course of FY18.

(3) The completion of FINO phase 2 in January 2018 and the significant risk transfer (SRT) of the FINO portfolio, for which UniCredit has notified the ECB of its intention to proceed in accordance to regulation, will result in a +17 bps fully loaded CET1 ratio impact in 1Q18. The overall net impact on the fully loaded CET1 ratio will be c.+10 bps, as previously stated in the 17 July 2017 press release, since the SRT positive impact is partially offset by the higher RWA of the underlying FINO portfolio at end of 2017.

(4) Normalised earnings excluding the net impact of the Pioneer and Pekao disposals (+2.1bn 3Q17, +93m 4Q17) and -310m FX reserve in 2Q17 related to Pekao.

Group – RWA up 6.1bn Q/Q, mainly driven by regulation, models and procyclicality

Main drivers of RWA transitional[(1)], bn



Credit RWA +9.1bn Q/Q

- **Business evolution**: +3.6bn, seasonal business growth (e.g. GTB, Factoring)
- **Regulation, models & procyclicality** : +6.0bn, mainly in Italy. Procyclicality main driver and some model changes
- **FX**: -1.1bn, mainly due to currency depreciation of Turkish Lira

Market RWA +1.9bn Q/Q

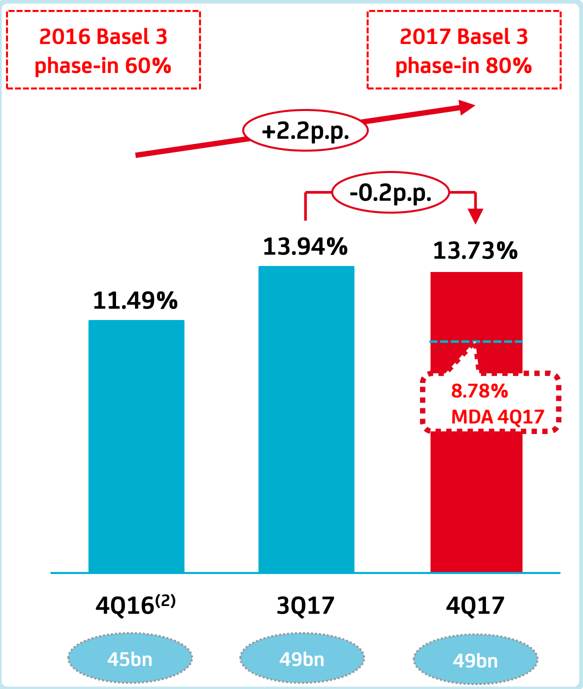
- **Market risk:** +1.9bn, higher intensity of market making activity

Operational risk RWA -4.9bn Q/Q

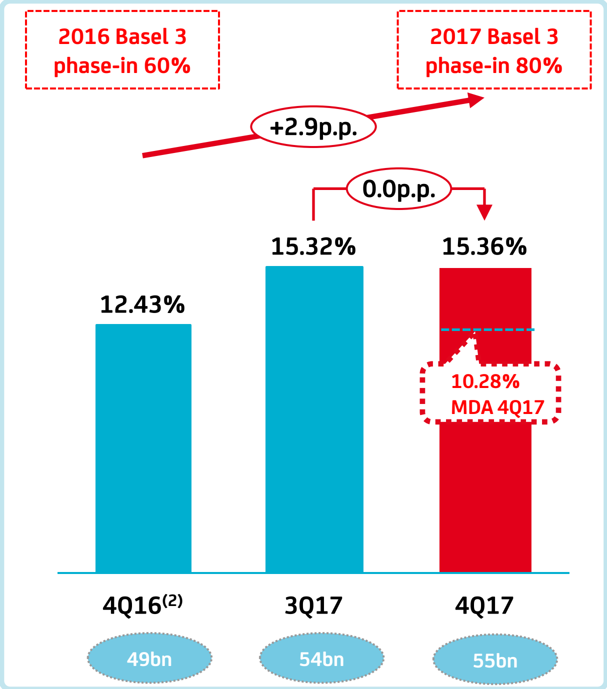
(1) Business evolution: changes related to loan evolution; Regulation: changes (eg. CRR or CRD) determining variations of RWA; Procyclicality: change in macroeconomy or client's credit worthiness; Models: methodological changes to existing or new models; Business actions: initiatives to decrease RWA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

Group – Transitional capital ratios well above MDA levels
SREP Pillar 2 requirement lowered by 50bps to 200bps, effective from 2018

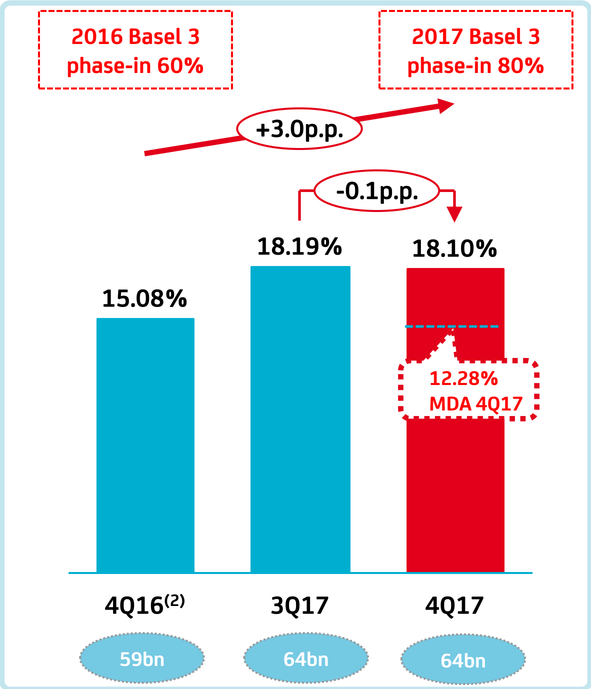
CET1 transitional(1)



Tier 1 transitional(1)



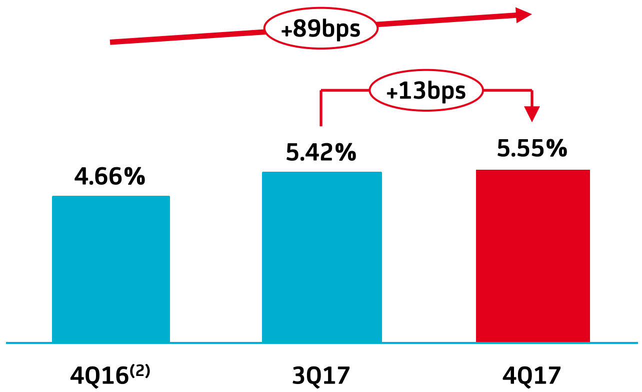
Total capital transitional(1)



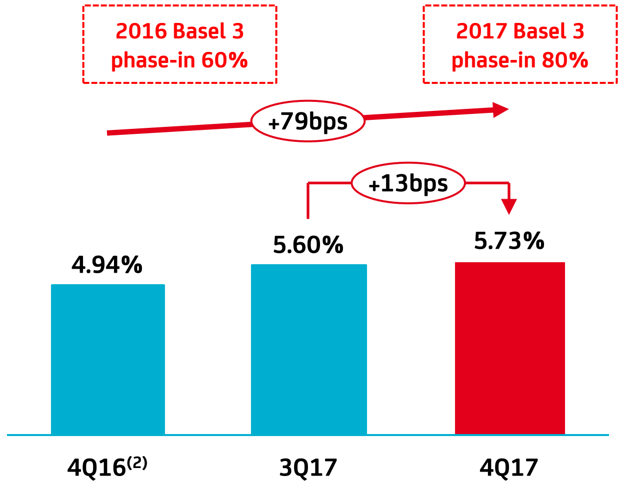
(1) Phase-in of net liability related to Defined Benefit Obligation at 40% in 2016 and 60% in 2017.
(2) Including the benefit of capital increase and of the reversal of thresholds related to financial participations and DTA.
xxbn Absolute amount for CET1 transitional, Tier1 capital transitional and total capital transitional.

Group – Leverage ratio fully loaded at 5.55%, up 13bps Q/Q and 89bps Y/Y

Basel 3 leverage ratio fully loaded[1]



Basel 3 leverage ratio transitional[1]



- Leverage ratio fully loaded at 5.55% in 4Q17 (+13bps Q/Q and +89bps Y/Y)
- Leverage ratio transitional at 5.73% in 4Q17 (+13bps Q/Q and +79bps Y/Y)

(1) Phase-in of net liability related to Defined Benefit Obligation at 40% in 2016 and 60% in 2017.
(2) Including the benefit of capital increase and of the reversal of thresholds related to financial participations and DTA.

Concluding remarks – 2018: in-depth operational execution of Transform 2019 Plan

Transform 2019 is fully on track delivering tangible results in its first full year of execution: Adjusted net profit(1) of 3.7bn, stated net profit of 5.5bn

Strong commercial dynamics supported revenue growth of 1.7% FY/FY. FY18 20.1bn revenue target confirmed. NII to remain stable in 1H18 at the average 2017 underlying NII run rate whilst expected to increase in 2H18, thanks to higher volumes and stabilising customer rates

Operating model transformation progressing ahead of schedule, with 72% of planned branch closures and 64% of FTE reductions achieved in FY17. FY18 11.0bn and FY19 10.6bn cost targets confirmed

FY17 CoR at 58bps in line with guidance. FY18 CoR of 68bps(2) confirmed. NPEs down 7.9bn Y/Y mainly thanks to disposals. Group gross NPE ratio down 49bps Q/Q to 10.2%, Group Core gross NPE ratio down to 4.9%

FY17 fully loaded CET1 ratio at 13.60%, 13.02% pro forma of IFRS9(3) and FINO(4). FY18 fully loaded CET1 ratio confirmed between 12.2% and 12.7%

Proposed cash dividend of 0.32 per share equal to 0.7bn, equivalent to 20% payout on normalised(5) earnings

(1) Group adjusted net profit excludes the net impact of the Pioneer and Pekao disposals (+2.1bn 3Q17, +93m 4Q17) and -310m FX reserve in 2Q17 related to Pekao, as well as a one-off charge booked in Non Core (-80m 3Q17) related to FINO. Adjustments for 2016 and 2017 summarised in Annex on pages 46 and 47.

(2) Of which 15bps are due to models impact.

(3) IFRS9 first time adoption (FTA) on 1 January 2018 estimated at -75bps. The overall "net impact" on the fully loaded CET1 ratio is expected at c.-40bps, as the FTA will be partially compensated by tax effects and lower shortfall over the course of FY18.

(4) The completion of FINO phase 2 in January 2018 and the significant risk transfer (SRT) of the FINO portfolio, for which UniCredit has notified the ECB of its intention to proceed in accordance to regulation, will result in a +17 bps fully loaded CET1 ratio impact in 1Q18. The overall net impact on the fully loaded CET1 ratio will be c.+10 bps, as previously stated in the 17 July 2017 press release, since the SRT positive impact is partially offset by the higher RWA of the underlying FINO portfolio at end of 2017.

(5) Normalised earnings exclude the net impact of the Pioneer and Pekao disposals (+2.1bn 3Q17, +93m 4Q17) and -310m FX reserve in 2Q17 related to Pekao.

Group – 2016 non recurring items

2016[1]

		Post tax, bn
1Q	• Restructuring cost • DBO Austria	-0.2
2Q	• BTP trading gain • LLP release • DTA fee • VISA Europe Gain	+0.3
3Q	-	
4Q	"Transform 2019" one-offs	-13.2
FY		**-13.1**

4Q16 Transform 2019 non recurring items	Post tax, bn
Additional loan loss provisions	-8.1
Integration costs related to Italy, Germany and Austria	-1.7
Net gain on card processing activities	+0.4
Write-down of Group participations and other general provisions	-2.2
Ukrsotsbank disposal and classification of Pekao in IFRS5	-0.9
Write-off of goodwill and other assets	-0.5
Write-down of DTA	-0.3
	-13.2

(1) Used to calculate Group and Group Core adjusted P&L and for FY/FY comparison, not used at divisional level.

Group – 2017 non recurring items

Net profit, m

			Net profit, m	
2017	1Q	none		
	2Q	Pekao Disposal	-310	Group CC
		Atlante 1 impairment	-135	Group CC
		Release of tax provision	+170	CB Germany
	3Q	Pioneer disposal (Parent)	+2.1bn	Group CC
		One-off charge in Non Core	-80	Non Core
		Capital gain	+38	CB Germany
		Tax effects	+17	CB Austria
		Real Estate disposals(1)	+65	CB Austria
		Capital gain	+84	CIB
	4Q	Pioneer/Pekao disposals (finalisation)	+93	Group CC
		Capital gain	+28	CB Germany

Light blue: Used to calculate Group and Group Core adjusted net profit.

Dark blue: Used to calculate normalised RoAC for divisions.

(1) of which 51m net profit from discontinued operations and 14m in NII.

Monitoring KPIs for Group and Group Core

Group

	2017	2018(1)	2019(1)
Revenues, bn	19.6	20.1	20.6
Cost/income, %	57.9%	<55%	<52%
Cost of Risk	+58bps	+68bps	+55bps
Gross NPE stock, bn	48.4	n.a.	40.3
Net NPE stock, bn	21.2	n.a.	17.7
NPE coverage	56%	n.a.	>54%
UTP coverage	44%	n.a.	>38%
Bad loans coverage	66%	n.a.	>63%
Net profit, bn	5.5	n.a.	4.7
RWA, bn	356.1	n.a.	406
Adjusted RoTE(2)	7.2%	n.a.	>9%
FL CET1 ratio	13.60%	12.2% / 12.7%	>12.5%

Group, bn

	2017	2018(1)	2019(1)
Loan volumes(3)	422		444
Deposit volumes(3)	414		404

Group Core

	2017	2018(1)	2019(1)
Gross NPE ratio	4.9%		4.7%
Adjusted RoTE(2)	9.1%		>10%

(1) 2018 and 2019 include line adjustments from accounting changes. Please refer to pages 76 and 77.

(2) Group Core adjusted RoTE exclude the net impact of the Pioneer and Pekao disposals (+2.1bn 3Q17, +93m 4Q17) and -310m FX reserve in 2Q17 related to Pekao. Group adjusted RoTE in addition to these items also exclude a one-off charge booked in Non Core (-80m 3Q17) related to FINO. RoTE calculated at CMD perimeter, taking into account the capital increase and Pekao & Pioneer disposals as at 1 January 2017. Adjustments for 2016 and 2017 summarised in Annex on pages 46 and 47.

(3) Excluding repos.

Divisional monitoring KPIs for CB Italy, Germany, Austria

	CB Italy		CB Germany		CB Austria	
	2017	2019(1)	2017	2019(1)	2017	2019(1)
Revenues, m	7,415	7,521	2,726	2,516	1,550	1,583
Costs, m	-4,438	-3,956	-1,835	-1,685	-1,085	-1,002
Cost/income	59.9%	52.6%	67.3%	67.0%	70.0%	63.3%
Cost of Risk	+69bps	+58bps	+13bps	+15bps	-7bps	+16bps
Loans(2), m	138,435	149,279	80,927	89,019	44,336	47,600
RWA, m	85,516	105,190	34,023	36,188	20,939	22,549
RoAC	11.9%	12.9%	13.6%	9.1%	19.6%	13.3%
Gross NPE ratio	6.6%	5.4%	2.2%	2.8%	4.4%	4.3%

(1) 2019 include line adjustments from accounting changes. Please refer to pages 76 and 77.
(2) Excluding Intercompany and repos.

Divisional monitoring KPIs for CEE and CIB

	CEE		CIB	
	2017	2019(1)	2017	2019(1)
Revenues, m	4,188	4,372	4,066	3,922
Costs, m	-1,544	-1,615	-1,627	-1,575
Cost/income	36.9%	36.9%	40.0%	40.2%
Cost of Risk	+95bps	+102bps	+22bps	+21bps
Loans(2), m	60,042	68,180	79,234	78,664
RWA, m	85,996	99,071	75,557	87,485
RoAC	14.0%	13.4%	15.3%	11.7%
Gross NPE ratio	7.9%	7.2%	3.4%	3.9%

(1) 2019 include line adjustments from accounting changes. Please refer to pages 76 and 77.
(2) Excluding Intercompany and repos.

Divisional monitoring asset quality KPIs for CB Italy and Non Core

	CB Italy		Non Core(1)	
	2017	2019(2)	2017	2019(2)
Gross loans, bn	144.2	154.6	29.8	17.2
Gross NPE, bn	9.6	8.3	26.5	17.2
Net NPE, bn	4.6	4.2	11.4	7.4
NPE coverage	52.2%	>52%	56.9%	>57%
UTP coverage	41.2%	>38%	43.8%	>38%
Gross bad loans, bn	4.5	3.2	17.1	13.3
Bad loans coverage	65.7%	>68%	64.2%	>63%

(1) Starting from 31 December 2016 the credit exposures belonging to the so-called "FINO" portfolio were recognised in the item "Non-current assets and disposal groups classified as held for sale". Following the "FINO" portfolio disposal, which occurred in July 2017 and the application of the IAS 39 principle, the credit exposures related to this portfolio have been derecognised for accounting purposes from the balance sheet assets.

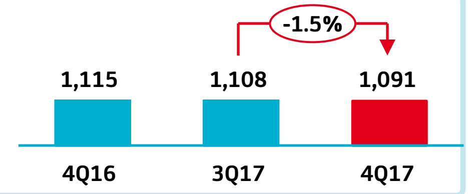
(2) 2019 include line adjustments from accounting changes. Please refer to pages 76 and 77.

CB Italy – Main drivers

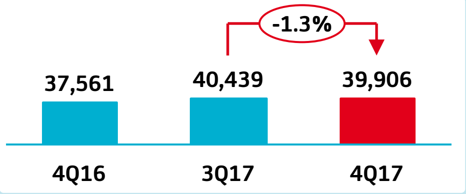
Main drivers

- Costs down 1.5% Q/Q. C/I ratio down 1.7p.p. to 59.9% in FY17 below FY17 61% target
- Customer loans up 0.9% Q/Q with corporates down 1.3% Q/Q and retail up 0.4%
- Ongoing restructuring, with FTE reducing by 1,159 in 4Q17 (-3.5% Q/Q) and branches by 121 (-4.3% Q/Q, reaching 70.2% of 2019 target)
- Continued spread compression down -3bps Q/Q driven by lower customer loan rates

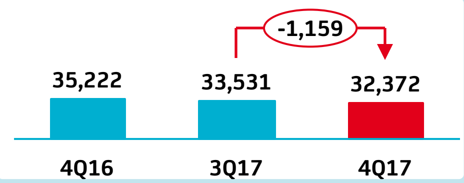
Costs, m



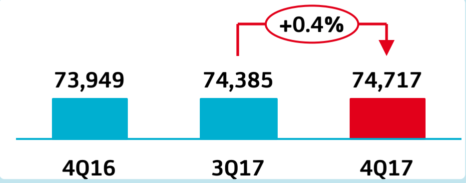
Loans to corporates[(1)], m



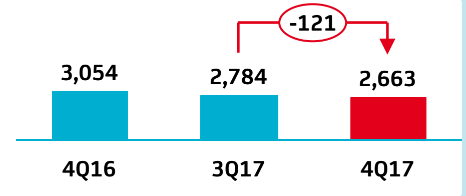
FTEs



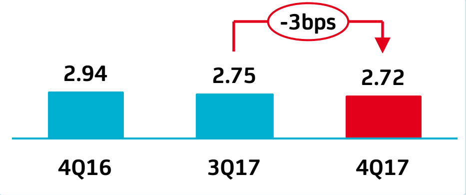
Loans to retail[(1)], m



Branches



Customer spread, %



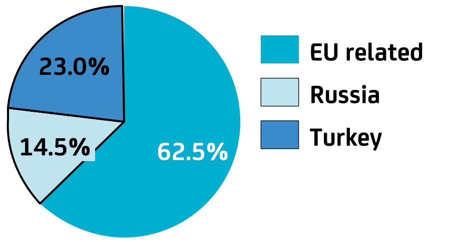
(1) Total loans EOP in Commercial Bank Italy exclude repos & intercompanies and include loans to: retail, private, corporates, leasing and factoring for a total amount of 138.4bn in 4Q17 (+0.9% Q/Q and +2.6% Y/Y).

CEE – Main drivers

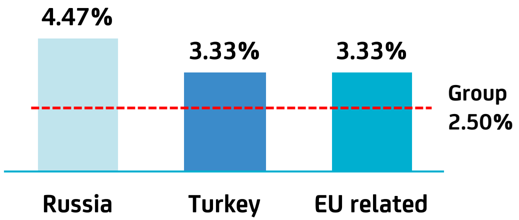
Main drivers

- EU related countries representing the major component
- RoAC of 14.0% in FY17. Higher margin business in CEE confirmed
- Customer spreads Q/Q are: up 3bps in EU related countries, stable in Russia and up 56bps Q/Q in Turkey
- Solid Loans/Deposits ratio in CEE, with Russia confirming a sound liquidity position

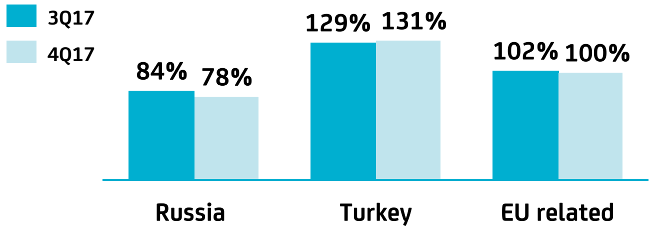
Revenues(1) in CEE, 4Q17



Customer spreads(2), 4Q17



Loans/Deposits ratio 4Q17



(1) Managerial view. Turkey on a proportional basis.
(2) Customer spread defined as the difference between rate on customer loans and rate on customer deposits.

Turkey – Resilient commercial performance and positive asset quality trends

Main drivers[1]

- Net profit flat FY/FY at constant FX
- Revenues up 6.3% FY/FY at constant FX
- High cost efficiency, operating expenses up 6.0% FY/FY at constant FX. C/I down 202bps FY/FY to 40.5%, reaping benefits from early investment in process optimisation
- Cost of Risk at 112bps in FY17 down 25bps FY/FY, with Gross NPE ratio of 4.9% down 38bps Y/Y

Data in m [2]	*FY16*	*FY17*	*Δ % vs FY16 constant*	*4Q16*	*3Q17*	*4Q17*	*Δ % vs. 3Q17 constant*	*Δ % vs. 4Q16 constant*
Total revenues	1,335	1,157	+6.3%	304	275	285	+11.9%	+17.0%
Operating costs	-543	-469	+6.0%	-135	-111	-121	+17.6%	+12.9%
Net operating profit	503	463	+12.3%	64	114	102	-2.6%	+89.4%
Net profit	378	311	-0.0%	58	85	49	-35.1%	+6.6%
C/I	40.7%	40.5%	-0.2pp	44.4%	40.4%	42.6%	+2.2pp	-1.7pp
CoR (bps)	136	112	-25bps	201	98	125	+26bps	-76bps
Customer loans	20,852	19,354	+13.2%	20,852	19,878	19,354	+5.1%	+13.2%
Customer deposits	16,350	14,751	+10.1%	16,350	15,423	14,751	+3.2%	+10.1%
Total RWA	29,092	26,813	+12.6%	29,092	26,817	26,813	+8.0%	+12.6%
FX loans/Total loans	42.4%	40.0%	-245bps	42.4%	42.4%	40.0%	-245bps	-245bps
Gross NPE ratio[3]	5.3%	4.9%	-38bps	5.3%	5.0%	4.9%	-5bps	-38bps

(1) Managerial view representing proportional contribution of Turkey to P&L (UniCredit Group participates with 40.9% to the Joint Venture in Turkey). Turkey is valued at equity method and to actual figures contributes to the dividend line to the Group P&L. RWA of Turkey contribute to Group RWA through CEE division, following the proportional consolidation of Turkey for regulatory purposes.

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

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

Russia – Continued strong performance

Main drivers

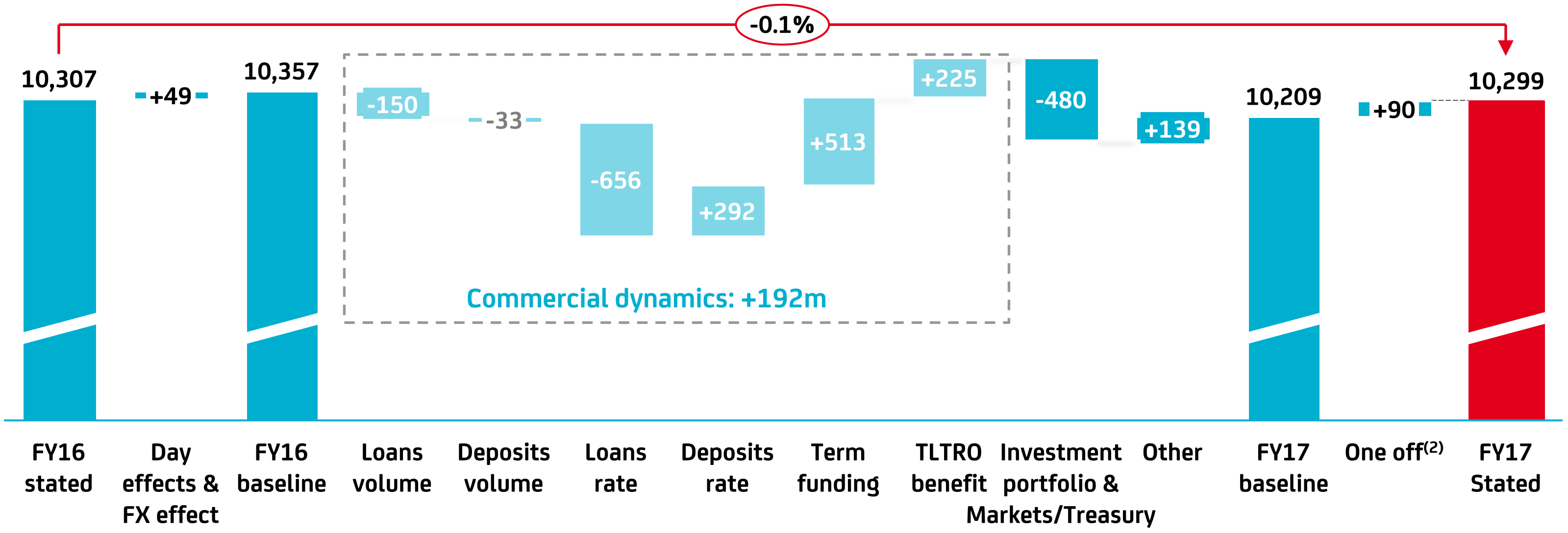
- Solid performance with net profit up 32.9% FY/FY, primarily due to positive development of CoR (161bps in FY17 vs. 223bps in FY16)
- Revenues down 3.4% FY/FY at constant FX
- NII under pressure in a highly liquid market environment, down 8.5% FY/FY at constant FX
- Fee up 17.2% FY/FY
- High cost efficiency with C/I ratio of 33.2% in FY17

Data in m [1]	*FY16*	*FY17*	*Δ % vs FY16 constant*	*4Q16*	*3Q17*	*4Q17*	*Δ % vs. 3Q17 constant*	*Δ % vs. 4Q16 constant*
Total revenues	712	773	-3.4%	185	191	180	-6.2%	-1.7%
o/w Net interest	*608*	*626*	*-8.5%*	*172*	*148*	*160*	*+6.5%*	*-7.2%*
o/w Fees	*81*	*106*	*+17.2%*	*21*	*26*	*27*	*+2.5%*	*+26.5%*
Operating costs	-225	-256	+1.5%	-66	-61	-66	+5.2%	-1.8%
Gross operating profit	487	517	*-5.6%*	119	129	115	*-11.6%*	*-1.7%*
LLP	-236	-160	-39.8%	-80	-42	-54	+26.4%	-34.7%
Net operating profit	251	357	*+26.5%*	40	87	61	*-29.6%*	*+71.9%*
Net profit	182	272	+32.9%	25	66	45	-31.7%	+109.8%
RoAC	10.2%	15.7%	+5.5p.p.	5.7%	16.4%	9.8%	-6.6p.p.	+4.1p.p.
C/I	31.6%	33.2%	+1.6p.p.	35.7%	32.3%	36.3%	+4.1p.p.	+0.6p.p.
CoR (bps)	223	161	-62bps	305	176	223	+47bps	-82bps
FTEs	4,149	4,109	-1.0%	4,149	4,137	4,109	-0.7%	-1.0%
Gross NPE ratio	8.5%	7.8%	-74bps	8.5%	8.6%	7.8%	-89bps	-74bps

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

Group – Resilient NII FY/FY thanks lower funding costs, compensating lower loan dynamics

Net interest(1) FY/FY, m



Average Euribor 3M

-0.33%

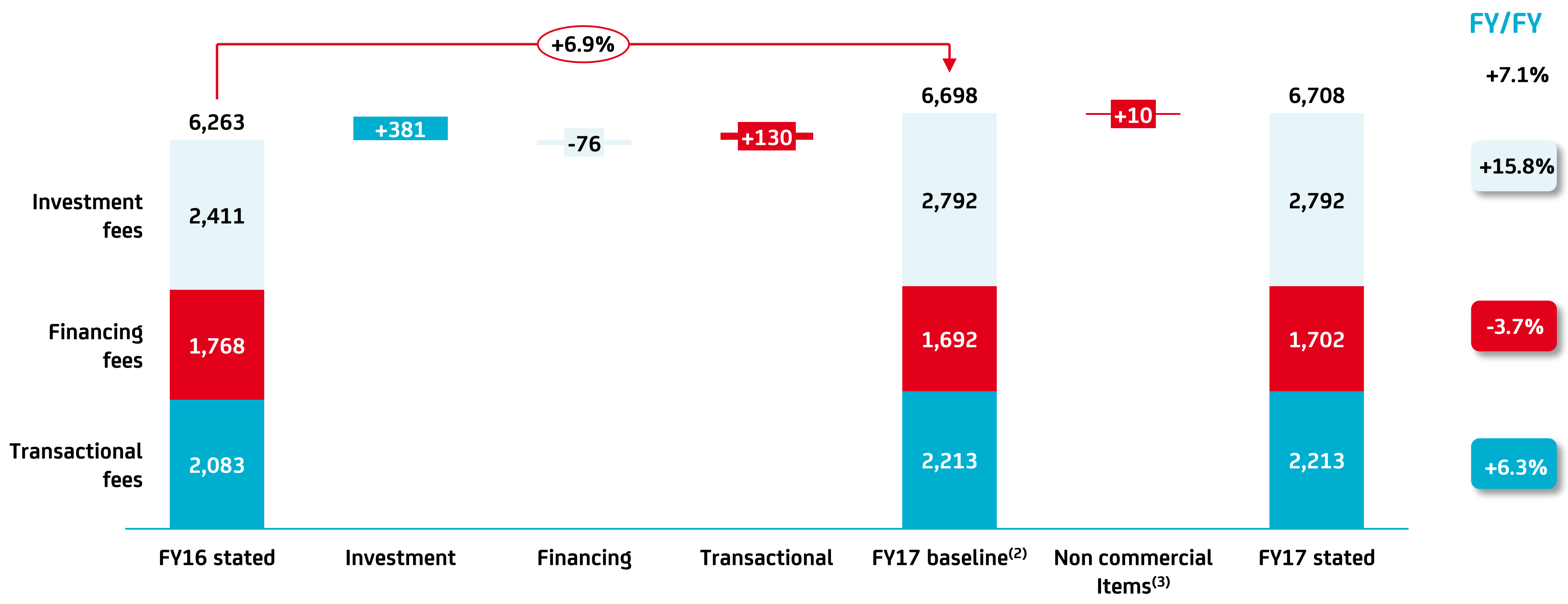
(-7bps Y/Y)

(1) Net contribution from hedging strategy of non-maturity deposits in FY17 at 1,523m, -35.9m FY/FY.

(2) Release of a tax provision in net interest line in CB Germany in 2Q17.

Group – Fees up 7.1% FY/FY. Investment fees up 15.8% FY/FY

Fees FY/FY, stated figures[1] m



(1) All 2016 and 2017 figures have been restated for the consolidation effects arising from the intercompany fees relating to Bank Pekao and Pioneer, which until 2Q17 were classified as held for sale, in accordance to IFRS5 principle.

(2) "Baseline" data excluding non commercial items.

(3) "Non commercial items" include securitisation expenses and outsourced workout costs.

Systemic charges – Breakdown by division

FY17, m	Systemic charges	o/w SRF	o/w DGS	o/w bank levies
CB Italy	**-103**	-34	-69	0
CB Germany	**-67**	-28	-40	0
CB Austria	**-91**	-29	-18	-43
CEE	**-163**	-77	-60	-26
CIB	**-119**	-92	-13	-14
Fineco	**-11**	0	-11	0
Group CC	**-12**	-22	0	10
Non Core	**-23**	-23	0	0
Group	**-588**	-305	-211	-73

FTEs and branches by division

FTE(1) breakdown 4Q17

	FTE	Q/Q	Y/Y
CB Italy	32,372	-1159	-2850
CB Germany	10,091	-205	-819
CB Austria	4,966	-233	-520
CEE	24,089	-45	-213
CIB	3,316	-55	-165
Fineco	1,082	+14	+31
Group CC	15,573	-397	-1751
Non Core	464	-32	-65
Group	91,952	-2113	-6352

Branches(2) breakdown 4Q17

	Branches	Q/Q	Y/Y
Retail Italy	2,663	-121	-391
Retail Germany	341	0	0
Retail Austria	123	-4	-18
CEE	1,693	-30	-108
Total	4,820	-155	-517

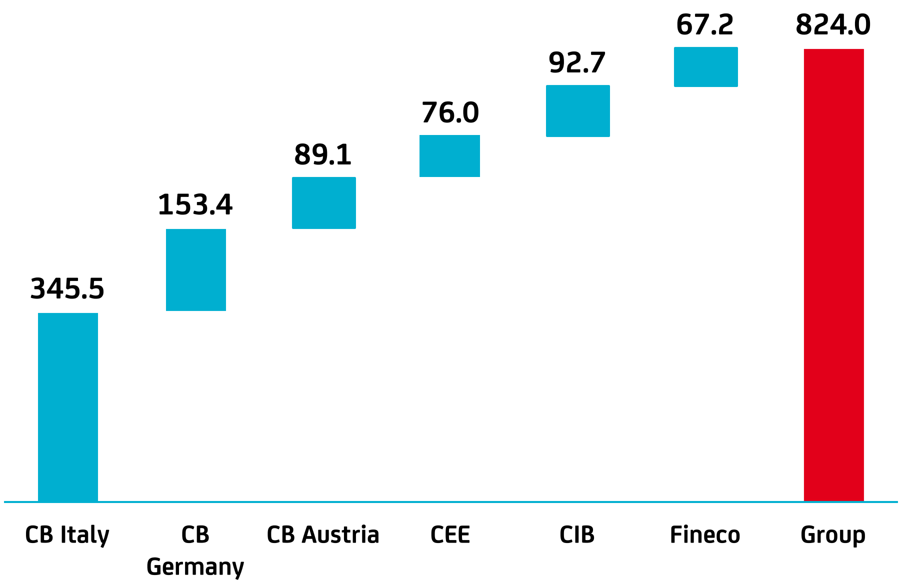
(1) Excluding FTEs related to industrial legal entities fully consolidated (159 in 4Q17). FTE in units.
(2) Branch figures consistent with CMD perimeter. Branches in units.

TFAs – Division breakdown

Main drivers

- Group TFAs amounted to 824.0bn in 4Q17, increasing by 4.1% Y/Y and 2.5% Q/Q:
  - ✓ CB Italy: TFAs up by 1.0% Q/Q to 345.5bn driven by AuMs up 4.2bn in 4Q17, up 10.6% Y/Y
  - ✓ CB Germany: TFAs up by 6.6% Q/Q, mainly due to increase in AuC and deposits
  - ✓ CB Austria: TFAs stable at 89.1bn
  - ✓ CEE: TFAs increased to 76.0bn (+2.3% Q/Q), driven by deposits up 2.0bn Q/Q
  - ✓ CIB: TFAs up to 92.7bn (+4.7% Q/Q), driven by deposit inflows, reversing outflows in 3Q17
  - ✓ Fineco: TFAs up to 67.2bn (+2.8% Q/Q), mainly thanks to AuM (+5.6% Q/Q)

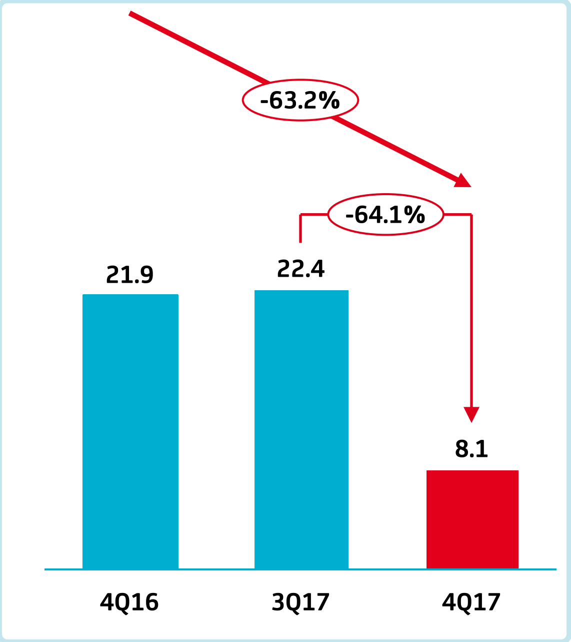
4Q17 TFAs(1) divisional breakdown, bn



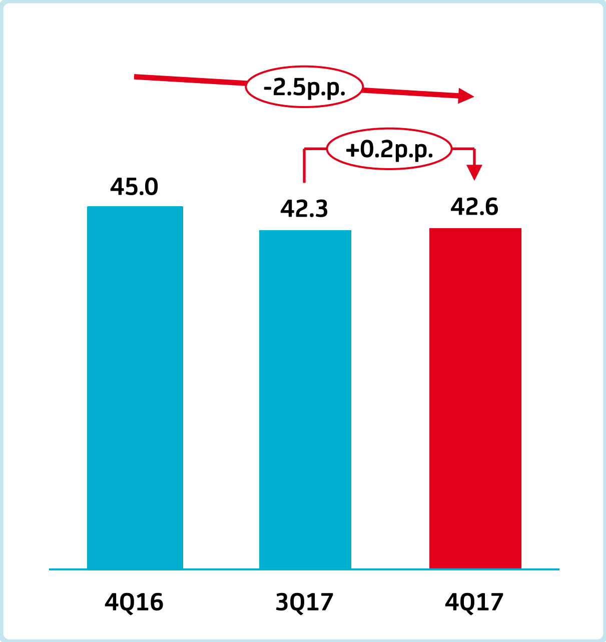
(1) Refers to Group Commercial Total Financial Assets. Non-commercial elements, i.e. Group Corporate Centre, Non-Core, Leasing/Factoring and Market Counterparts, are excluded. Numbers are managerial figures.

Group – Balance sheet

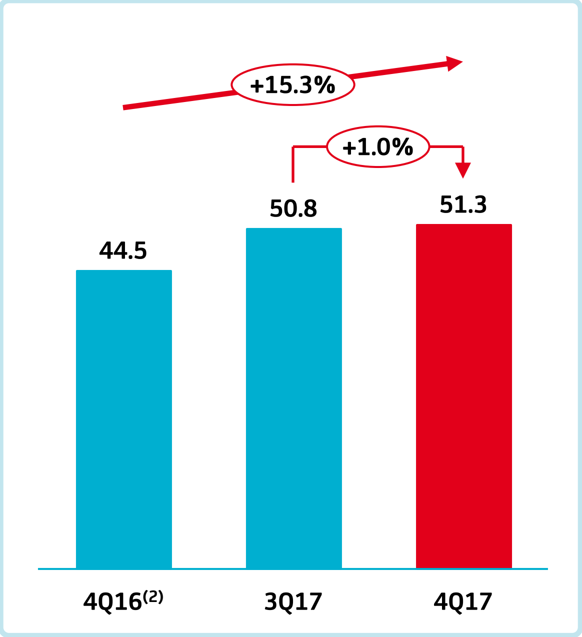
Loans minus Deposits[1], bn



RWA on total assets, %



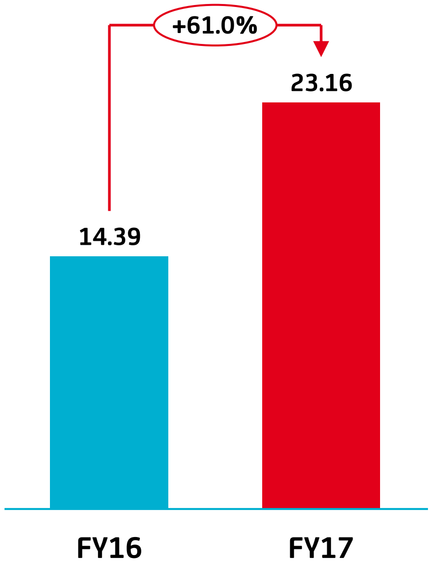
Tangible equity, eop, bn



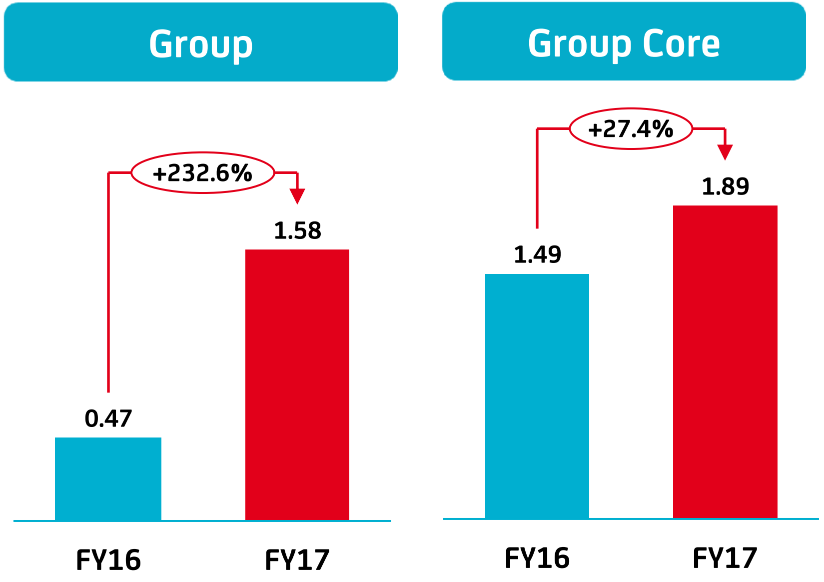
(1) Loans and deposits excluding repos and intercompany.
(2) Adjusted for capital increase.

Group – Tangible book value per share. Adjusted earnings per share

Tangible book value per share(1)



Adj. Earnings(2) per share(1)

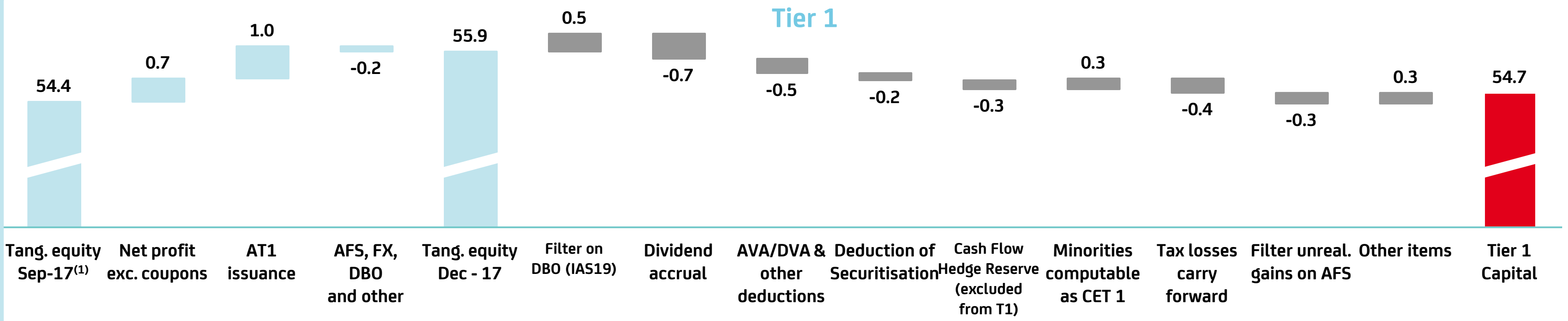


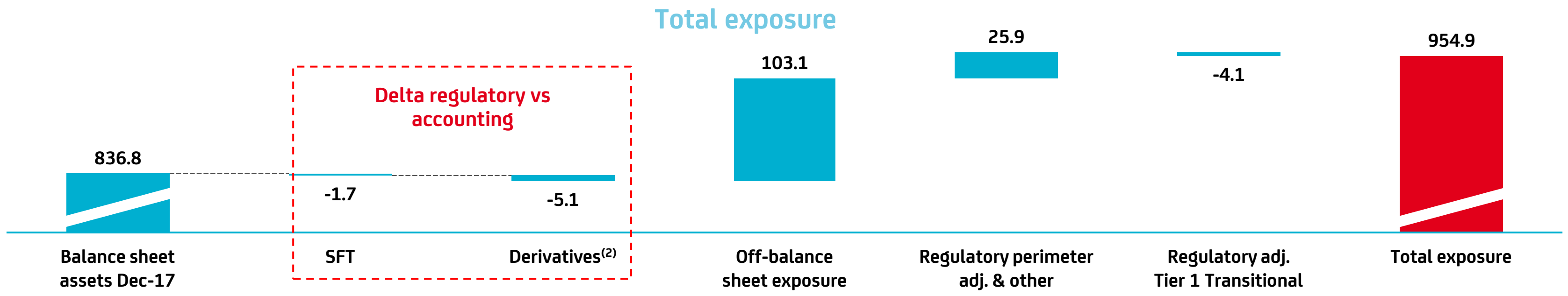
(1) End of period tangible book value per share; end of period number of shares of 2,216m in FY17 excluding Treasury shares and usufruct shares related to CASHES, also used for FY16.

(2) Group Core adjusted earnings exclude the net impact of the Pioneer and Pekao disposals (+2.1bn 3Q17, +93m 4Q17) and -310m FX reserve in 2Q17 related to Pekao. Group adjusted earnings in addition to these items also exclude a one-off charge booked in Non Core (-80m 3Q17) related to FINO. Adjustments for 2016 and 2017 summarised in Annex on pages 46 and 47. Group and Group Core adjusted earnings also exclude the payment of coupons for AT1 net of tax (117m in FY16 and 176m in FY17) and CASHES (128m in FY16 and 32m in FY17).

Group – Tier 1 and total exposure transitional

Tier 1 and total exposure for Basel 3 leverage ratio transitional, bn



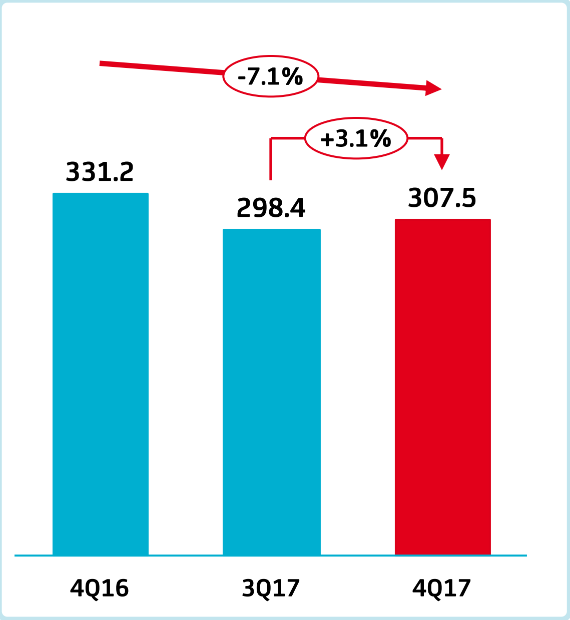


(1) Tangible equity including AT1 and goodwill related to Pioneer classified under IFRS5 and excluded from Tier 1 capital in the regulatory walk.

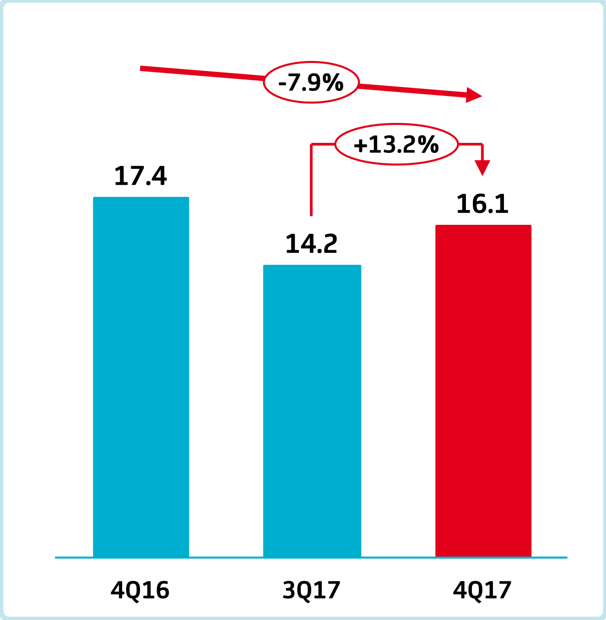
(2) SFT: Securities Financing Transactions, i.e. Repos.

Group – RWA breakdown

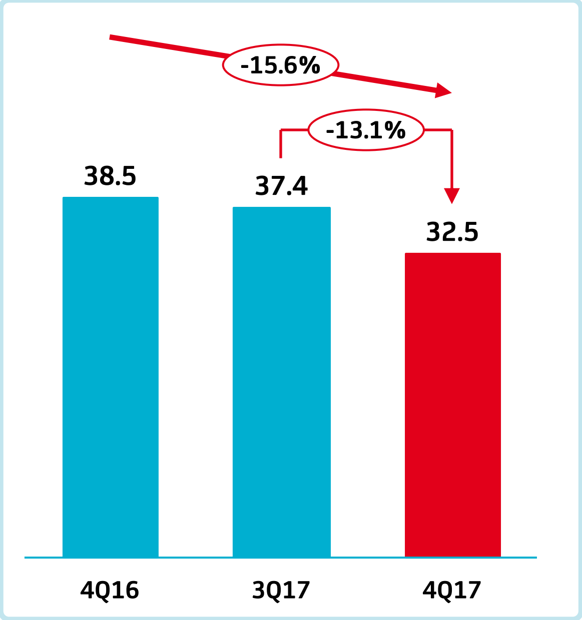
Credit RWA, bn



Market RWA, bn

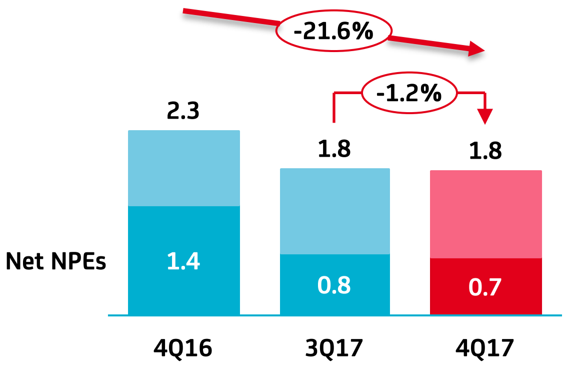


Operational RWA, bn



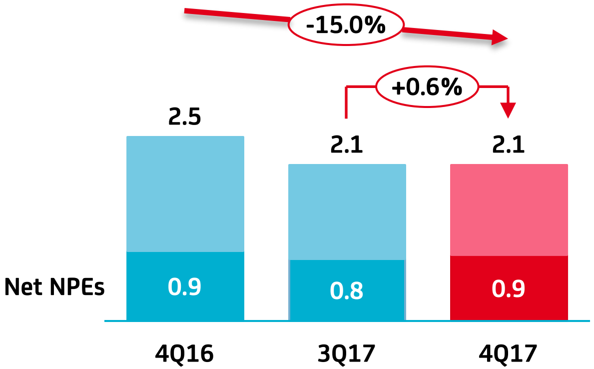
Asset quality – CB Germany and CB Austria

CB Germany, bn



	4Q16	3Q17	4Q17
Gross NPE ratio	2.8%	2.2%	2.2%
Net NPE ratio	1.7%	1.0%	0.9%
Coverage ratio	40.6%	57.6%	59.2%

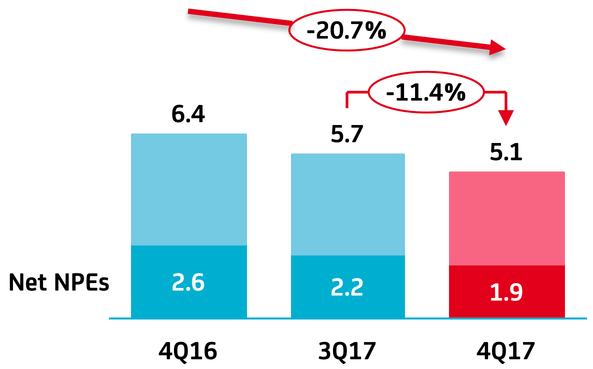
CB Austria, bn



	4Q16	3Q17	4Q17
Gross NPE ratio	4.9%	4.4%	4.4%
Net NPE ratio	1.9%	1.8%	1.9%
Coverage ratio	62.2%	60.7%	57.8%

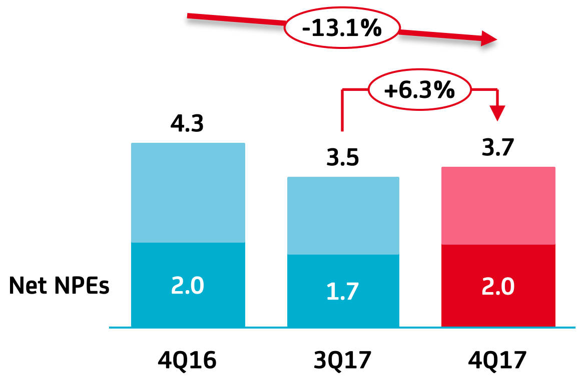
Asset quality – CEE and CIB

CEE, bn



	4Q16	3Q17	4Q17
Gross NPE ratio	9.9%	8.9%	7.9%
Net NPE ratio	4.3%	3.7%	3.1%
Coverage ratio	59.6%	61.4%	63.6%

CIB, bn



	4Q16	3Q17	4Q17
Gross NPE ratio	3.9%	3.1%	3.4%
Net NPE ratio	1.9%	1.6%	1.8%
Coverage ratio	53.3%	50.6%	47.7%

Asset quality – Across all divisions

	Group[1], 4Q17	CB Italy	CB Germany	CB Austria	CEE	CIB	Non Core
Gross Loans, m	476,982	144,168	82,357	47,454	63,970	110,189	29,789
Gross NPE ratio	10.2%	6.6%	2.2%	4.4%	7.9%	3.4%	88.9%
Bad loans ratio	5.8%	3.1%	2.0%	2.2%	3.1%	1.5%	57.3%
UTP ratio	4.1%	3.2%	0.2%	2.1%	4.3%	1.9%	31.1%
Past due ratio	0.2%	0.4%	0.0%	0.1%	0.5%	0.0%	0.5%
NPE coverage	56.2%	52.2%	59.2%	57.8%	63.6%	47.7%	56.9%
Bad loans coverage	65.8%	65.7%	62.9%	84.0%	84.2%	53.7%	64.2%
UTP coverage	43.5%	41.2%	26.8%	31.2%	50.8%	42.9%	43.8%

(1) Starting from 31 December 2016 the credit exposures belonging to the so-called "FINO" portfolio were recognised in the item "Non-current assets and disposal groups classified as held for sale". Following the "FINO" portfolio disposal, which occurred in July 2017 and the application of the IAS 39 principle, the credit exposures related to this portfolio have been derecognised for accounting purposes from the balance sheet assets.

Asset quality – Forborne exposures by region

Forborne loans(1), bn

GROUP

	4Q16	3Q17	4Q17
Total	23.8	22.5	22.9
NPEs	17.0	16.5	16.6
Performing Exposure	6.8	5.9	6.4
Coverage ratio	32.6%	34.7%	33.9%

ITALY

	4Q16	3Q17	4Q17
Total	14.7	14.4	15.3
NPEs	10.6	10.8	11.1
Performing Exposure	4.1	3.6	4.1
Coverage ratio	32.1%	35.2%	34.1%

AUSTRIA

	4Q16	3Q17	4Q17
Total	0.9	1.0	1.0
NPEs	0.7	0.7	0.7
Performing Exposure	0.2	0.3	0.3
Coverage ratio	38.7%	33.5%	35.0%

GERMANY

	4Q16	3Q17	4Q17
Total	4.5	3.7	3.6
NPEs	3.6	2.9	2.9
Performing Exposure	0.9	0.8	0.7
Coverage ratio	33.7%	33.9%	32.8%

CEE

	4Q16	3Q17	4Q17
Total	3.7	3.4	3.1
NPEs	2.2	2.1	1.8
Performing Exposure	1.5	1.3	1.3
Coverage ratio	31.9%	33.5%	33.7%

NPEs

Performing Exposure

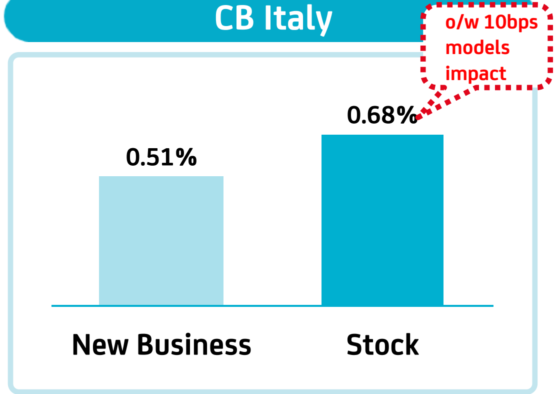
(1) Regulatory reporting data

Asset quality – 4Q17 Group EL stock at 38bps with new business contribution at 32bps

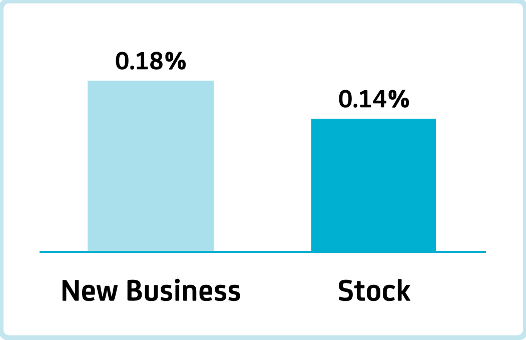
Main drivers

Group EL stock at 38bps with new origination contribution at 32bps

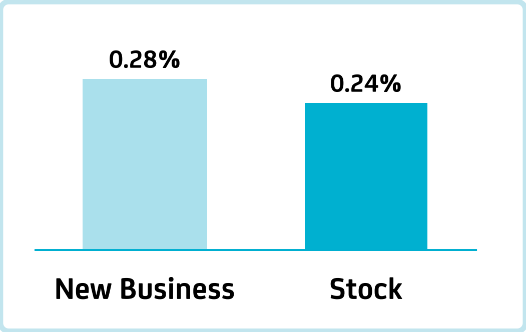
CB Italy



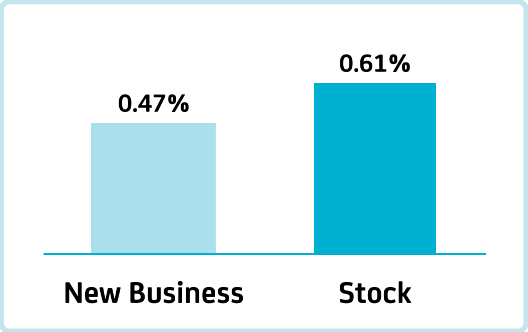
CB Germany



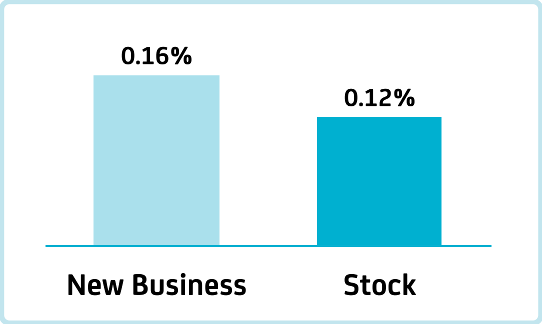
CB Austria



CEE



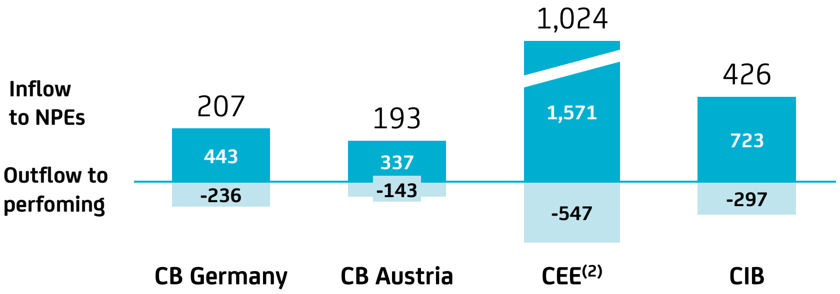
CIB



Asset quality – NPE dynamics(1) CB Germany, CB Austria, CEE and CIB

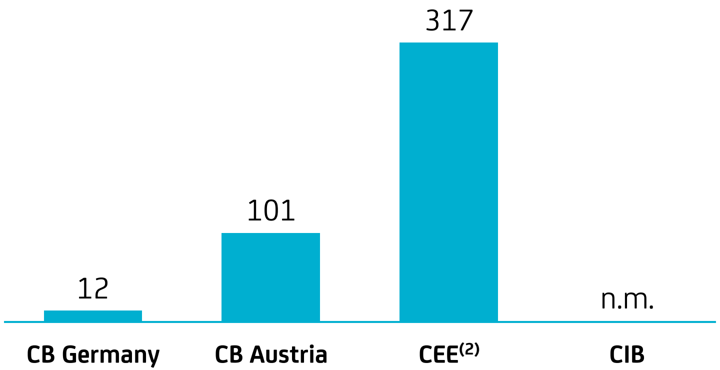
Net flows to NPEs, recoveries and write-offs – 4Q17, m

	CB Germany	CB Austria	CEE(2)	CIB
Recoveries	403	429	913	737
Write-off	265	214	520	487



	CB Germany	CB Austria	CEE(2)	CIB
Default rate	0.6%	0.7%	2.8%	0.7%
Cure rate	10.2%	5.8%	9.5%	6.8%

Migrations from Unlikely-to-pay to Bad loans – 4Q17, m

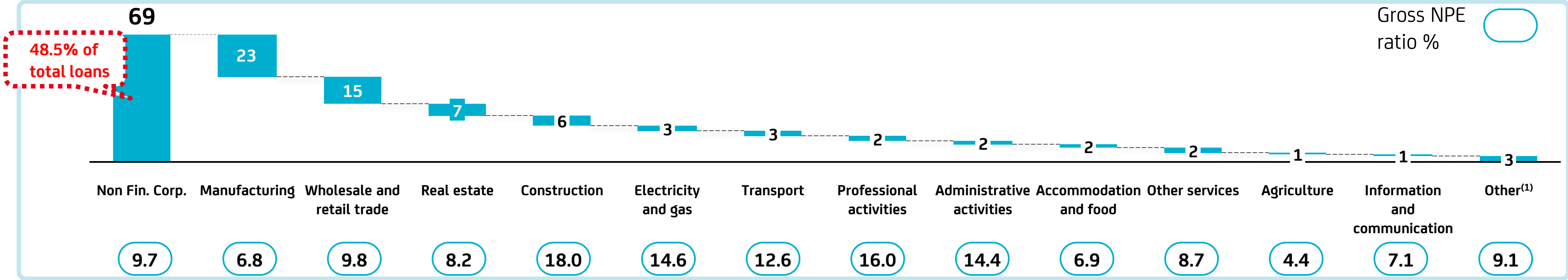


	CB Germany	CB Austria	CEE(2)	CIB
Migration rate, %	3.1%	9.3%	13.2%	n.m.

(1) Managerial figures.
(2) Including Profit Center Milan.

Asset quality – CB Italy and Non Core gross loans and NPE ratio by Industries

CB ITA 4Q17 – Gross loans breakdown by Nace Classification

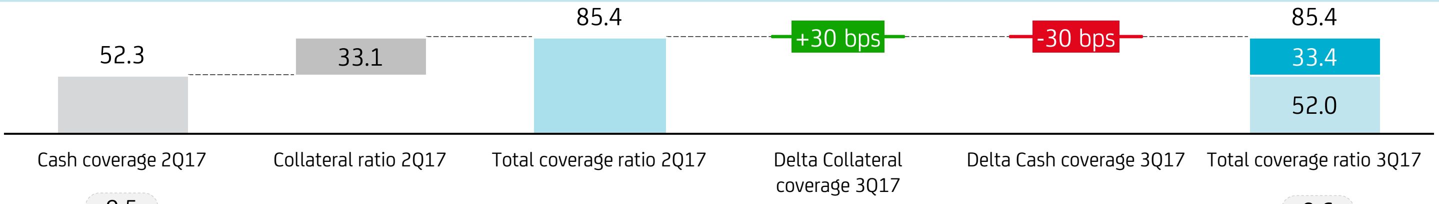


Non Core 4Q17- Gross loans breakdown by Nace Classification

(1) Other includes other NACE code

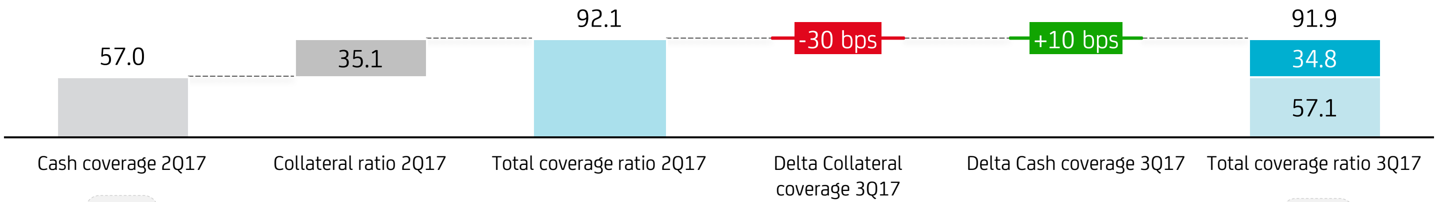
Asset quality – CB Italy and Non Core collateralization level

CB Italy(1) - NPE Cash + Collateral coverage ratio walk (%)



	2Q17	3Q17
NPEs stock (bn)	9.5	9.6
o/w unsecured	39%	39%
o/w secured	61%	61%
o/w RE guarantees	51%	51%

Non Core(1) - NPE Cash + Collateral coverage ratio walk (%)

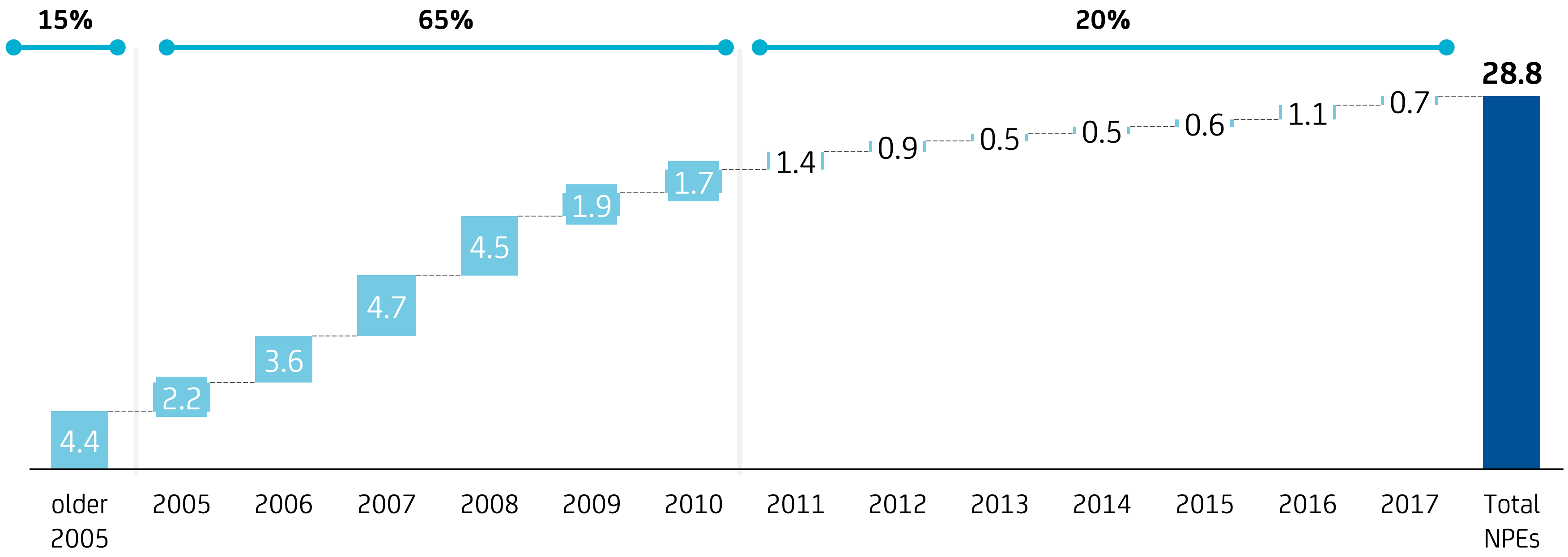


	2Q17	3Q17
NPEs stock (bn)	29.7	28.9
o/w unsecured	28%	28%
o/w secured	72%	72%
o/w RE guarantees	64%	61%

(1) FINO Portfolio not included; Collateral ratio calculated as EBA methodology = Collateral value capped at net loan level / Gross Loan

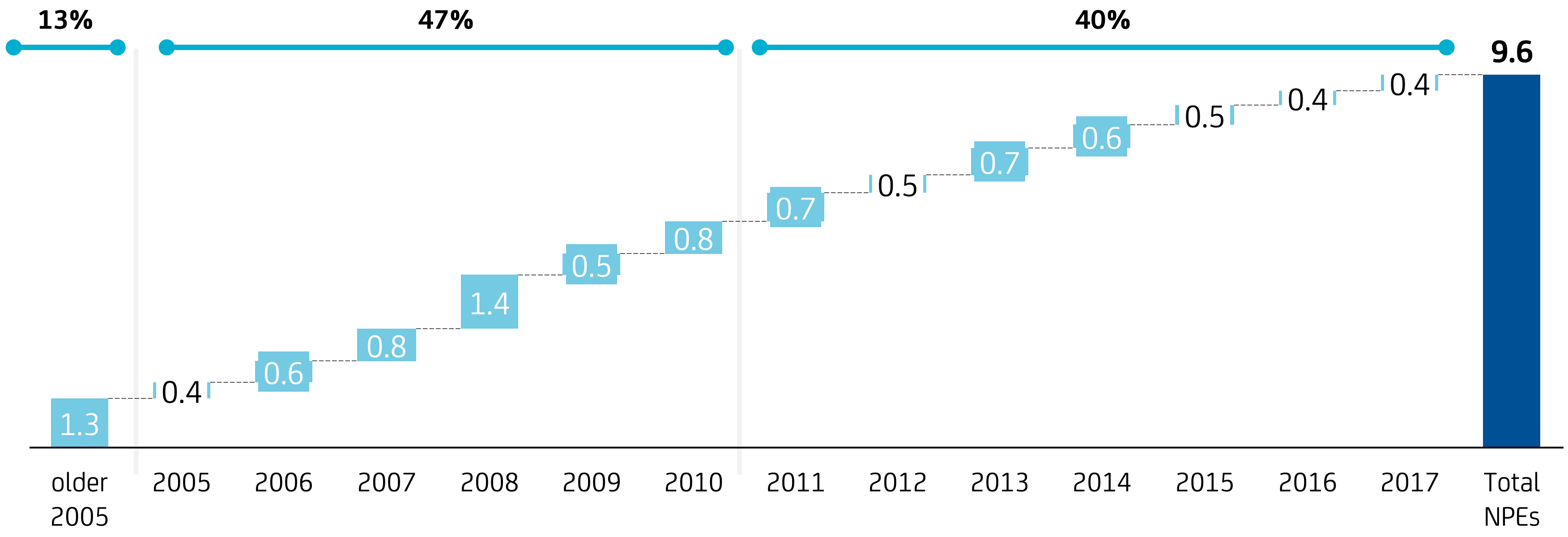
Asset quality – Non Core gross NPEs breakdown by origination date

Non Core NPEs stock by origination year as of 3Q17



Asset quality – CB Italy gross NPEs breakdown by origination date

CB Italy NPEs stock by origination year as of 3Q17



Strengthen and optimise capital

2019 CET1 ratio target confirmed whilst anticipating additional regulatory headwinds

Fully loaded CET1 ratio evolution to 2019, *%*

	9M17	4Q17	2018	2019
Regulation, models and procyclicality	-0.3[1]	-0.3	-0.4	-0.1
IFRS9[2]		-0.4		
EBA guidelines (anticipation) etc.[3]			-0.8	-0.1
Organic Capital Generation[4]			+0.4	+0.5
Total CET1 impact, *%*		**-0.7**	**-0.8**	**+0.3**
Fully loaded CET1 ratio, *%*	**13.8**	**>13.0**[4][5]	**12.2/12.7**	**>12.5**
Dividend payout		**20%**	**20%**	**30%**

(1) Occurred between 4Q16 and 9M17.

(2) IFRS9 implemented on 1 January 2018.

(3) Partial anticipation impacts include EBA guidelines related effect and other minor adjustments.

(4) Includes: retained earnings net of dividend payout (FY17: 20%; FY18: 20%, FY19: 30%) and of AT1 coupons, RWA growth and other; for 2018 includes FINO Significant Risk Transfer benefit.

(5) Pro forma for IFRS9.

Cumulative organic capital generation above estimated regulatory impacts post 2019

Regulatory Headwinds post 2019 – CET1 ratio impact (managerial estimates)

% of cumulative phase-in	Estimated CET1 impact, *%*	2020	2021	2022	2023	2024	2025	up to 2027
EBA guidelines (remaining)	**-0.9**	20%	100%					
Calendar provisioning[1]	**-0.4**		13%	37%	54%	66%	86%	100%
FRTB[2]	**-0.1**			65%	65%	100%		
Basel IV[3]	**< -0.9**			20%	40%	60%	80%	100%
Estimated CET1 impact, *%*		**-0.2**	**< -0.8**	**-0.3**	**-0.2**	**-0.3**	**-0.3**	**-0.2**
Cumulative net CET1 impact including organic capital generation[4], *%*		**+0.3**	**< +0.1**	**+0.3**	**+0.5**	**+0.7**	**+1.0**	**> +1.7**

Post 2019 dividend payout to increase from 30% up to 50% once upcoming regulatory impacts are confirmed with CET1 ratio[5] >12.5%

(1) Conservative approach based on ECB proposal has been used.
(2) Expected phase-in period of 2 years; no impact expected during phase-in, full impact in 2024.
(3) Our expectation is that a phase-in approach will be introduced through the EU transposition in law; assumption of 5 years is consistent with foreseen phase-in period for output floor implementation.
(4) Assuming net annual organic capital generation equivalent to 2019 of +0.5, net of 30% dividend payout.
(5) Refers to CET1 ratio phasing-in regulatory headwinds post 2019 (managerial estimates).

Line adjustments from accounting changes (1/2)

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 LLPs	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 LLPs	0
Reclassification of customers loans	Customers debt securities in issue(3) excluded from customers loans and included in financial asset	Loans to customers Financial assets	0

Combined effect in 2019

bn

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

No Net Income and RoTE impact

(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 (2/2)

	2015			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***
LLPs	-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) Excluding repos.
(3) Delta given by effect of: reclassification of customers loans.
(4) Cost of Risk computed as LLPs 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.

Group – P&L and volumes

Data in m (1)	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	Δ % vs. 3Q17	Δ % vs. 4Q16	FY16	FY17	Δ % vs. FY16
Total revenues	4,890	5,464	4,835	4,405	5,055	5,076	4,646	4,842	+4.2%	+9.9%	19,595	19,619	+0.1%
Operating costs	-2,976	-2,982	-2,940	-3,555	-2,886	-2,858	-2,813	-2,794	-0.7%	-21.4%	-12,453	-11,350	-8.9%
Gross operating profit	1,914	2,482	1,896	850	2,168	2,218	1,833	2,049	+11.8%	n.m.	7,143	8,268	+15.8%
LLPs	-760	-884	-977	-9,586	-670	-564	-598	-772	+29.1%	-91.9%	-12,207	-2,605	-78.7%
Profit before taxes	504	1,039	638	-12,364	1,054	1,338	926	830	-10.4%	n.m.	-10,183	4,148	n.m.
Net profit	406	916	447	-13,558	907	945	2,820	801	-71.6%	n.m.	-11,790	5,473	n.m.
Cost / Income ratio, %	60.9%	54.6%	60.8%	80.7%	57.1%	56.3%	60.5%	57.7%	-2.9p.p.	-23.0p.p.	63.5%	57.9%	-5.7p.p.
Cost of risk, bps	67	77	85	855	60	50	53	69	+16bps	n.m.	269	58	n.m.
RoTE(2) %	4.8%	4.7%	3.0%	n.m.	7.0%	9.5%	6.8%	5.5%	-1.3p.p.	n.m.	2.0%	7.2%	+5.2p.p.
Customer loans	421,077	428,459	426,150	417,868	419,267	420,655	421,064	421,846	+0.2%	+1.0%	417,868	421,846	+1.0%
Customer deposits	379,626	380,401	386,139	395,979	391,645	394,944	398,632	413,791	+3.8%	+4.5%	395,979	413,791	+4.5%
Total RWA	394,359	399,260	390,901	387,136	385,261	352,669	350,024	356,100	+1.7%	-8.0%	387,136	356,100	-8.0%
FTEs (#)	100,139	99,831	99,183	98,304	96,423	95,288	94,066	91,952	-2.2%	-6.5%	98,304	91,952	-6.5%

(1) Loans and deposits excluding repos.

(2) Group adjusted RoTE exclude the net impact of the Pioneer and Pekao disposals (+2.1bn 3Q17, +93m 4Q17) and -310m FX reserve in 2Q17 related to Pekao, as well as a one-off charge booked in Non Core (-80m 3Q17) related to FINO. Adjustments for 2016 and 2017 summarised in Annex on pages 46 and 47.

Group Core – P&L and volumes

Data in m [1]	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	Δ % vs. 3Q17	Δ % vs. 4Q16	FY16	FY17	Δ % vs. FY16
Total revenues	4,901	5,530	4,902	4,536	5,096	5,124	4,674	4,876	+4.3%	+7.5%	19,868	19,770	-0.5%
Operating costs	-2,929	-2,961	-2,902	-3,501	-2,842	-2,836	-2,759	-2,786	+1.0%	-20.4%	-12,293	-11,224	-8.7%
Gross operating profit	1,972	2,569	2,000	1,034	2,253	2,288	1,915	2,090	+9.1%	n.m.	7,575	8,546	+12.8%
LLPs	-417	-482	-432	-2,027	-470	-310	-460	-644	+40.0%	-68.3%	-3,359	-1,883	-44.0%
Profit before taxes	935	1,550	1,294	-4,572	1,365	1,672	1,226	1,004	-18.1%	n.m.	-792	5,268	n.m.
Net profit	697	1,231	894	-5,230	1,113	1,161	3,026	951	-68.6%	n.m.	-2,408	6,252	n.m.
Cost / Income ratio, %	59.8%	53.5%	59.2%	77.2%	55.8%	55.4%	59.0%	57.1%	-1.9p.p.	-20.1p.p.	61.9%	56.8%	-5.1p.p.
Cost of risk, bps	40	45	40	191	44	29	42	59	+17bps	-132bps	79	43	-36bps
RoTE[2], %	7.9%	9.0%	7.4%	7.2%	8.7%	11.2%	8.3%	7.0%	-1.3p.p.	-0.2p.p.	7.7%	9.1%	+1.5p.p.
Customer loans	387,915	397,785	396,655	398,906	401,029	404,264	405,473	407,551	+0.5%	+2.2%	398,906	407,551	+2.2%
Customer deposits	378,288	379,335	385,056	395,009	390,653	393,908	397,555	412,745	+3.8%	+4.5%	395,009	412,745	+4.5%
Total RWA	365,256	371,908	364,650	360,940	360,031	329,926	328,312	334,387	+1.9%	-7.4%	360,940	334,387	-7.4%
FTEs (#)	99,461	99,278	98,646	97,776	95,913	94,788	93,570	91,488	-2.2%	-6.4%	97,776	91,488	-6.4%

(1) Loans and deposits excluding repos and intercompany.

(2) Group adjusted RoTE exclude the net impact of the Pioneer and Pekao disposals (+2.1bn 3Q17, +93m 4Q17) and -310m FX reserve in 2Q17 related to Pekao. Adjustments for 2016 and 2017 summarised in Annex on pages 46 and 47.

Commercial Banking Italy – P&L and volumes

Data in m [1]	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	Δ % vs. 3Q17	Δ % vs. 4Q16	FY16	FY17	Δ % vs. FY16
Total revenues	1,931	1,990	1,835	1,678	1,856	1,927	1,759	1,873	+6.5%	+11.7%	7,434	7,415	-0.2%
Operating costs	-1,168	-1,152	-1,139	-1,115	-1,118	-1,121	-1,108	-1,091	-1.5%	-2.1%	-4,573	-4,438	-3.0%
Gross operating profit	763	838	696	563	738	805	651	782	+20.2%	+39.0%	2,860	2,977	+4.1%
LLPs	-228	-243	-240	-1,292	-241	-227	-210	-266	+26.9%	-79.4%	-2,003	-945	-52.8%
Profit before taxes	451	427	326	-1,757	445	485	348	499	+43.2%	n.m.	-553	1,778	n.m.
Net profit	309	291	226	-1,429	312	323	246	350	+42.5%	n.m.	-603	1,231	n.m.
Cost / Income ratio, %	60.5%	57.9%	62.1%	66.4%	60.2%	58.2%	63.0%	58.2%	-4.7p.p.	-8.2p.p.	61.5%	59.9%	-1.7p.p.
Cost of risk, bps	68	71	70	380	71	66	61	77	+16bps	n.m.	147	69	-78bps
RoAC, %	11.7%	11.2%	8.3%	n.m.	12.6%	12.8%	9.7%	12.5%	+2.8p.p.	n.m.	-6.0%	11.9%	+17.9p.p.
Customer loans	135,620	138,282	136,991	134,906	135,597	138,209	137,146	138,435	+0.9%	+2.6%	134,906	138,435	+2.6%
Customer deposits	125,440	126,683	128,391	134,495	132,662	134,830	137,745	141,982	+3.1%	+5.6%	134,495	141,982	+5.6%
Total RWA	79,040	79,488	78,826	79,043	78,747	81,405	81,496	85,516	+4.9%	+8.2%	79,043	85,516	+8.2%
FTEs (#)	36,294	36,355	35,559	35,222	34,602	34,270	33,531	32,372	-3.5%	-8.1%	35,222	32,372	-8.1%

(1) Loans and deposits excluding repos and intercompany.

Commercial Banking Germany – P&L and volumes

Data in m (1)	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	Δ % vs. 3Q17	Δ % vs. 4Q16	FY16	FY17	Δ % vs. FY16
Total revenues	653	606	597	616	701	731	660	635	-3.7%	+3.1%	2,472	2,726	+10.3%
Operating costs	-480	-480	-474	-469	-475	-462	-454	-444	-2.2%	-5.3%	-1,903	-1,835	-3.6%
Gross operating profit	173	126	122	147	225	268	206	191	-7.1%	+29.8%	568	891	+56.9%
LLPs	22	7	-21	36	-20	-32	0	-56	n.m.	n.m.	44	-108	n.m.
Profit before taxes	158	138	106	-214	170	201	202	84	-58.6%	n.m.	189	656	n.m.
Net profit	108	93	68	-149	112	238	156	133	-14.5%	n.m.	120	639	n.m.
Cost / Income ratio, %	73.5%	79.3%	79.5%	76.1%	67.8%	63.3%	68.8%	69.9%	+1.1p.p.	-6.2p.p.	77.0%	67.3%	-9.7p.p.
Cost of risk, bps	-11	-3	10	-18	10	16	0	27	+27bps	+45bps	-5	13	+19bps
RoAC, %	8.2%	6.9%	4.7%	n.m.	9.2%	20.8%	13.4%	10.9%	-2.5p.p.	n.m.	1.4%	13.6%	+12.2p.p.
Customer loans	78,744	79,818	80,060	80,519	81,732	82,412	81,499	80,927	-0.7%	+0.5%	80,519	80,927	+0.5%
Customer deposits	81,462	85,079	86,834	86,043	83,244	83,822	86,304	91,582	+6.1%	+6.4%	86,043	91,582	+6.4%
Total RWA	34,322	34,931	34,603	35,970	35,728	34,686	34,974	34,023	-2.7%	-5.4%	35,970	34,023	-5.4%
FTEs (#)	11,165	10,991	11,030	10,910	10,770	10,346	10,296	10,091	-2.0%	-7.5%	10,910	10,091	-7.5%

(1) Loans and deposits excluding repos and intercompany.

Commercial Banking Austria – P&L and volumes

1 2 3 4 5 6 7

Annex – Financials

Data in m (1)	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	Δ % vs. 3Q17	Δ % vs. 4Q16	FY16	FY17	Δ % vs. FY16
Total revenues	381	446	412	401	366	402	385	397	+3.3%	-0.8%	1,639	1,550	-5.4%
Operating costs	-313	-319	-295	-309	-284	-272	-261	-269	+3.2%	-12.8%	-1,236	-1,085	-12.2%
Gross operating profit	68	126	117	92	82	130	124	128	+3.4%	+39.4%	403	465	+15.4%
LLPs	-4	10	21	-60	52	30	-14	-35	n.m.	-40.6%	-32	32	n.m.
Profit before taxes	-205	111	101	-342	52	170	114	91	-20.3%	n.m.	-334	427	n.m.
Net profit	-206	89	98	-364	68	205	188	96	-48.8%	n.m.	-384	557	n.m.
Cost / Income ratio, %	82.2%	71.6%	71.6%	77.0%	77.6%	67.6%	67.7%	67.7%	-0.0p.p.	-9.3p.p.	75.4%	70.0%	-5.4p.p.
Cost of risk, bps	3	-9	-17	49	-44	-25	12	31	+19bps	-19bps	7	-7	-13bps
RoAC, %	n.m.	11.0%	12.3%	n.m.	9.0%	28.2%	26.7%	14.4%	-12.3p.p.	n.m.	-13.6%	19.6%	+33.2p.p.
Customer loans	44,708	44,383	44,512	44,984	44,960	44,626	44,547	44,336	-0.5%	-1.4%	44,984	44,336	-1.4%
Customer deposits	47,251	47,060	47,322	47,096	46,711	46,375	46,687	46,272	-0.9%	-1.7%	47,096	46,272	-1.7%
Total RWA	24,735	23,685	23,536	23,675	22,423	21,960	21,581	20,939	-3.0%	-11.6%	23,675	20,939	-11.6%
FTEs (#)	5,654	5,561	5,535	5,486	5,317	5,246	5,199	4,966	-4.5%	-9.5%	5,486	4,966	-9.5%

(1) Loans and deposits excluding repos and intercompany.

Central and Eastern Europe – P&L and volumes

Data in m (1)	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	Δ const % 3Q17	Δ const % 4Q16	FY16	FY17	Δ const % FY16
Total revenues	942	1,169	1,057	998	1,070	1,074	1,040	1,004	-3.5%	+1.6%	4,166	4,188	-0.3%
Operating costs	-362	-380	-383	-371	-382	-388	-376	-398	+5.7%	+6.6%	-1,496	-1,544	+0.7%
Gross operating profit	580	789	674	627	688	686	663	607	-8.5%	-1.4%	2,669	2,644	-0.9%
LLPs	-139	-187	-151	-316	-185	-81	-161	-147	-10.3%	-54.6%	-793	-574	-29.8%
Profit before taxes	372	569	503	265	376	590	482	420	-12.2%	+62.0%	1,710	1,867	+10.1%
Net profit	315	458	437	198	330	495	413	352	-13.9%	+82.5%	1,409	1,591	+15.4%
Cost / Income ratio, %	38.4%	32.5%	36.2%	37.2%	35.7%	36.1%	36.2%	39.6%	+3.4p.p.	+2.4p.p.	35.9%	36.9%	+0.9p.p.
Cost of risk, bps	96	128	102	210	122	53	106	97	-9bps	-113bps	134	95	-40bps
RoAC, %	10.5%	15.4%	14.6%	6.7%	11.3%	17.4%	14.7%	12.5%	-2.3p.p.	+5.8p.p.	11.8%	14.0%	+2.1p.p.
Customer loans	57,721	58,919	59,541	59,935	60,458	59,774	59,791	60,042	+0.3%	+0.1%	59,935	60,042	+0.1%
Customer deposits	57,874	56,524	57,522	59,175	60,929	59,677	60,433	62,406	+3.1%	+5.6%	59,175	62,406	+5.6%
Total RWA	92,452	94,277	93,421	91,403	91,098	87,390	86,700	85,996	+2.2%	+1.5%	91,403	85,996	+1.5%
FTEs (#)	24,179	24,267	24,490	24,302	24,208	24,254	24,134	24,089	n.m.	n.m.	24,302	24,089	n.m.

(1) Loans and deposits excluding repos and intercompany. Variations Q/Q and Y/Y at constant FX (RoAC, C/I, NPEs and CoR variations at current FX). Stated numbers at current FX.

Corporate & Investment Banking – P&L and volumes

Data in m (1)	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	Δ % vs. 3Q17	Δ % vs. 4Q16	FY16	FY17	Δ % vs. FY16
Total revenues	1,074	1,131	1,061	968	1,155	1,026	890	995	+11.8%	+2.8%	4,233	4,066	-3.9%
Operating costs	-425	-439	-436	-430	-431	-412	-397	-387	-2.7%	-10.0%	-1,730	-1,627	-5.9%
Gross operating profit	649	691	626	538	724	614	493	609	+23.5%	+13.1%	2,504	2,440	-2.6%
LLPs	-62	-67	-29	-408	-72	3	-55	-121	n.m.	-70.2%	-566	-246	-56.5%
Profit before taxes	444	578	572	-256	524	603	427	431	+0.8%	n.m.	1,338	1,985	+48.4%
Net profit	300	380	379	117	352	400	299	371	+24.2%	n.m.	1,175	1,422	+20.9%
Cost / Income ratio, %	39.6%	38.9%	41.1%	44.4%	37.3%	40.2%	44.6%	38.9%	-5.8p.p.	-5.5p.p.	40.9%	40.0%	-0.8p.p.
Cost of risk, bps	24	25	11	156	27	-1	20	44	+24bps	-112bps	53	22	-31bps
RoAC, %	12.9%	15.5%	15.1%	4.8%	14.8%	17.4%	13.1%	15.8%	+2.7p.p.	+11.0p.p.	12.1%	15.3%	+3.2p.p.
Customer loans	68,604	73,726	72,685	75,611	75,423	75,744	78,356	79,234	+1.1%	+4.8%	75,611	79,234	+4.8%
Customer deposits	46,555	44,307	45,240	46,331	45,772	47,410	44,237	47,932	+8.4%	+3.5%	46,331	47,932	+3.5%
Total RWA	73,205	80,072	74,626	75,143	72,466	70,951	71,470	75,557	+5.7%	+0.6%	75,143	75,557	+0.6%
FTEs (#)	3,605	3,551	3,535	3,480	3,447	3,447	3,371	3,316	-1.6%	-4.7%	3,480	3,316	-4.7%

(1) Loans and deposits excluding repos and intercompany.

Fineco – P&L and volumes

Data in m (1)	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	Δ % vs. 3Q17	Δ % vs. 4Q16	FY16	FY17	Δ % vs. FY16
Total revenues	140	149	132	138	142	141	148	156	+5.1%	+12.6%	558	586	+4.9%
Operating costs	-60	-58	-53	-55	-61	-60	-54	-59	+9.4%	+5.9%	-226	-233	+3.0%
Gross operating profit	80	91	78	83	81	80	94	97	+2.6%	+17.0%	332	353	+6.2%
LLPs	-1	-1	-1	-1	-1	-1	-2	-2	+36.3%	n.m.	-4	-5	+22.7%
Profit before taxes	77	89	66	74	78	78	70	89	+26.1%	+20.3%	305	315	+3.2%
Net profit	18	24	16	17	18	19	16	22	+35.0%	+27.5%	75	76	+1.1%
Cost / Income ratio, %	43.0%	38.7%	40.6%	40.0%	42.9%	43.0%	36.2%	37.7%	+1.5p.p.	-2.4p.p.	40.6%	39.8%	-0.7p.p.
Cost of risk, bps	66	64	31	27	20	30	38	43	+5bps	+16bps	46	35	-11bps
RoAC, %	84.9%	106.1%	70.8%	61.3%	59.8%	70.9%	54.5%	66.3%	+11.8p.p.	+5.0p.p.	79.4%	62.7%	-16.8p.p.
Customer loans	701	781	815	910	1,015	1,303	1,528	1,927	+26.1%	n.m.	910	1,927	n.m.
Customer deposits	16,513	16,981	17,029	18,570	18,707	19,281	19,797	20,059	+1.3%	+8.0%	18,570	20,059	+8.0%
Total RWA	1,838	1,805	1,778	1,890	1,937	2,063	2,184	2,332	+6.8%	+23.4%	1,890	2,332	+23.4%
FTEs (#)	1,021	1,025	1,033	1,052	1,044	1,067	1,069	1,082	+1.3%	+2.9%	1,052	1,082	+2.9%

(1) Loans and deposits excluding repos and intercompany. Consolidated view, i.e. 35% ownership by UniCredit, for net profit only. 1Q16-3Q16 restated.

Group Corporate Centre & Other – P&L and volumes

Data in m [1]	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	Δ % vs. 3Q17	Δ % vs. 4Q16	FY16	FY17	Δ % vs. FY16
Total revenues	-220	40	-191	-263	-194	-176	-207	-185	-10.6%	-29.6%	-633	-761	+20.2%
Operating costs	-121	-132	-122	-753	-92	-121	-110	-139	+26.3%	-81.5%	-1,128	-462	-59.0%
Gross operating profit	-340	-92	-313	-1,016	-286	-296	-317	-324	+2.2%	-68.1%	-1,761	-1,224	-30.5%
LLPs	-6	-1	-11	12	-3	-1	-18	-16	-10.3%	n.m.	-5	-37	n.m.
Profit before taxes	-363	-362	-380	-2,342	-280	-454	-418	-609	+45.7%	-74.0%	-3,447	-1,760	-48.9%
Net profit	-147	-102	-331	-3,620	-81	-518	1,709	-374	n.m.	-89.7%	-4,199	737	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.	n.m.	n.m.
Cost of risk, bps	n.m.	n.m.	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	2,195	2,606	2,650	+1.7%	+29.8%	2,041	2,650	+29.8%
Customer deposits	3,192	2,702	2,719	3,300	2,630	2,514	2,351	2,513	+6.9%	-23.8%	3,300	2,513	-23.8%
Total RWA	59,664	57,650	57,860	53,816	57,633	31,472	29,905	30,024	+0.4%	-44.2%	53,816	30,024	-44.2%
FTEs (#)	17,544	17,529	17,466	17,324	16,524	16,158	15,970	15,573	-2.5%	-10.1%	17,324	15,573	-10.1%

(1) Loans and deposits excluding repos and intercompany.

Non Core – P&L and volumes

1 2 3 4 5 6 7 Annex – Financials

Data in m [(1)]	*1Q16*	*2Q16*	*3Q16*	*4Q16*	*1Q17*	*2Q17*	*3Q17*	*4Q17*	*Δ % vs. 3Q17*	*Δ % vs. 4Q16*	*FY16*	*FY17*	*Δ % vs. FY16*
Total revenues	-10	-65	-67	-130	-41	-49	-28	-33	+18.5%	-74.4%	-273	-151	-44.5%
Operating costs	-47	-22	-37	-54	-44	-21	-53	-8	-85.6%	-85.7%	-160	-126	-21.0%
Gross operating profit	-58	-87	-104	-184	-85	-70	-82	-41	-49.7%	-77.7%	-432	-277	-35.8%
LLPs	-343	-401	-545	-7,559	-201	-255	-138	-128	-7.3%	-98.3%	-8,847	-722	-91.8%
Profit before taxes	-431	-511	-656	-7,792	-311	-334	-300	-175	-41.8%	-97.8%	-9,391	-1,120	-88.1%
Net profit	-291	-316	-447	-8,329	-206	-216	-207	-150	-27.2%	-98.2%	-9,382	-779	-91.7%
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.	n.m.	n.m.
Cost of risk, bps	398	503	724	n.m.	426	580	341	338	-3bps	n.m.	n.m.	426	n.m.
RoAC, %	n.m.	n.m.	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	15,590	14,296	-8.3%	-24.6%	18,962	14,296	-24.6%
Customer deposits	1,339	1,066	1,083	970	992	1,035	1,077	1,046	-2.9%	+7.8%	970	1,046	+7.8%
Total RWA	29,103	27,352	26,251	26,196	25,230	22,742	21,712	21,714	+0.0%	-17.1%	26,196	21,714	-17.1%
FTEs (#)	677	553	537	529	510	500	496	464	-6.4%	-12.2%	529	464	-12.2%

(1) Loans and deposits excluding repos and intercompany.

Glossary

Glossary(1) (1/9)

Adj.	Data adjusted for non recurring items
AFS	Available for Sale
AT1	Additional Tier 1 Capital
AuC	Assets under Custody
AuM	Assets under Management
AVA	Additional Value Adjustment
Avg.	Average
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
Bps	Basis points
Branches	Number of branches consistent with CMD perimeter i.e. retail branches only

(1) All financial data reported in the presentation are in Euro. Numbers may not add up due to rounding.

Glossary (2/9)

BTP	"Buoni poliennali del tesoro" Multiannual Treasury Bond issued by Italy
CB	Commercial Banking (previously defined CBK)
CC	Corporate Centre
CEE	Central Eastern Europe includes: Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bosnia and Herz., Serbia, Russia, Romania, Bulgaria, Turkey (at equity), Baltics (Latvia) only for Leasing
CET1 Ratio	Common Equity Tier 1 ratio fully loaded throughout the document unless otherwise stated
CIB	Corporate & Investment Banking
CMD	Capital Markets Day – CMD perimeter as announced at CMD on 13 December 2016: variations related to disposals of Immo Holding, Ukraine, 30% Fineco, Pekao and Pioneer
Collateral coverage ratio	Calculated as per EBA methodology, with collateral value capped at net (gross) loan level
Const.	Constant
C/I	Cost/Income ratio calculated as operating expenses to total revenues

Glossary (3/9)

CoR	Cost of Risk calculated as LLPs of the period annualised / Average loans volume
Coverage ratio	Stock of LLPs on NPEs on Gross NPEs
Cure rate	Back to performing (annualised) on stock of NPEs at the beginning of the period
Cust.	Customer
Customer spread	Rate on customer loans minus Rate on customer deposits
DBO	Defined Benefit Obligation
DGS	Contribution to Deposit Guarantee Scheme
Default rate	Percentage of gross loans migrating from performing to NPEs over a given period (annualised) 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

Glossary (4/9)

DVA	Debt Value Adjustment
E2E	End-to-End
EL	Expected Loss
EMEA	Europe, Middle East and Africa
EoP	End of Period
EPS	Earning per Shares
Euribor 3M	Daily reference rate, published by the European Money Market Institute
FICC	Fixed Income Currencies and Commodities
FINO	Failure Is Not an Option: project name for the disposal of a NPE portfolio (original gross book value 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
FL	Fully Loaded

Glossary (5/9)

FTA	First Time Adoption
FTEs	Full Time Equivalent
FTEs Industrial	FTEs related to industrial legal entities (non financial and non instrumental) fully consolidated within the Group
FX	Foreign Exchange
FY/FY	Current full year vs previous full year
Group Corporate Centre (Group CC)	Corresponding to the divisional database section: "Global Corporate Centre" including Corporate Centre, COO Services and Elisions
GTB	Global Transaction Banking
HR	Human Resources
IFRS5	Accounting principle related to assets held for sale
IFRS9	Accounting principle related to financial assets

Glossary (6/9)

IPO	Initial Public Offering
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 on- and off-balance sheet items
LLPs	Loan Loss Provisions
Migration rate	Representing the percentage of UTP that turn into bad loans
n.a.	Not available
n.m.	Non meaningful
Net Inflows	Inflows (from gross performing loans to gross impaired loans) minus outflows (collections and flows from gross impaired loans back to gross performing loans)

Glossary (7/9)

Net Outflows	Outflows (collections and flows from gross impaired loans back to gross performing loans) minus inflows (from gross performing loans to gross impaired loans)
NII	Net Interest Income
NPEs	Non-Performing Exposures including the following: 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 (including indirect costs) net of expenses recovery, plus depreciation and amortisation
NSFR	Net Stable Funding Ratio
OCS	Own Credit Spread
p.p.	percentage points
Past Due	Problematic exposures that, at the reporting date, are more than 90 days past due on any material obligation

Glossary (8/9)

Q/Q	Current quarter vs previous quarter
Recovery rate	NPE exposure reduction (gross Book Value) due to recovery activity on stock of NPEs at the beginning of the period
Repos	Repurchase agreements
RoAC	Return on Allocated Capital (Annualised 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 securitisations
RoTE	Return on Tangible Equity (Annualised Net income / Average Tangible Equity)
RWA	Risk Weighted Assets
SFT	Securities Financing Transaction
SREP	Supervisory Review and Evaluation Process
SRF	Single Resolution Fund

Glossary (9/9)

SRT	Significant Risk Transfer
Tangible equity	Tangible equity excluding AT1
TFAs	Total Financial Assets, commercial figures sum of AuM, AuC and Deposits
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
W.E.	Western Europe includes: Italy, Germany and Austria
Y/Y	Current quarter vs same quarter in the previous year
YTD	Year to date