3Q18 and 9M18 Results

Milan, 8 November 2018

Banking that matters. | UniCredit

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Strong underlying performance
Decisive non-recurring actions in 3Q18

Decisive non-recurring actions in 3Q18
- Impairment of Yapi by 0.85bn. Commitment to investment
- Increased provisions mainly for US sanctions, nearing settlement. Any potential future impact not expected to be material

Core bank performance
- Strong commercial performance, 3Q18 net interest 2.7bn (+3.1% Q/Q) and fees 1.6bn (+2.6% Y/Y)
- 3Q18 net operating profit 1.8bn, up 21.9% Y/Y
- 9M18 adjusted RoTE 10.4%, up 0.5p.p. 9M/9M[1]
- 3Q18 gross NPE ratio 4.3%, down 85bps Y/Y

Group performance
- Adjusted[1] net profit: 3Q18 875m (+4.8% Y/Y), 9M18 3.0bn (+4.7% 9M/9M). Stated 3Q18 net profit 29m
- 3Q18 CET1 ratio 12.11%

Remediation actions
- Improved cost reduction in FY18 and FY19
- Disposals of specific assets including real estate
- Reduction of CET1 ratio BTP sensitivity[2] by around 35% by end of FY19
- All Group legal entities to become self-funded by progressively minimising intragroup exposures

(1) Group and Group Core adjusted net profit and RoTE exclude the net impact from Pekao (-310m in 2Q17) and Pioneer (+2.1bn in 3Q17) disposals, one-off charge booked in Non Core (-80m in 3Q17), the net profit from Pekao and Pioneer (+48m in 1Q17, +72m in 2Q17 and +3m in 3Q17) and the impairment of Yapi (-846m in 3Q18), but adjustment does not include provisions for US sanctions. RoTE calculated at CMD perimeter, taking into account the capital increase and Pekao and Pioneer disposals as at 1 January 2017.

(2) BTP sensitivity: +10bps parallel shift of BTP asset swap spreads has a -3.5bps pre and -2.5bps post tax impact on the fully loaded CET1 ratio as at 28 September 2018.

Group – Solid adjusted 9M18 net profit 3.0bn, up 4.7% 9M/9M(1)

Group key figures	3Q17	2Q18	3Q18	Δ % vs. 2Q18	Δ % vs. 3Q17	9M17	9M18	Δ % vs. 9M17
Total revenues, m	4,721	4,944	4,814	-2.6%	+2.0%	15,036	14,868	-1.1%
Operating costs, m	-2,809	-2,655	-2,592	-2.4%	-7.7%	-8,545	-7,981	-6.6%
Loan loss provisions, m	-677	-504	-696	+38.2%	+2.8%	-2,104	-1,697	-19.4%
Net profit, m	2,820	1,024	29	-97.2%	-99.0%	4,672	2,165	-53.7%
Adjusted net profit(1), m	835	1,024	875	-14.5%	+4.8%	2,877	3,012	+4.7%
Fully loaded CET1 ratio	13.81%	12.51%	12.11%	-0.4p.p.	-1.7p.p.	13.81%	12.11%	-1.7p.p.
RWA transitional, bn	350.0	360.7	362.6	+0.5%	+3.6%	350.0	362.6	+3.6%
Loans, exc. repos, bn	411.9	422.9	432.0	+2.1%	+4.9%	411.9	432.0	+4.9%
Gross NPE, bn	51.2	42.6	40.8	-4.2%	-20.2%	51.2	40.8	-20.2%
Adjusted RoTE(1)	6.8%	8.5%	7.5%	-1.0p.p.	+0.7p.p.	7.8%	8.3%	+0.5p.p.
C/I	59.5%	53.7%	53.8%	+0.1p.p.	-5.7p.p.	56.8%	53.7%	-3.2p.p.
Cost of risk, bps	61	45	60	+16	-1	64	50	-13

(1) Group adjusted net profit and RoTE exclude the net impact from Pekao (-310m in 2Q17) and Pioneer (+2.1bn in 3Q17) disposals, one-off charge booked in Non Core (-80m in 3Q17), the net profit from Pekao and Pioneer (+48m in 1Q17, +72m in 2Q17 and +3m in 3Q17) and the impairment of Yapi (-846m in 3Q18), but adjustment does not include provisions for US sanctions. RoTE calculated at CMD perimeter, taking into account the capital increase and Pekao and Pioneer disposals as at 1 January 2017.

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Transform 2019 achievements (1/2)

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STRENGTHEN AND OPTIMISE CAPITAL	**Capital targets updated** **MDA buffer confirmed**	• 3Q18 CET1 ratio 12.11%, FY18 CET1 ratio 11.5-12.0%[(1)] • FY19 CET1 ratio 12.0-12.5%, MDA buffer target of 200-250bps • Disposals of specific assets including real estate • Reduction of CET1 ratio BTP sensitivity[(2)] by around 35% by end of FY19
IMPROVE ASSET QUALITY	**Ongoing de-risking** **Accelerated Non Core rundown by 2021 fully on track**	• 3Q18 Group gross NPE ratio improved to 8.3% (-249bps Y/Y) with Group gross NPEs down 10.3bn Y/Y and 1.8bn Q/Q, of which 1.2bn[(3)] disposals in 3Q18 • Group Core gross NPE ratio 4.3%, down 85bps Y/Y, close to the EBA average[(4)] • Accelerated Non Core rundown by 2021 proceeding as planned. 3Q18 Non Core gross NPEs at 20.6bn, 19bn target for year end 2018 confirmed
TRANSFORM OPERATING MODEL	**Transformation ahead of schedule** **Improved cost reduction**	• 41 branch closures in 3Q18 and 831 since December 2015 in Western Europe. 88% of 944 Transform 2019 target already achieved • FTEs down by 766 Q/Q and 13,100 since December 2015. Transform 2019 target of 14,000 almost reached with 93% achieved, as at 3Q18 • Improved cost reduction in FY18 and FY19

(1) Assuming BTP spreads remain at current levels (as at 5 November 2018).
(2) BTP sensitivity: +10bps parallel shift of BTP asset swap spreads has a -3.5bps pre and -2.5bps post tax impact on the fully loaded CET1 ratio as at 28 September 2018.
(3) Of which 0.4bn in Non Core.
(4) Weighted average of EBA sample banks is 3.6%. Source: EBA risk dashboard (data as at 2Q18).

Transform 2019 achievements (2/2)

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Transform 2019 update

MAXIMISE COMMERCIAL BANK VALUE	**Multichannel offer/ customer experience**	• In Italy, remote sales[1] increased further by +7.4 p.p. Y/Y, reaching 26.0% of total bank sales[2] and 93.8% (vs. 95% 2019 target) of basic transactions[3] migrated to self-service channels • In CEE, the mobile user penetration[4] improved by 2.3p.p. Q/Q to 38.2%
	Commercial partnerships	• First 550 "Easy Export" contracts signed in Italy to support Italian exporting companies, leveraging on partnership with Alibaba.com • After a successful experience in Italy, UniCredit is the first bank in Hungary to sign an agreement with Alipay
	Success of fully plugged-in CIB	• Success of CIB business model demonstrated by key roles in recent IPOs for Piovan, Knorr-Bremse and Aston Martin, leveraging on strong commercial banking relationships
	Leading Debt and Trade Finance house in Europe	• Leading franchise confirmed: Ranking #1 in "All Bonds in EUR" in Italy and Germany, #1 in "EMEA All Bonds in EUR" by number of transactions, #2 in "All Syndicated Loans in EMEA EUR" and "Project Finance Europe"[5]
ADOPT LEAN BUT STEERING CENTRE	**Group CC streamlining**	• Weight of Group Corporate Centre of total costs at 2.9% in 3Q18 (3.4% in 9M18), -0.7p.p. Q/Q and -1.1p.p. Y/Y (FY15 actual: 5.3%, FY19 target[6]: 3.8%)

(1) Transactions concluded through ATM, online, mobile or contact centre.
(2) Percentage of remote sales calculated on total bank products that have a direct selling process.
(3) Includes cash withdrawals, cash deposits and transfers.
(4) Including Yapi at 100%. Ratio defined as number of retail mobile users as percentage of active customers.
(5) Source: Dealogic, as at 1 October 2018. Period 1 January – 30 September 2018; rankings by volume, unless otherwise stated.
(6) FY15 actual and FY19 target recasted as at September 2018, previously 5.2% and 3.6%, respectively.

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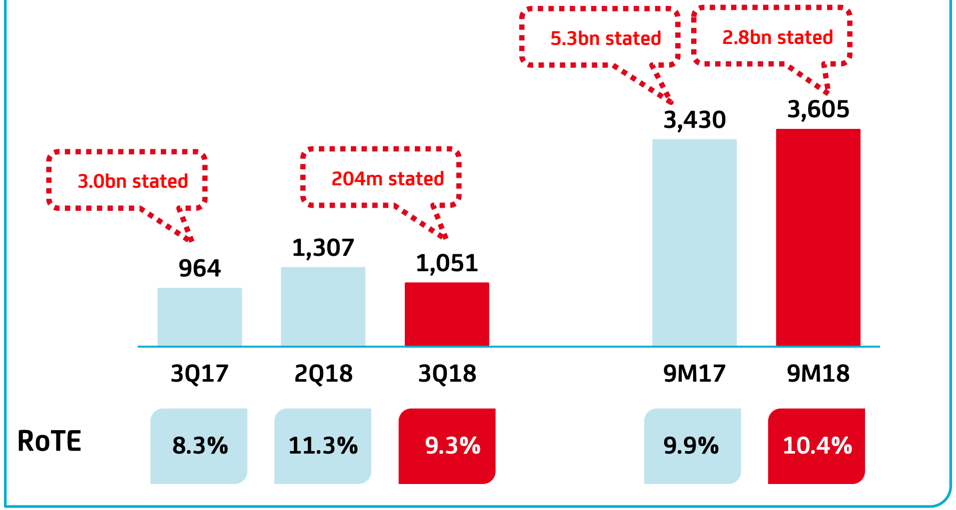
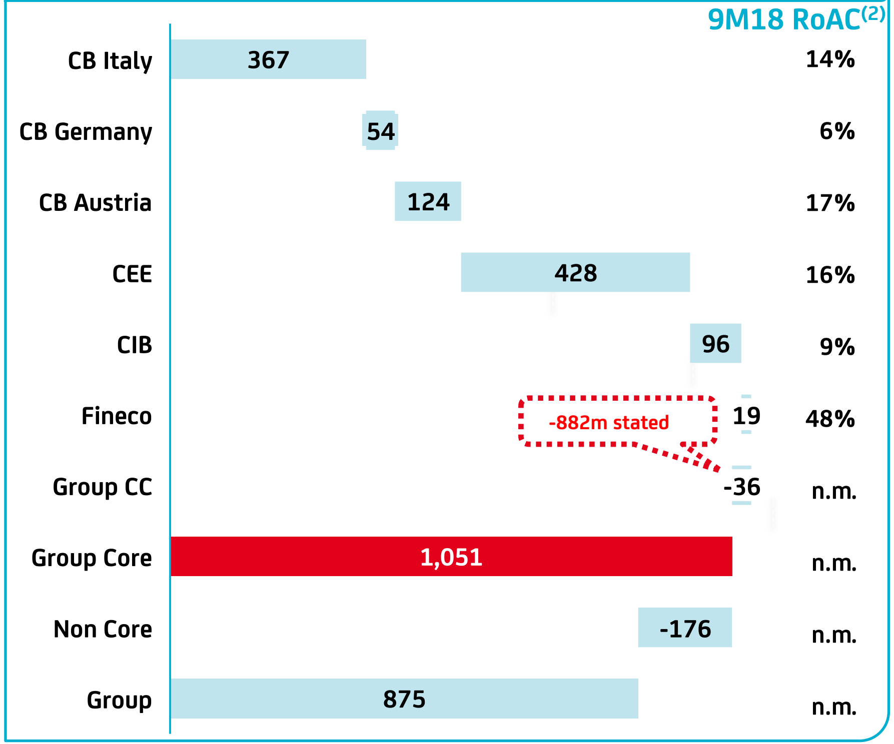
Group Core – Adjusted 9M18 RoTE 10.4%, up 0.5p.p. 9M/9M(1)

Group Core adjusted net profit(1), m



- Adjusted 9M18 Group Core RoTE at 10.4%, up 0.5p.p. 9M/9M(1). CEE and CB Italy main drivers
- FY19 Group Core RoTE target >10% confirmed

Adjusted net profit(1) by division 3Q18, m



(1) Group and Group Core adjusted net profit and RoTE exclude the net impact from Pekao (-310m in 2Q17) and Pioneer (+2.1bn in 3Q17) disposals, one-off charge booked in Non Core (-80m in 3Q17), the net profit from Pekao and Pioneer (+48m in 1Q17, +72m in 2Q17 and +3m in 3Q17) and the impairment of Yapi (-846m in 3Q18), but adjustment does not include provisions for US sanctions. RoTE calculated at CMD perimeter, taking into account the capital increase and Pekao and Pioneer disposals as at 1 January 2017.

(2) Stated 9M18 RoAC. Normalised for non-recurring items (summarised in Annex on page 44) 9M18 RoACs are: CB Italy 12.3%, CB Germany 5.0% and CIB 8.3%.

Group Core – Adjusted 9M18 net profit 3.6bn, up 5.1% 9M/9M[(1)]

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Group Core results highlights

Main drivers

- Strong commercial performance: net interest up 3.1% Q/Q and 7.7% Y/Y, fees up 2.6% Y/Y. Good performance of fees in CB Italy, up 3.7% Y/Y
- 484k gross new clients in 3Q18
- New loans production[(2)] at 77.9bn in 9M18 (+22.7% 9M/9M)
- Costs down 7.1% Y/Y and 2.8% Q/Q thanks to continued strong focus on cost discipline. 9M18 C/I ratio at 53.1%, down 3.2p.p. 9M/9M
- LLPs down 1.4% Y/Y to 478m as the overall risk environment remains supportive
- Gross NPE ratio 4.3%[(3)], down by 85bps Y/Y
- Adjusted 3Q18 net profit at 1.1bn, up 9.0% Y/Y[(1)]. The adjustment does not include provisions for US sanctions

Data in m	*3Q17*	*2Q18*	*3Q18*	*Δ % vs.2Q18*	*Δ % vs.3Q17*	*9M17*	*9M18*	*Δ % vs. 9M17*
Total revenues	4,699	4,947	4,814	-2.7%	+2.4%	14,976	14,876	-0.7%
o/w Net interest	*2,538*	*2,650*	*2,732*	*+3.1%*	*+7.7%*	*7,839*	*7,983*	*+1.8%*
o/w Fees	*1,601*	*1,738*	*1,643*	*-5.5%*	*+2.6%*	*5,066*	*5,138*	*+1.4%*
o/w Trading	*382*	*337*	*291*	*-13.8%*	*-23.9%*	*1,430*	*1,129*	*-21.1%*
Operating costs	-2,759	-2,637	-2,562	-2.8%	-7.1%	-8,434	-7,900	-6.3%
Gross operating profit	1,940	2,310	2,252	-2.5%	+16.1%	6,543	6,975	+6.6%
LLPs	-485	-116	-478	n.m.	-1.4%	-1,322	-965	-27.0%
Net operating profit	1,455	2,194	1,774	-19.2%	+21.9%	5,221	6,011	+15.1%
Net profit	3,028	1,307	204	-84.4%	-93.2%	5,305	2,759	-48.0%
Adjusted net profit[(1)]	964	1,307	1,051	-19.6%	+9.0%	3,430	3,605	+5.1%
Adjusted RoTE[(1)]	8.3%	11.3%	9.3%	-2.0p.p.	+1.0p.p.	9.9%	10.4%	+0.5p.p.
C/I	58.7%	53.3%	53.2%	-0.1p.p.	-5.5p.p.	56.3%	53.1%	-3.2p.p.
CoR (bps)	46	11	42	+32	-3	42	29	-12
Gross NPE ratio	5.2%	4.5%	4.3%	-19bps	-85bps	5.2%	4.3%	-85bps

(1) Group Core adjusted net profit and RoTE exclude the net impact from Pekao (-310m in 2Q17) and Pioneer (+2.1bn in 3Q17) disposals, the net profit from Pekao and Pioneer (+48m in 1Q17, +72m in 2Q17 and +3m in 3Q17) and the impairment of Yapi (-846m in 3Q18), but adjustment does not include provisions for US sanctions. RoTE calculated at CMD perimeter, taking into account the capital increase and Pekao and Pioneer disposals as at 1 January 2017.

(2) Managerial figures.

(3) Weighted average of EBA sample banks is 3.6%. Source: EBA risk dashboard (data as at 2Q18).

Group – 3Q18 adjusted net profit 0.9bn[(1)], up 4.8% Y/Y[(2)]

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Group results highlights

Main drivers

- Revenues up 2.0% Y/Y thanks to higher commercial revenues (net interest +7.2% Y/Y and fees +2.5% Y/Y) offsetting lower trading (-27.4% Y/Y)
- Resilient fees up 2.5% Y/Y thanks to transactional fees (+10.0% Y/Y)
- Costs down 7.7% Y/Y thanks to lower HR costs (-7.6% Y/Y) and non HR costs (-8.0% Y/Y). FTEs down 766 Q/Q
- LLPs up 2.8% Y/Y, leading to a CoR of 60bps in 3Q18 with 1bp impact from models. The overall risk environment remains supportive. FY18 CoR expected to be around 60bps
- Other charges & provisions higher due to increased provisions mainly for US sanctions, nearing settlement. Any potential future impact not expected to be material
- Profit from investments affected by Yapi impairment (-846m) and pawn business sale (+114m)

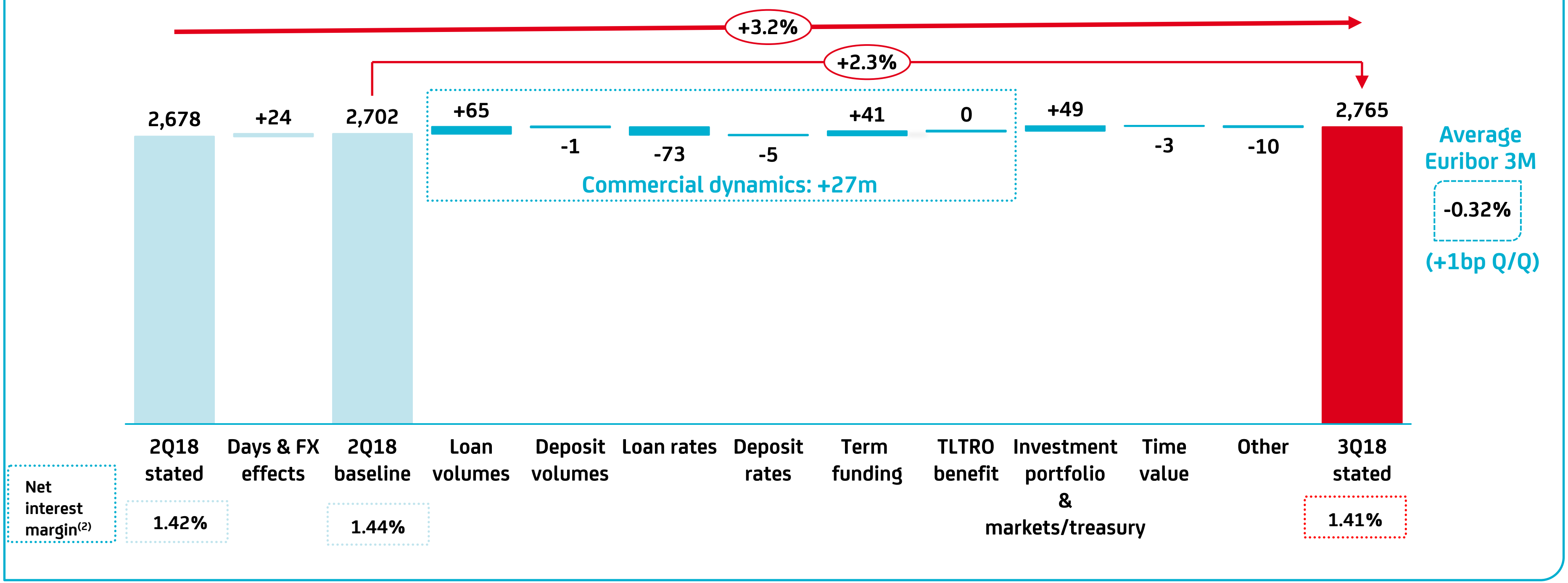
Data in m	*3Q17*	*2Q18*	*3Q18*	*Δ % vs.2Q18*	*Δ % vs.3Q17*	*9M17*	*9M18*	*Δ % vs. 9M17*
Total revenues	4,721	4,944	4,814	-2.6%	+2.0%	15,036	14,868	-1.1%
o/w Net interest	*2,579*	*2,678*	*2,765*	*+3.2%*	*+7.2%*	*7,987*	*8,079*	*+1.2%*
o/w Fees	*1,588*	*1,722*	*1,628*	*-5.4%*	*+2.5%*	*5,013*	*5,096*	*+1.7%*
o/w Trading	*381*	*331*	*277*	*-16.3%*	*-27.4%*	*1,434*	*1,086*	*-24.3%*
Operating costs	-2,809	-2,655	-2,592	-2.4%	-7.7%	-8,545	-7,981	-6.6%
Gross operating profit	1,912	2,289	2,222	-2.9%	+16.2%	6,491	6,887	+6.1%
LLPs	-677	-504	-696	+38.2%	+2.8%	-2,104	-1,697	-19.4%
Net operating profit	1,235	1,785	1,526	-14.5%	+23.6%	4,387	5,191	+18.3%
Other charges & provisions	-273	-662	-741	+11.8%	n.m.	-871	-1,922	n.m.
o/w Systemic charges	*-157*	*-173*	*-148*	*-14.6%*	*-5.7%*	*-624*	*-786*	*+26.0%*
Profit (loss) from investments	-5	205	-655	n.m.	n.m.	-154	-432	n.m.
Profit before taxes	926	1,325	127	-90.4%	-86.3%	3,318	2,842	-14.4%
Income taxes	-181	-258	-40	-84.3%	-77.7%	-543	-520	-4.4%
Net profit from discontinued operations	2,126	15	-1	n.m.	n.m.	2,155	13	-99.4%
Net profit	2,820	1,024	29	-97.2%	-99.0%	4,672	2,165	-53.7%
Adjusted net profit[(2)]	835	1,024	875	-14.5%	+4.8%	2,877	3,012	+4.7%

(1) 3Q18 net profit 29m on a stated basis.

(2) Group adjusted net profit and RoTE exclude the net impact from Pekao (-310m in 2Q17) and Pioneer (+2.1bn in 3Q17) disposals, one-off charge booked in Non Core (-80m in 3Q17), the net profit from Pekao and Pioneer (+48m in 1Q17, +72m in 2Q17 and +3m in 3Q17) and the impairment of Yapi (-846m in 3Q18), but adjustment does not include provisions for US sanctions. RoTE calculated at CMD perimeter, taking into account the capital increase and Pekao and Pioneer disposals as at 1 January 2017.

Group – 3Q18 net interest 2.8bn, up 3.2% Q/Q thanks to positive commercial dynamics

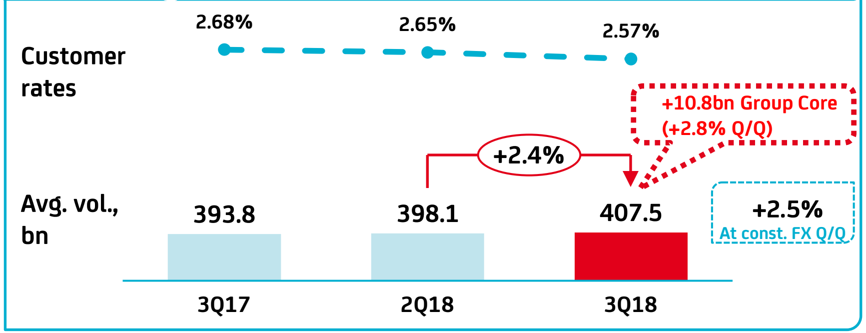
Net interest(1) Q/Q, m



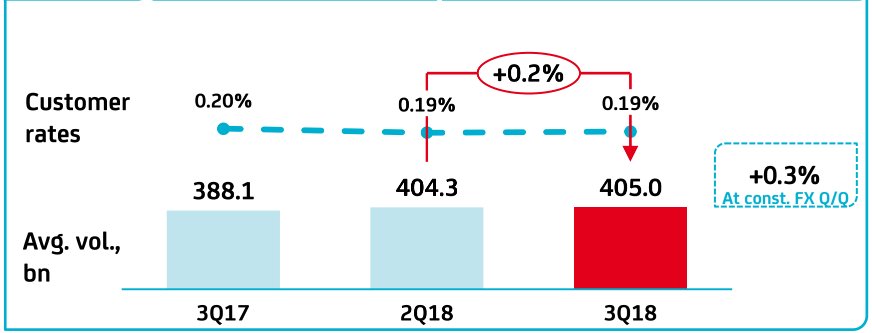
(1) Net contribution from hedging strategy of non-maturity deposits in 3Q18 at 381m, +2.2m Q/Q and -0.4m Y/Y.
(2) Net interest margin calculated as interest income divided by interest earning assets minus interest expenses divided by interest bearing liabilities.

Group – Average Group Core loan volumes up 10.8bn Q/Q

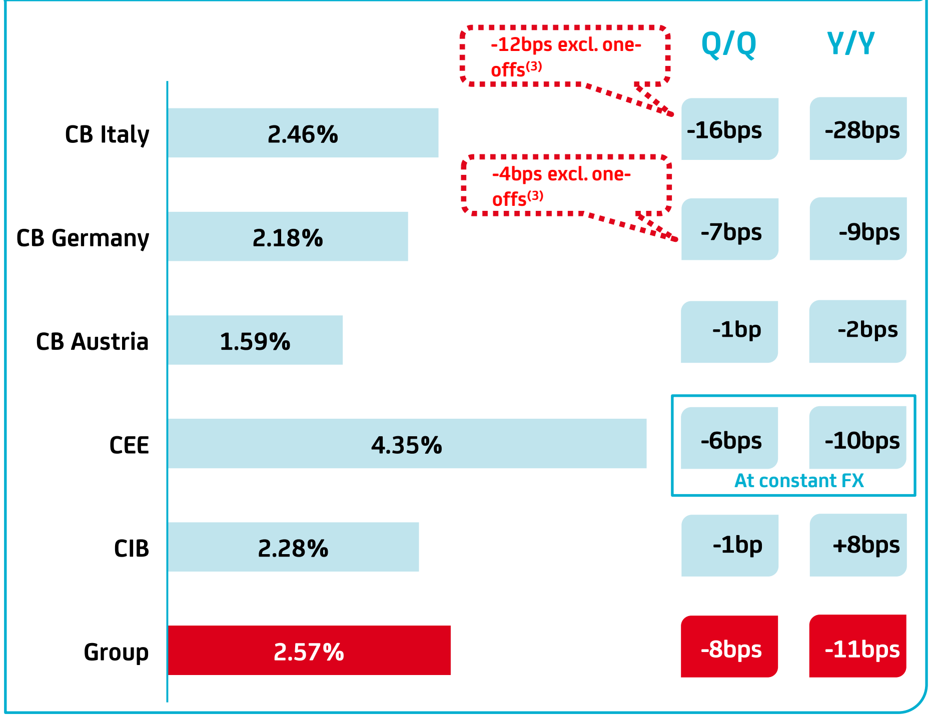
Avg. commercial loans[1] and rates[2]



Avg. commercial deposits[1] and rates[2]



Customer loan rates[2] 3Q18



(1) Average commercial volumes are managerial figures and are calculated as daily averages. Loans net of provisions.
(2) Customer loan rates calculated assuming the 365 days convention.
(3) Excluding one-offs in CB Italy (pawn business disposal and days effect in 3Q18) and CB Germany (extraordinary recoveries in 2Q18 and 3Q18).

Group – End-of-period Group Core customer loans up 10.3bn Q/Q

Customer loans (end-of-period)[1], bn

	bn	Q/Q	Y/Y
CB Italy	143.5	+1.5%	+5.5%
CB Germany	85.8	+3.3%	+5.4%
CB Austria	44.5	-0.2%	-0.2%
CEE	64.2	At constant FX +4.3%	At constant FX +9.5%
CIB	79.4	+3.8%	+12.4%
Fineco	2.6	+5.3%	+67.5%
Group CC	3.3	+4.7%	+24.7%
Group Core	423.2	+2.5%	+6.7%
Non Core	8.9	-12.0%	-42.4%
Group	432.0	+2.1%	+4.9%

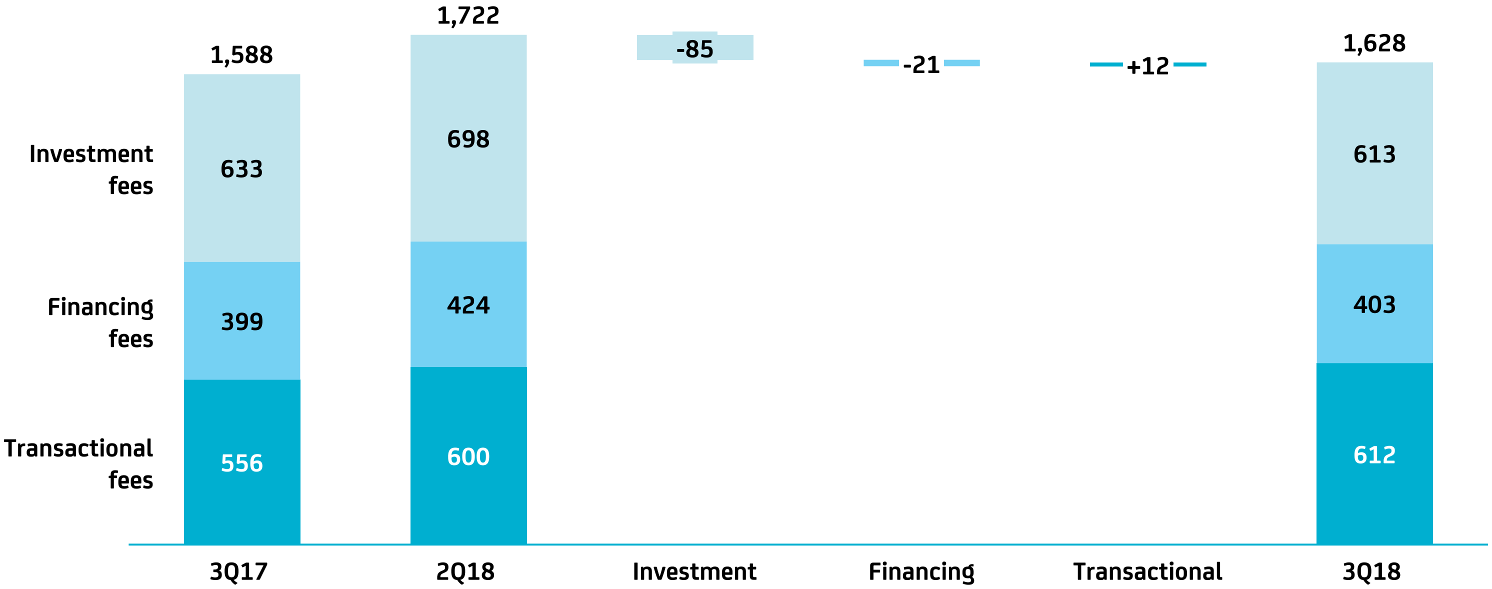
Customer deposits (end-of-period)[1], bn

	bn	Q/Q	Y/Y
CB Italy	145.4	+0.3%	+6.2%
CB Germany	87.6	-1.7%	+1.5%
CB Austria	46.6	-2.5%	-0.6%
CEE	62.5	At constant FX +0.6%	At constant FX +6.0%
CIB	52.8	+19.4%	+19.6%
Fineco	21.7	+2.7%	+9.4%
Group CC	3.0	-8.3%	-6.1%
Group Core	419.6	+1.6%	+5.5%
Non Core	0.8	-11.4%	-17.0%
Group	420.4	+1.6%	+5.5%

(1) End-of-period accounting volumes excluding repos and intercompany items.

Group – Resilient fees up 2.5% Y/Y, thanks to transactional fees

Fees Q/Q[1], m



	Q/Q	Y/Y
Total	-5.4%	+2.5%
Investment fees	-12.1%	-3.1%
Financing fees	-4.9%	+1.0%
Transactional fees	+2.0%	+10.0%

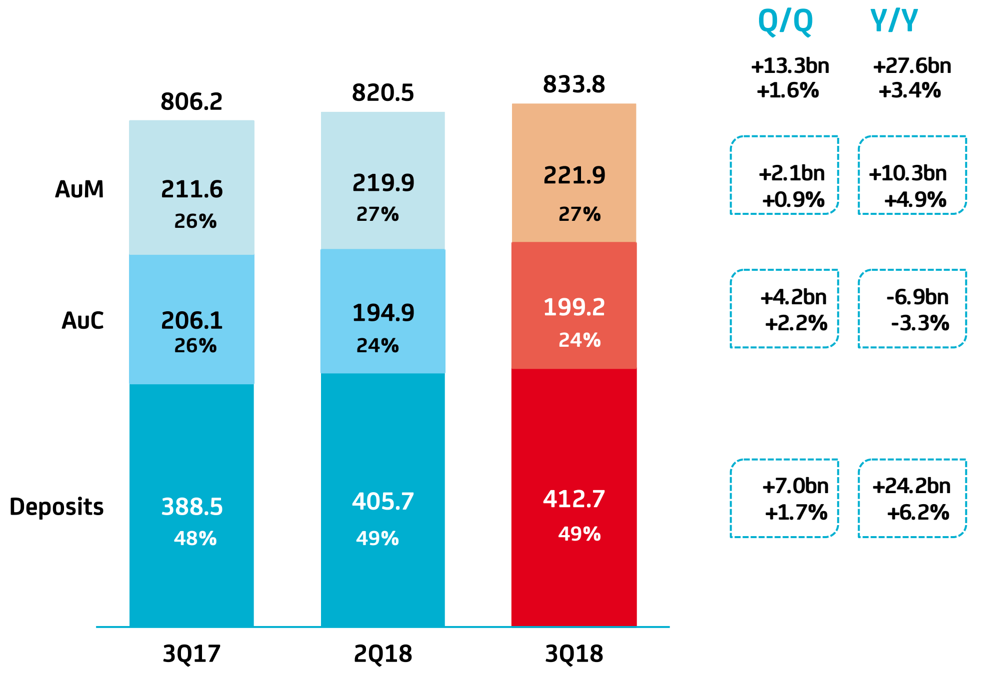
(1) All 2017 figures have been restated for the consolidation effects arising from the intercompany fees relating to Bank Pekao and Pioneer, which until 2Q17 were classified as held for sale, in accordance with IFRS5.

Group – Good TFAs performance in challenging markets, up 27.6bn Y/Y to 833.8bn

Main drivers

- **TFAs** up 3.4% Y/Y to 833.8bn:
  - ✓ **Assets under Management** at 221.9bn, up 4.9% Y/Y mainly thanks to CB Italy (+3.2% Y/Y). CB Germany (+10.7% Y/Y) and Fineco (+9.0% Y/Y) performed very well on a relative basis. Positive 3Q18 AuM net sales (+1.5bn) in challenging markets and despite seasonality
  - ✓ **Assets under Custody** at 199.2bn, down 3.3% Y/Y driven by negative market performance and retail bond run off in CB Italy (-16.3% Y/Y)
  - ✓ **Deposits** at 412.7bn, up 6.2% Y/Y mainly thanks to CIB[2] (+23.6% Y/Y) and CB Italy (+5.9% Y/Y)
- **TFAs** up 1.6% Q/Q, mainly thanks to higher deposits (+1.7% Q/Q) and AuC (+2.2% Q/Q)

Group TFAs[1] 3Q18, bn

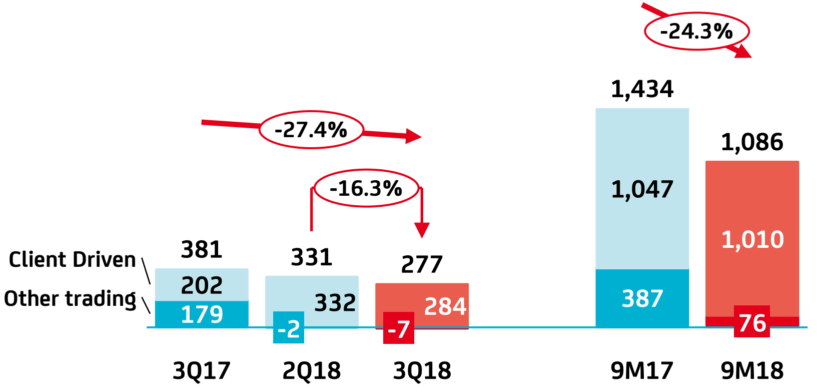


(1) Refers to Group commercial Total Financial Assets. Non-commercial elements, i.e. Group Corporate Centre, Non Core, Leasing/Factoring and Market Counterparts are excluded. Numbers are managerial figures.

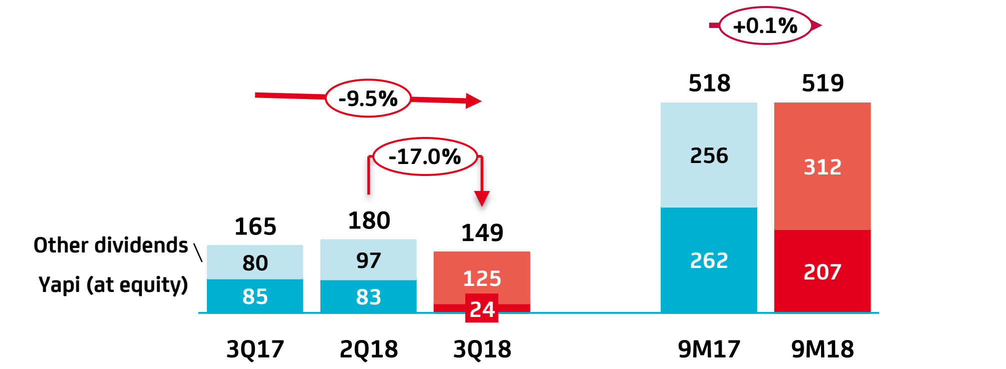
(2) In 3Q18, CIB had technically driven and extraordinary high single digit billion deposit inflows from corporate clients that are expected to reverse over the next few months.

Group – Trading income down 27.4% Y/Y due to unfavourable markets

Trading income, m



Dividends(1), m



- Trading income down 27.4% Y/Y and 16.3% Q/Q in an unfavourable market environment, which led to lower client activity
- Client driven trading includes valuation adjustments[2] equal to +26m in 3Q18 (+35m in 2Q18 and +8m in 3Q17)
- Trading was also negatively impacted by the mark to market of the Pekao mandatory convertible

- Yapi´s contribution down 37.7% Y/Y at constant FX, down 71.6% Y/Y at current FX due to the depreciation of the Turkish Lira
- The regulatory consolidation of Yapi's RWA is pro rata, contributing 23.2bn
- The Turkish Lira FX sensitivity for the Group's CET1 ratio post impairment turned positive to around +1bp net impact for 10% adverse FX move[3]
- Other dividends up 56.9% Y/Y mainly thanks to dividends on shares underlying the Pekao mandatory convertible

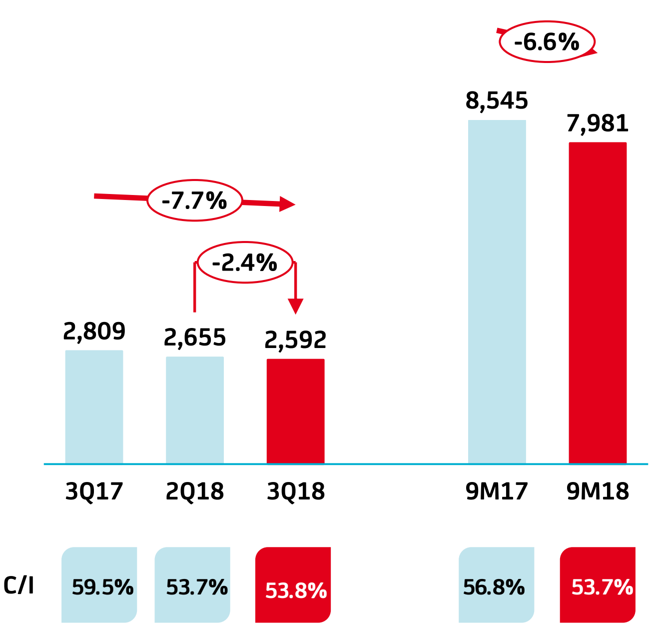
(1) Include dividends and equity investments. Yapi is valued by the equity method and contributes to the dividend line of the Group P&L based on managerial view.
(2) Collateral Valuation Adjustments (OIS), Debt/Credit Value Adjustment (DVA/CVA), Fair Value Adjustment and Funding Valuation Adjustment (FVA).
(3) Turkish Lira (TRY) sensitivity: 10% depreciation of the TRY has around +1bp net impact (-2bps from capital, +3bps from RWA) on the fully loaded CET1 ratio. Managerial data as at 28 September 2018.

Group – Costs down 7.7% Y/Y and down 2.4% Q/Q
FY18 costs below 11.0bn, FY19 costs below 10.6bn

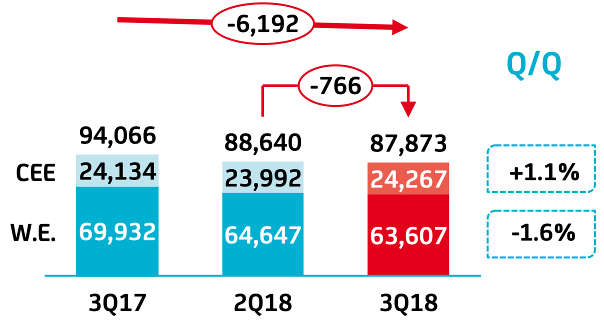
Main drivers

- Execution of Transform 2019 ahead of schedule:
  - ✓ 93% of FTE reduction target achieved (13,100 out of 14,000)
  - ✓ 88% of branch closures completed (831 out of 944)
- FTEs down 6,192 Y/Y, branches down 321 Y/Y
- C/I 53.7% in 9M18, down 3.2p.p. 9M/9M
- 3Q18 total costs at 2.59bn, down 7.7% Y/Y
- FY18 costs below 11.0bn, despite expected seasonal increase in 4Q. FY19 costs below 10.6bn

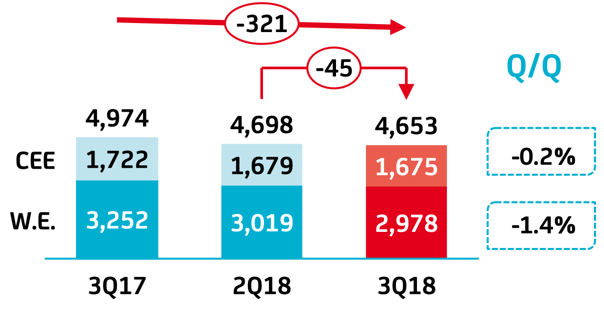
Costs, m



FTEs (eop)



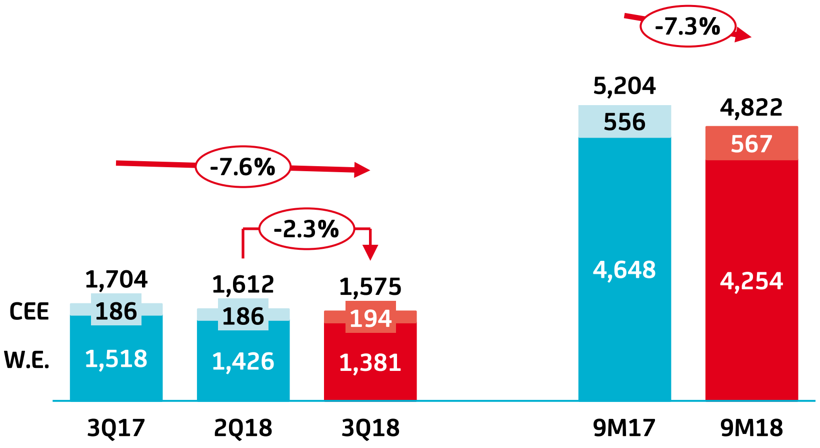
Branches(1)



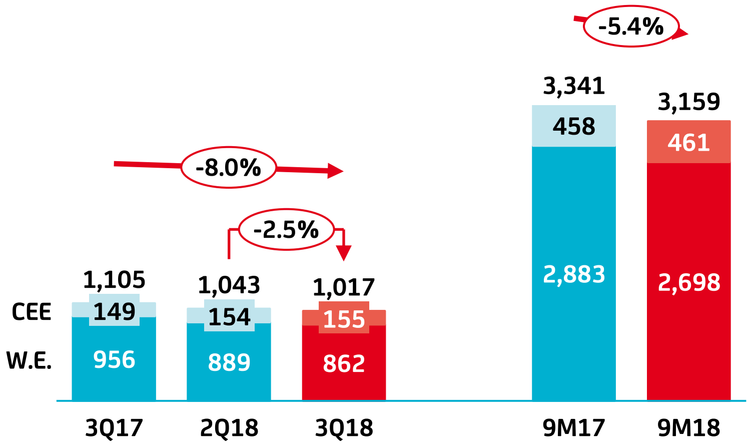
(1) Branch figures consistent with CMD perimeter.

Group – Disciplined cost control with HR and Non HR costs down Y/Y and Q/Q

Staff expenses, m



Non HR costs(1), m



- Staff expenses down 7.6% Y/Y (-2.3% Q/Q), confirming a continued reduction supported by lower FTEs, down 6,192 Y/Y

- Non HR costs down 8.0% Y/Y (-2.5% Q/Q) mainly thanks to lower consulting and sponsorships

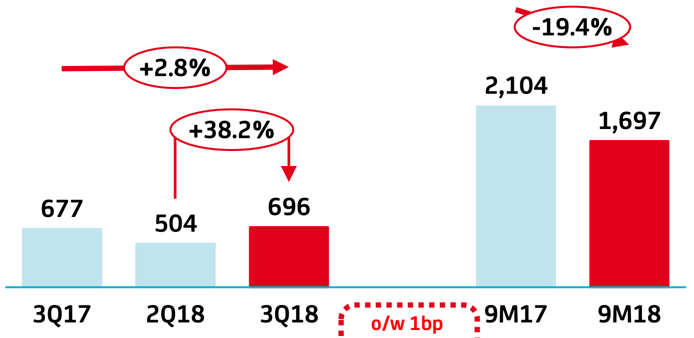
(1) Non HR costs include "other administrative expenses", "recovery of expenses" and "amortisation, depreciation and impairment losses on intangible and tangible assets".

Group – 3Q18 LLPs up 2.8% Y/Y. Gross NPE ratio 8.3%, down 249bps Y/Y

Main drivers

- 3Q18 LLPs up 2.8% Y/Y to 696m. The overall risk environment remains supportive
- 3Q18 CoR at 60bps, o/w 1bp models impact. FY18 models impact expected to be mid single-digit and FY18 CoR expected to be around 60bps
- Group gross NPE ratio improved to 8.3% in 3Q18, down 249bps Y/Y. Coverage ratio stable at 60.9% (up 427bps Y/Y)
- Group Core gross NPE ratio 4.3%, down 85bps Y/Y
- CoR across divisions in 3Q18:
  - ✓ CB Italy CoR at 89bps, up 26bps Y/Y due to single names
  - ✓ CB Germany CoR at -11bps driven by non-recurring write-backs
  - ✓ CB Austria CoR at 20bps, beginning to normalise
  - ✓ CEE CoR low at 58bps thanks to a supportive risk environment
  - ✓ CIB CoR at 28bps

Loan loss provisions, m



	3Q17	2Q18	3Q18	9M17	9M18
Cost of risk	61bps	45bps	60bps	64bps	50bps
Cov. ratio gross NPE	56.6%	60.9%	60.9%		
Gross NPE ratio	10.8%	8.7%	8.3%		

o/w 1bp models impact

o/w 2bps models impact

Agenda

1 Executive summary

2 Transform 2019 update

3 Group results highlights

4 **Divisional results highlights**

5 Asset quality

6 Capital

7 Closing remarks

8 Annex

CB Italy – Net operating profit 0.4bn, down 3.9% Y/Y due to higher LLPs partially offset by lower costs

Main drivers

- Net interest down 1.4% Q/Q due to ongoing pressure on customer rates partially offset by increased volumes, resilient when adjusted for pawn disposal in 3Q18 (-0.5% Q/Q)
- Strong new loans production(1) at 18.8bn in 9M18 (+26% 9M/9M), driven by corporates and retail mortgages
- Fees up 3.7% Y/Y, thanks to transactional fees (+18.2% Y/Y) and financing fees (+5.1% Y/Y)
- 93k gross new clients in 3Q18 (+1.9% Y/Y)
- Costs down 8.3% Y/Y driven by HR cost reduction (-9.8% Y/Y). 9M18 C/I ratio at 56.3%, down 3.7p.p. 9M/9M
- Systemic charges at 68m as Deposit Guarantee Scheme's yearly contribution is booked in 3Q18
- CoR at 89bps in 3Q18, up 26bps Y/Y due to single names. Models impact expected in 4Q18
- Gross NPE ratio down 61bps Y/Y and 27bps Q/Q to 6.2%
- Normalised(3) RoAC at 12.3% in 9M18

Data in m	*3Q17*	*2Q18*	*3Q18*	*Δ % vs.2Q18*	*Δ % vs.3Q17*	*9M17*	*9M18*	*Δ % vs. 9M17*
Total revenues	1,766	1,867	1,758	-5.8%	-0.4%	5,574	5,509	-1.2%
o/w Net interest	*916*	*873*	*861*	*-1.4%*	*-6.0%*	*2,789*	*2,636*	*-5.5%*
o/w Fees	*861*	*979*	*893*	*-8.8%*	*+3.7%*	*2,776*	*2,847*	*+2.6%*
Operating costs	-1,107	-1,036	-1,015	-2.0%	-8.3%	-3,345	-3,104	-7.2%
Gross operating profit	659	831	743	-10.5%	+12.7%	2,229	2,406	+7.9%
LLPs	-216	-211	-317	+50.1%	+46.8%	-705	-748	+6.1%
Net operating profit	443	619	426	-31.2%	-3.9%	1,524	1,658	+8.8%
Net profit	247	370	367	-0.9%	+48.5%	886	1,116	+26.0%
RoAC	9.7%	13.7%	13.3%	-0.4p.p.	+3.5p.p.	11.7%	13.8%	+2.0p.p.
C/I	62.7%	55.5%	57.7%	+2.2p.p.	-4.9p.p.	60.0%	56.3%	-3.7p.p.
CoR (bps)	63	61	89	+28	+26	69	71	+2
Branches(2)	2,784	2,555	2,516	-1.5%	-9.6%	2,784	2,516	-9.6%
FTEs	33,487	30,899	30,299	-1.9%	-9.5%	33,487	30,299	-9.5%
Gross NPE ratio	6.8%	6.4%	6.2%	-27bps	-61bps	6.8%	6.2%	-61bps

(1) Managerial figures.
(2) Branch figures consistent with CMD perimeter.
(3) Normalised RoAC for pawn business disposal (+114m in 3Q18).

CB Germany – Net operating profit 0.2bn, up 7.6 % Y/Y mainly thanks to lower costs

Main drivers

- Net interest stable Q/Q (+0.0%) as higher loan volumes offset pressure on customer rates
- Strong new loans production(1) at 14.6bn in 9M18 (+26.2% 9M/9M), mainly driven by corporates and housing loans
- Fees stable Y/Y (+0.1%) supported by higher transactional fees (+16.3% Y/Y)
- 20k gross new clients in 3Q18 (+50.5% Y/Y)
- Costs down 8.0% Y/Y, driven by lower HR (-8.1% Y/Y) and Non HR costs (-7.8% Y/Y). 9M18 C/I ratio at 68.9%, down 0.5p.p. 9M/9M adjusted for one-off(2)
- CoR at -11bps in 3Q18 driven by non-recurring write-backs
- Normalised(4) RoAC at 5.0% in 9M18 driven by higher other charges and provisions. FY19 RoAC target confirmed at 9.1%

Data in m	*3Q17*	*2Q18*	*3Q18*	*Δ % vs.2Q18*	*Δ % vs.3Q17*	*9M17*	*9M18*	*Δ % vs. 9M17*
Total revenues	651	618	603	-2.5%	-7.4%	2,065	1,849	-10.5%
o/w Net interest	*388*	*378*	*378*	*+0.0%*	*-2.6%*	*1,258*	*1,119*	*-11.1%*
o/w Fees	*174*	*187*	*174*	*-7.0%*	*+0.1%*	*586*	*572*	*-2.4%*
Operating costs	-449	-420	-413	-1.7%	-8.0%	-1,371	-1,275	-7.0%
Gross operating profit	202	198	190	-4.1%	-6.0%	694	574	-17.3%
LLPs	-5	-35	23	n.m.	n.m.	-66	-39	-40.4%
Net operating profit	197	163	212	+30.0%	+7.6%	628	535	-14.9%
Net profit	147	64	54	-16.2%	-63.6%	493	201	-59.2%
RoAC	12.9%	5.5%	4.6%	-1.0p.p.	-8.3p.p.	14.3%	5.9%	-8.5p.p.
C/I	69.0%	68.0%	68.6%	+0.5p.p.	-0.5p.p.	66.4%	68.9%	+2.6p.p.
CoR (bps)	2	17	-11	-27	-13	11	6	-4
Branches(3)	341	341	339	-0.6%	-0.6%	341	339	-0.6%
FTEs	10,314	9,343	9,325	-0.2%	-9.6%	10,314	9,325	-9.6%
Gross NPE ratio	2.2%	2.1%	1.9%	-22bps	-32bps	2.2%	1.9%	-32bps

(1) Managerial figures.
(2) 2Q17 one-off in net interest (+90m) related to release of a tax provision.
(3) Branch figures consistent with CMD perimeter.
(4) Normalised RoAC for non-recurring net gain from participation in 2Q18 +27m. 2Q18 and 3Q18 net profit negatively affected by non-recurring other charges & provisions.

CB Austria – Net operating profit 0.1bn, up 22.7% Y/Y thanks to better costs and revenues

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Main drivers

- Net interest up 6.9% Q/Q mainly driven by non-recurring prepayment penalties from corporates. Y/Y up 2.2% excluding 14m one-off(1) in 3Q17
- New loans production(2) at 5.5bn in 9M18 (-11.1% 9M/9M), driven by corporates and housing loans
- Fees down 0.6% Y/Y due to transactional fees (-3.7% Y/Y)
- 14k gross new clients in 3Q18 (+5.2% Y/Y)
- Costs down 8.0% Y/Y mainly thanks to a reduction of Non HR costs (-12.2% Y/Y). 9M18 C/I ratio at 64.2%, down 5.1p.p. 9M/9M
- CoR at 20bps in 3Q18, beginning to normalise
- Net profit at 124m in 3Q18, down 34.8% Y/Y, but up 14.3% Y/Y adjusted for 3Q17 one-offs(1)
- RoAC at 16.6% in 9M18

Data in m	*3Q17*	*2Q18*	*3Q18*	*Δ % vs.2Q18*	*Δ % vs.3Q17*	*9M17*	*9M18*	*Δ % vs. 9M17*
Total revenues	393	403	403	-0.1%	+2.6%	1,178	1,187	+0.8%
o/w Net interest	*188*	*167*	*178*	*+6.9%*	*-5.4%*	*550*	*514*	*-6.5%*
o/w Fees	*151*	*157*	*150*	*-4.2%*	*-0.6%*	*459*	*463*	*+0.8%*
Operating costs	-261	-256	-240	-6.3%	-8.0%	-816	-762	-6.7%
Gross operating profit	132	148	163	+10.7%	+23.4%	362	425	+17.5%
LLPs	-18	16	-23	n.m.	+28.0%	56	31	-43.7%
Net operating profit	114	164	140	-14.4%	+22.7%	417	457	+9.4%
Net profit	191	159	124	-21.7%	-34.8%	471	333	-29.3%
RoAC	27.2%	23.9%	18.8%	-5.2p.p.	-8.5p.p.	21.7%	16.6%	-5.1p.p.
C/I	66.3%	63.4%	59.5%	-4.0p.p.	-6.8p.p.	69.3%	64.2%	-5.1p.p.
CoR (bps)	16	-14	20	+35	+5	-16	-9	+7
Branches(3)	127	123	123	+0.0%	-3.1%	127	123	-3.1%
FTEs	5,330	4,939	4,894	-0.9%	-8.2%	5,330	4,894	-8.2%
Gross NPE ratio	4.4%	4.2%	4.0%	-17bps	-34bps	4.4%	4.0%	-34bps

(1) Non-recurring items in 3Q17: real estate disposals (+65m, o/w +51m net profit from discontinued operations and +14m net interest) and tax effects (+17m) for a total of +82m.
(2) Managerial figures.
(3) Branch figures consistent with CMD perimeter.

CEE – Good performance with net operating profit 0.5bn, up 9.5% Y/Y

Main drivers

- Net interest up 2.5% Q/Q at constant FX thanks to increased loan volumes
- New loans production(2) at 16.7bn in 9M18 (+29.6% 9M/9M at constant FX)
- Fees up 3.0% Y/Y at constant FX mainly thanks to transactional fees (+5.6% Y/Y)
- Dividend down 34.8% Y/Y at constant FX driven by Yapi (-37.7% Y/Y) due to the depreciation of the Turkish Lira
- 334k gross new clients in 3Q18(3)
- Costs up 4.5% Y/Y at constant FX. 9M18 C/I ratio at 36.6%, up 0.6p.p. 9M/9M
- CoR low at 58bps in 3Q18 thanks to a supportive risk environment. CoR expected to increase in 4Q18
- Proactive de-risking continues, gross NPE ratio down 229bps Y/Y to 6.5% in 3Q18. Coverage ratio at 67.6% (+549bps Y/Y)
- RoAC at 15.9% in 9M18

Data in m (1)	*3Q17*	*2Q18*	*3Q18*	*Δ % vs. 2Q18 constant*	*Δ % vs. 3Q17 constant*	*9M17*	*9M18*	*Δ % vs. 9M17 constant*
Total revenues	1,041	1,060	995	-5.2%	-0.6%	3,182	3,150	+3.0%
o/w Net interest	*647*	*667*	*679*	*+2.5%*	*+6.8%*	*1,932*	*1,997*	*+5.5%*
o/w Fees	*217*	*217*	*219*	*+1.5%*	*+3.0%*	*649*	*646*	*+1.2%*
o/w Dividend	*91*	*92*	*30*	*-47.9%*	*-34.8%*	*280*	*229*	*+7.4%*
Operating costs	-378	-385	-388	+1.6%	+4.5%	-1,145	-1,153	+2.6%
Gross operating profit	663	675	607	-8.9%	-3.4%	2,037	1,997	+3.2%
LLPs	-165	-100	-91	-10.2%	-42.5%	-434	-297	-28.4%
Net operating profit	498	575	516	-8.7%	+9.5%	1,603	1,700	+11.6%
Net profit	410	472	428	-7.8%	+11.0%	1,233	1,315	+13.5%
RoAC	14.6%	17.0%	15.7%	-1.3p.p.	+1.1p.p.	14.4%	15.9%	+1.6p.p.
C/I	36.4%	36.3%	39.0%	+2.6p.p.	+2.6p.p.	36.0%	36.6%	+0.6p.p.
CoR (bps)	110	65	58	-8	-52	96	64	-32
Branches(3)	1,722	1,679	1,675	-0.2%	-2.7%	1,722	1,675	-2.7%
FTEs	24,134	23,992	24,267	+1.1%	+0.5%	24,134	24,267	+0.5%
Gross NPE ratio	8.8%	7.2%	6.5%	-70bps	-229bps	8.8%	6.5%	-229bps

(1) Stated numbers at current FX. Variations Q/Q and Y/Y at constant FX (RoAC, C/I, gross NPE ratio, coverage ratio and CoR variations at current FX).
(2) Managerial figures.
(3) Including Yapi at 100%.

CIB – Net operating profit 0.5bn, up 5.8% Y/Y thanks to better costs and revenues

Main drivers

- Revenues up 2.0% Y/Y thanks to strong commercial activity despite challenging market environment. Client driven revenues at 72% in 3Q18
- Net interest up 5.3% Q/Q thanks to increased loan volumes at stable customer rates and the investment portfolio
- Fees up 11.4% Y/Y thanks to strong syndicated lending and structured finance
- Trading income down 32.7% Y/Y, but up 3.0% Y/Y adjusted for capital gain in 3Q17[(1)]
- Leading franchise confirmed: #1 in "All Bonds in EUR" in Italy and Germany, #1 in "EMEA All Bonds in EUR" by number of transactions[(2)]
- Confirmed cost discipline, costs down 6.5% Y/Y. 9M18 C/I ratio at 40.0%, stable 9M/9M (+0.1p.p)
- CoR at 28bps in 3Q18
- Normalised[(3)] RoAC at 8.3% in 9M18 driven by higher other charges and provisions.

Data in m	*3Q17*	*2Q18*	*3Q18*	*Δ % vs.2Q18*	*Δ % vs.3Q17*	*9M17*	*9M18*	*Δ % vs. 9M17*
Total revenues	897	858	915	+6.7%	+2.0%	3,103	2,876	-7.3%
o/w Net interest	*504*	*558*	*588*	*+5.3%*	*+16.6%*	*1,600*	*1,703*	*+6.5%*
o/w Fees	*143*	*148*	*159*	*+7.7%*	*+11.4%*	*470*	*472*	*+0.5%*
o/w Trading	*251*	*151*	*169*	*+11.8%*	*-32.7%*	*989*	*657*	*-33.6%*
Operating costs	-396	-381	-371	-2.8%	-6.5%	-1,238	-1,151	-7.0%
Gross operating profit	501	477	545	+14.3%	+8.8%	1,865	1,725	-7.5%
LLPs	-62	210	-81	n.m.	+30.2%	-147	81	n.m.
Net operating profit	439	687	464	-32.4%	+5.8%	1,718	1,806	+5.1%
Net profit	298	180	96	-46.9%	-67.8%	1,057	656	-37.9%
RoAC	13.0%	7.3%	3.7%	-3.6p.p.	-9.3p.p.	15.2%	8.8%	-6.4p.p.
C/I	44.2%	44.4%	40.5%	-4.0p.p.	-3.7p.p.	39.9%	40.0%	+0.1p.p.
CoR (bps)	24	-77	28	+105	+4	19	-10	-29
FTEs	3,353	3,319	3,313	-0.2%	-1.2%	3,353	3,313	-1.2%
Gross NPE ratio	3.3%	2.4%	2.6%	+15bps	-73bps	3.3%	2.6%	-73bps

(1) Capital gain on disposal in 3Q17 (+87m).

(2) Source: Dealogic, as at 1 October 2018. Period 1 January – 30 September 2018; rankings by volume, unless otherwise stated.

(3) Normalised RoAC for non-recurring net trading gains from participations +39m in 1Q18. 2Q18 and 3Q18 net profit negatively affected by non-recurring other charges & provisions.

Fineco – Net operating profit 92m, resilient Y/Y thanks to higher revenues

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Divisional results highlights

Main drivers

- Revenues up 3.1% Y/Y supported by fees (+4.4% Y/Y) and net interest (+3.5% Y/Y)
- Loan volumes[(1)] at 2.6bn in 3Q18, up 5.3% Q/Q mainly driven by Lombard loans
- AuM volumes up 9.0% Y/Y, increasing management fees by 13.1% Y/Y
- 24k gross new clients in 3Q18 (-5.8% Y/Y), reaching 1.2m total clients (+6.2% Y/Y)
- Costs up 11.6% Y/Y to support business expansion. Costs under control as demonstrated by a C/I ratio of 39.7% in 9M18, down 0.8p.p. 9M/9M
- Systemic charges at 14m in 3Q18 (Deposit Guarantee Scheme booked in 3Q18)
- Net profit at 19m in 3Q18, up 12.2% Y/Y
- RoAC at 47.8% in 9M18

Data in m	*3Q17*	*2Q18*	*3Q18*	*Δ % vs.2Q18*	*Δ % vs.3Q17*	*9M17*	*9M18*	*Δ % vs. 9M17*
Total revenues	148	156	153	-2.2%	+3.1%	430	464	+7.8%
o/w Net interest	*67*	*68*	*70*	*+1.8%*	*+3.5%*	*194*	*207*	*+6.4%*
o/w Fees	*70*	*75*	*73*	*-2.5%*	*+4.4%*	*199*	*219*	*+9.8%*
Operating costs	-54	-61	-60	-2.1%	+11.6%	-175	-184	+5.5%
Gross operating profit	95	95	93	-2.3%	-1.7%	256	279	+9.3%
LLPs	-2	0	-1	n.m.	-42.1%	-3	-2	-35.9%
Net operating profit	93	95	92	-3.0%	-1.0%	252	277	+9.9%
Minorities	-30	-43	-34	-20.9%	+12.3%	-97	-114	+17.7%
Net profit[(2)]	16	23	19	-19.6%	+12.2%	53	63	+17.5%
RoAC	54.5%	53.7%	36.4%	-17.3p.p.	-18.1p.p.	61.3%	47.8%	-13.5p.p.
C/I	36.2%	39.1%	39.1%	+0.0p.p.	+3.0p.p.	40.6%	39.7%	-0.8p.p.
AuM	31,339	33,853	34,151	+0.9%	+9.0%	31,339	34,151	+9.0%
AuM/TFA	48.0%	48.5%	48.2%	-0.3p.p.	+0.2p.p.	48.0%	48.2%	+0.2p.p.

(1) End-of-period accounting volumes calculated excluding repos and intercompany items.
(2) Consolidated view, i.e. 35% ownership by UniCredit.

Group Corporate Centre – Net operating loss 76m, improved by 76.8% Y/Y thanks to better revenues and lower costs

Main drivers

- Revenues improved Y/Y mainly thanks to lower funding volumes
- Costs down 33.5% Y/Y
- Lean but Steering Corporate Centre transformation on track with a reduction of 1,597 FTEs Y/Y (HR costs down 14.2% Y/Y). Since December 2015, FTEs down by 19.3% (-3,410 FTEs)
- Group Corporate Centre costs/Total costs at 3.4% in 9M18, down 0.6p.p. 9M/9M. FY19 target[(1)] of 3.8% confirmed
- Profit from investments negatively affected by Yapi impairment -846m
- Net loss of 882m for 3Q18

Data in m	*3Q17*	*2Q18*	*3Q18*	*Δ % vs.2Q18*	*Δ % vs.3Q17*	*9M17*	*9M18*	*Δ % vs. 9M17*
Total revenues	-197	-15	-13	-14.0%	-93.3%	-556	-159	-71.3%
Operating costs	-114	-97	-76	-21.7%	-33.5%	-344	-272	-21.1%
Gross operating loss/profit	-311	-112	-89	-20.7%	-71.4%	-900	-431	-52.1%
LLPs	-18	4	13	n.m.	n.m.	-21	10	n.m.
Net operating loss/profit	-329	-108	-76	-29.2%	-76.8%	-921	-421	-54.3%
Other Charges & Provisions	-64	-144	-72	-50.1%	+11.3%	-89	-266	n.m.
o/w Systemic Charges	*-53*	*-101*	*-36*	*-64.9%*	*-33.0%*	*-78*	*-188*	*n.m.*
Profit (loss) from investments	8	94	-840	n.m.	n.m.	-119	-743	n.m.
Profit before taxes	-412	-159	-989	n.m.	n.m.	-1,152	-1,420	+23.2%
Income taxes	66	193	110	-42.9%	+66.2%	349	494	+41.8%
Net profit from discontinued operations	2,068	0	-2	n.m.	n.m.	2,039	-1	n.m.
Net loss/profit	1,719	38	-882	n.m.	n.m.	1,111	-926	n.m.
FTEs	15,883	14,638	14,286	-2.4%	-10.1%	15,883	14,286	-10.1%
Costs GCC/ Tot. costs	4.1%	3.7%	2.9%	-0.7p.p.	-1.1p.p.	4.0%	3.4%	-0.6p.p.

(1) FY15 actual and FY19 target recasted as at September 2018, previously 5.2% and 3.6% respectively.

Non Core – Accelerated rundown progressing according to plan

Main drivers

- Accelerated Non Core rundown by 2021 fully on track
- In 3Q18 gross NPEs reduced by 1.1bn Q/Q mainly driven by write-offs and disposals. Gross NPEs targets of 19bn for year end 2018 and 14.9bn for 2019 confirmed
- LLPs at 218m up 13.5% Y/Y, with coverage ratio improving to 64.3% (+705bps Y/Y)
- Net loss of 176m in 3Q18, improving 15.8% Y/Y

Data in m	*3Q17*	*2Q18*	*3Q18*	*Δ % vs.2Q18*	*Δ % vs.3Q17*	*9M17*	*9M18*	*Δ % vs. 9M17*
Total revenues	22	-3	0	n.m.	-99.4%	59	-8	n.m.
Operating costs	-49	-18	-30	+63.5%	-39.8%	-111	-80	-27.9%
Gross operating loss	-27	-21	-30	+39.0%	+8.0%	-52	-88	+69.6%
LLPs	-192	-388	-218	-43.8%	+13.5%	-782	-732	-6.4%
Net operating loss	-220	-409	-248	-39.4%	+12.8%	-834	-820	-1.7%
Net loss	-209	-282	-176	-37.8%	-15.8%	-633	-594	-6.1%
Gross customer loans[(1)]	31,850	24,105	22,263	-7.6%	-30.1%	31,850	22,263	-30.1%
o/w NPEs	*28,362*	*21,653*	*20,593*	*-4.9%*	*-27.4%*	*28,362*	*20,593*	*-27.4%*
o/w Performing	*3,489*	*2,452*	*1,670*	*-31.9%*	*-52.1%*	*3,489*	*1,670*	*-52.1%*
NPE coverage ratio	57.3%	63.9%	64.3%	+0.4p.p.	+7.1p.p.	57.3%	64.3%	+7.1p.p.
Net NPEs	12,111	7,807	7,342	-6.0%	-39.4%	12,111	7,342	-39.4%
RWA	21,556	15,367	14,062	-8.5%	-34.8%	21,556	14,062	-34.8%

(1) 3Q17 and 2Q18 recasted.

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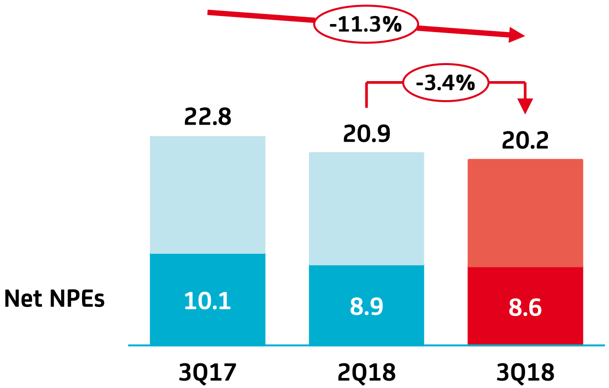
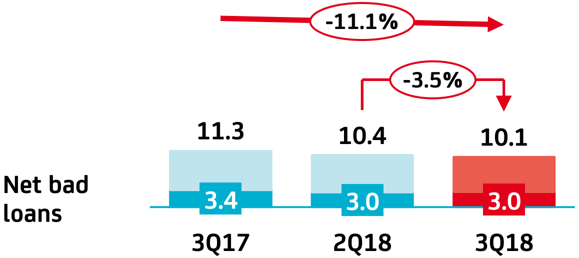
Group Core – On going de-risking. Gross NPE ratio improving to 4.3%, down 85bps Y/Y

Non performing exposures[(1)], bn



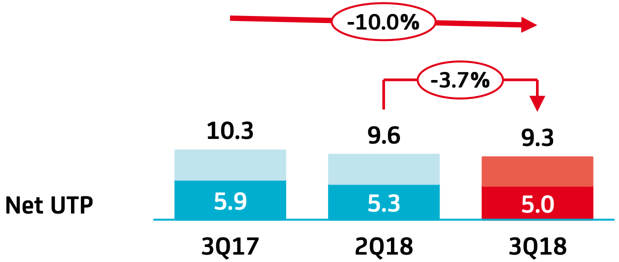
	3Q17	2Q18	3Q18
Gross NPE ratio	5.2%	4.5%	4.3%
Net NPE ratio	2.4%	2.0%	1.9%
Coverage ratio	55.7%	57.7%	57.3%

o.w. Gross bad loans, bn



	3Q17	2Q18	3Q18
Coverage ratio	70.0%	71.7%	70.3%

o.w. Gross unlikely to pay, bn

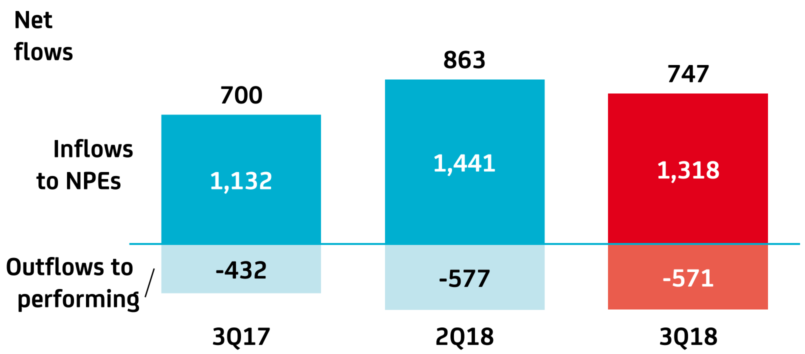


	3Q17	2Q18	3Q18
Coverage ratio	42.6%	44.8%	45.9%

(1) Gross NPEs including gross bad loans, gross unlikely to pay and gross past due. Gross past due at 890m in 3Q18 (+0.7% Q/Q and -23.8% Y/Y). 3Q17 and 2Q18 recasted.

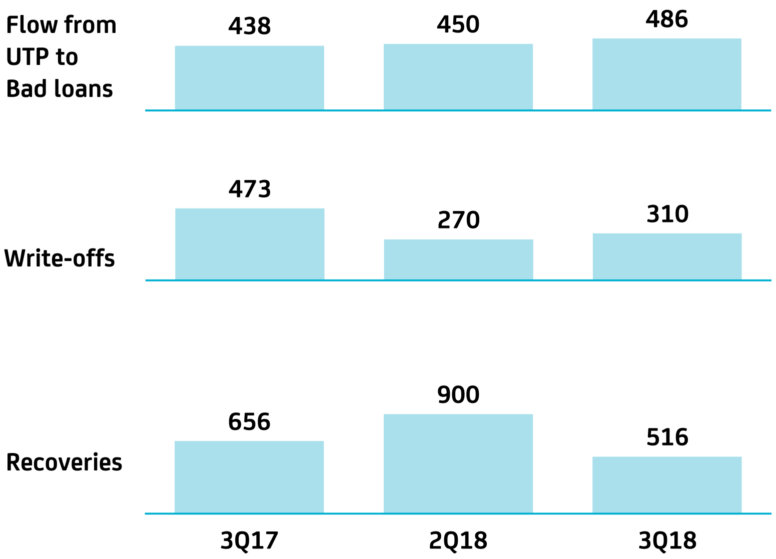
Group Core – Default rate at 1.3% in 3Q18

Group Core[1] – net flows to NPEs, m



	3Q17	2Q18	3Q18
Default rate	1.1%	1.4%	1.3%
Cure rate	7.0%	10.3%	10.2%
Migration rate	16.0%	17.0%	18.4%

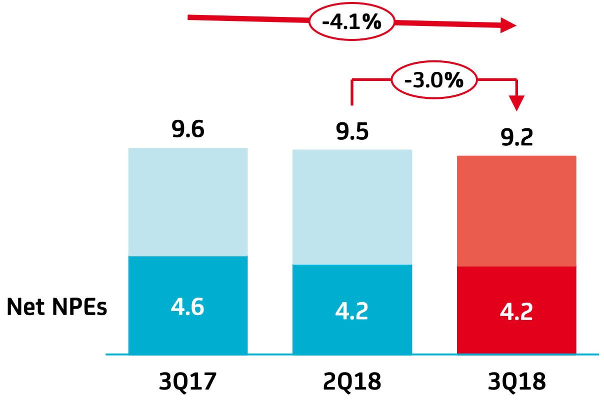
Group Core[1] – Loan evolution drivers, m



(1) 2Q18 recasted.

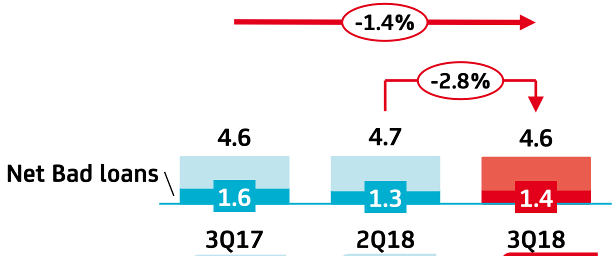
CB Italy – Gross NPE ratio improving to 6.2%, down 61bps Y/Y

Non performing exposures[1], bn



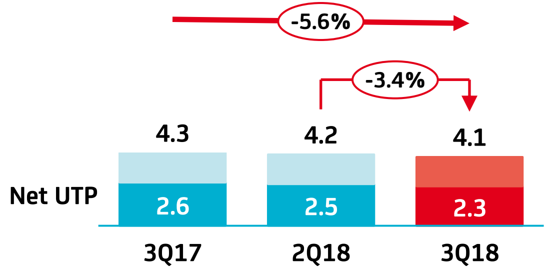
	3Q17	2Q18	3Q18
Gross NPE ratio	6.8%	6.4%	6.2%
Net NPE ratio	3.4%	3.0%	2.9%
Coverage ratio	52.0%	55.5%	55.0%

o.w. Gross bad loans, bn



	3Q17	2Q18	3Q18
Coverage ratio	65.8%	71.4%	69.5%

o.w. Gross unlikely to pay, bn

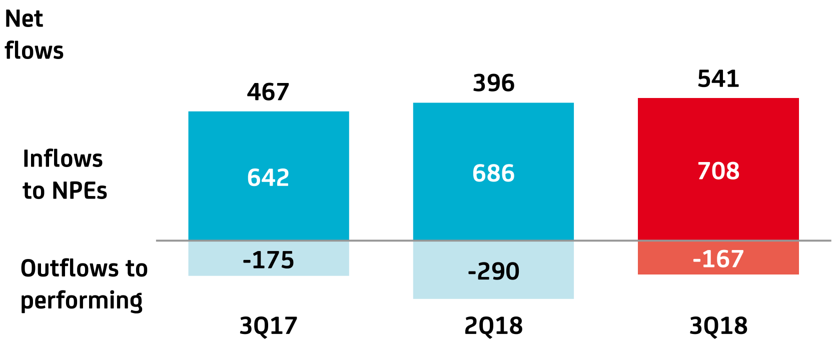


	3Q17	2Q18	3Q18
Coverage ratio	40.6%	41.7%	42.7%

(1) Gross NPEs including gross bad loans, gross unlikely to pay and gross past due. Gross past due at 568m in 3Q18 (-2.5% Q/Q and -13.2% Y/Y).

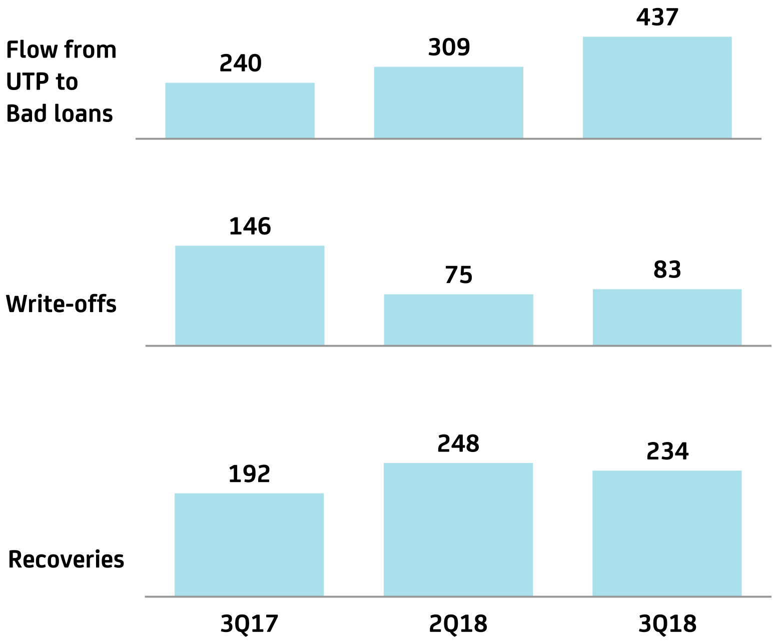
CB Italy – Stable default rate at 2.1% in 3Q18

CB Italy – net flows to NPEs, m



	3Q17	2Q18	3Q18
Default rate	2.0%	2.1%	2.1%
Cure rate	7.3%	12.1%	7.0%
Migration rate	21.6%	27.1%	38.3%

CB Italy – Loan evolution drivers, m

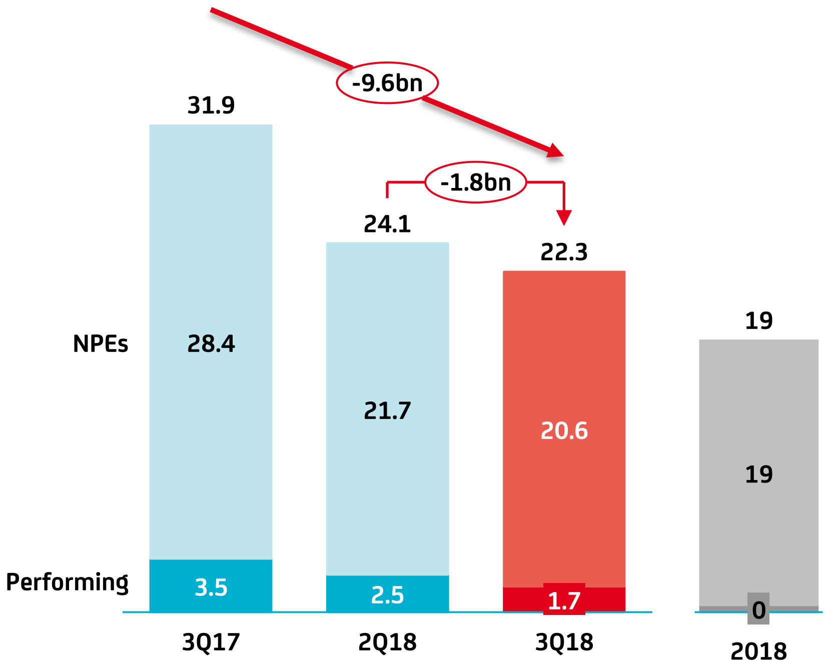


Non Core – Gross loans down 9.6bn Y/Y. Performing exposure down to 1.7bn

Actions of Non Core rundown, bn

	3Q18	9M18
Disposals	0.4	1.0
Recoveries	0.2	0.7
Write-offs	0.5	2.9
Back to Core	0.6	1.1
Repayments	0.2	0.3
Other[2]		0.9
Total	1.8	7.0

Gross loans[1], bn

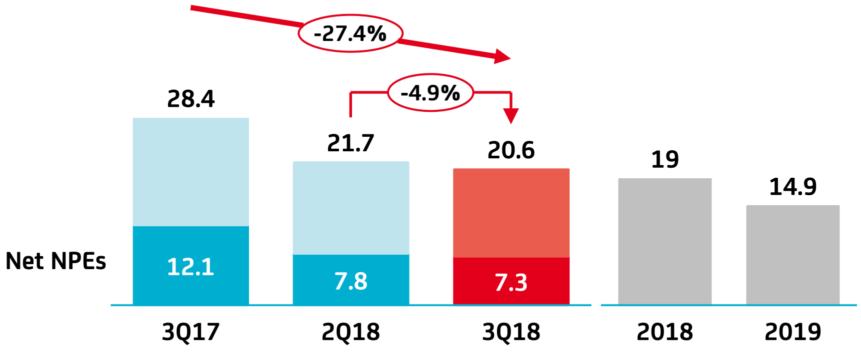


(1) 3Q17 and 2Q18 recasted.

(2) One-off reduction in GBV by 0.9bn due to methodology changes in regulatory reporting from default interest ("interessi di mora") in 1Q18. No impact on NBV.

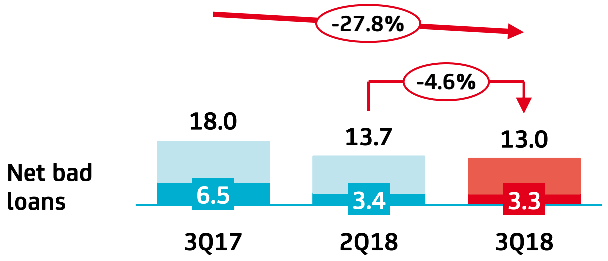
Non Core – Gross NPE 20.6bn, down 27.4% Y/Y and 4.9% Q/Q
FY18 19bn gross NPE target confirmed

Non performing exposures[1], bn



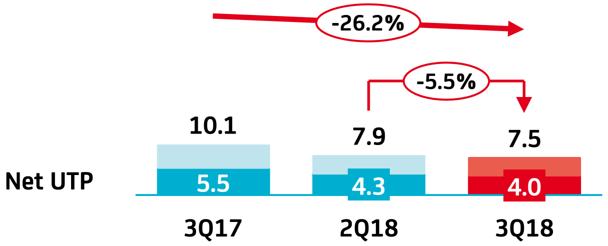
	3Q17	2Q18	3Q18	2018	2019
Gross NPE ratio	89.0%	89.8%	92.5%		100%
Net NPE ratio	78.5%	77.4%	82.7%		100%
Coverage ratio	57.3%	63.9%	64.3%		>57%

o.w. Gross bad loans, bn



	3Q17	2Q18	3Q18
Coverage ratio	64.0%	74.9%	74.7%

o.w. Gross unlikely to pay, bn



	3Q17	2Q18	3Q18
Coverage ratio	45.7%	45.3%	46.6%

(1) Gross NPEs including gross bad loans, gross unlikely to pay and gross past due. Gross past due at 116m in 3Q18 (-1.1% Q/Q and -50.5% Y/Y). 3Q17 and 2Q18 recasted.

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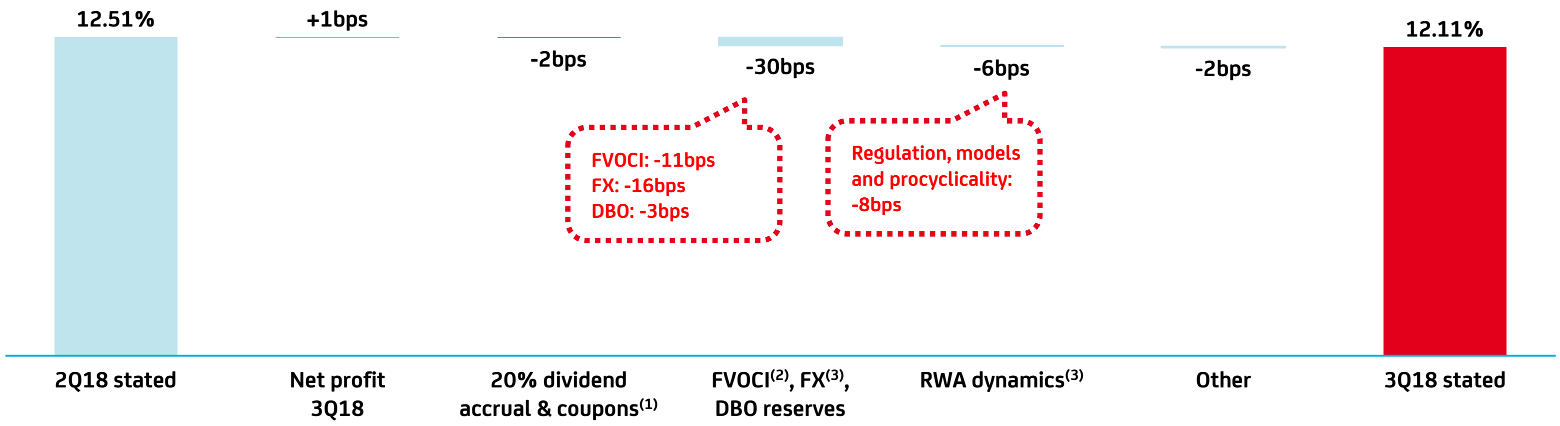
Group – 3Q18 CET1 ratio at 12.11%, impacted by FX reserve and FVOCI

Fully loaded Common Equity Tier 1 ratio, %

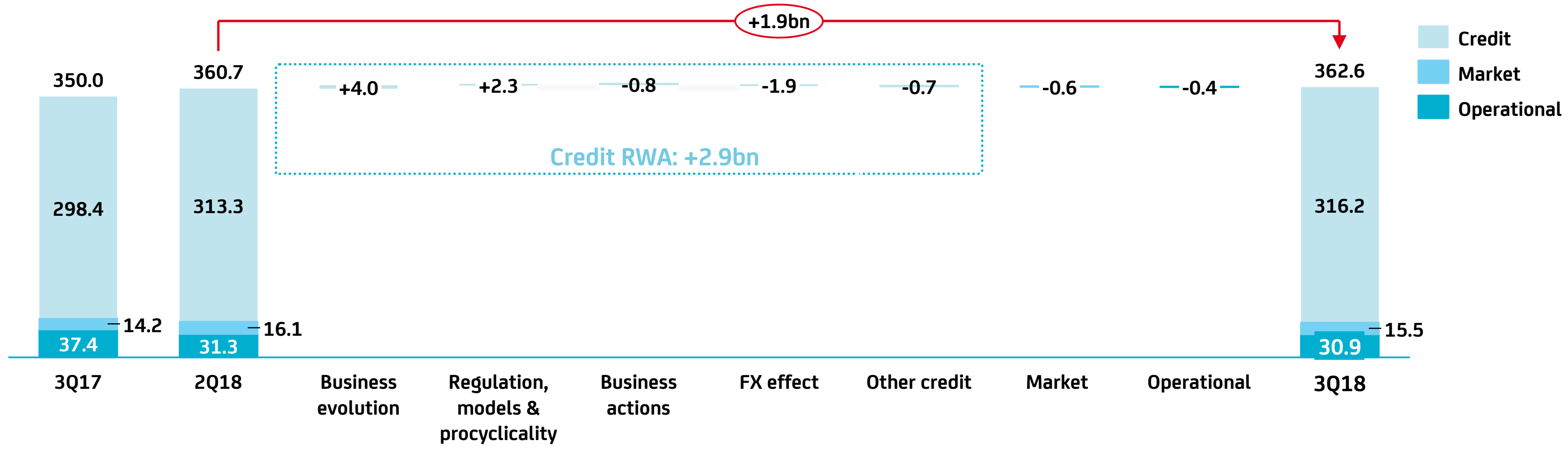


- CET1 ratio down 39bps Q/Q, negatively impacted by FX reserve (o/w -14bps[3] Turkish Lira) and FVOCI (o/w -9bps BTP spread widening)
- FY18 CET1 ratio 11.5-12.0%[4]
- FY19 CET1 ratio 12.0-12.5%, MDA buffer target of 200-250bps

(1) In 3Q18 payment of coupons on AT1 instruments (34m pre tax) and CASHES (32m pre and post tax).
(2) In 3Q18 CET1 ratio impact from FVOCI -11bps, o/w -9bps due to BTP spread widening.
(3) In 3Q18 TRY depreciation had a total net impact on CET1 ratio of -5bps, o/w -14bps from capital shown in "FX" and +9bps from RWA shown in "RWA dynamics".
(4) Assuming BTP spreads remain at current levels (as at 5 November 2018). BTP sensitivity: +10bps parallel shift of BTP asset swap spreads has a -3.5bps pre and -2.5bps post tax impact on the fully loaded CET1 ratio as at 28 September 2018.

Group – RWA up 1.9bn Q/Q, due to higher credit RWAs mainly driven by loan growth

RWA transitional(1) Q/Q, bn



- Credit RWA up 2.9bn Q/Q due to business evolution driven by a strong loan growth and "regulation, models & procyclicality "
- Market RWA down 0.6bn Q/Q
- Operational RWA down 0.4bn 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 exposures in foreign currencies.

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Transform 2019 net income and RoTE targets are confirmed in a challenging macroeconomic environment

Profit & loss account

- FY18 revenue target 19.7bn
- FY19 revenue target 19.8bn
- Commercial revenue target (sum of NII and fees) for FY19 of around 18.1bn confirmed
- Costs FY18 below 11.0bn and FY19 below 10.6bn
- C/I ratio FY19 target 52-53%

Profitability

- FY18 net profit >2.8bn and adjusted[(1)] net profit >3.6bn
- FY19 net profit 4.7bn confirmed
- FY19 RoTE >9% confirmed
- FY19 Core RoTE >10% confirmed

Capital

- FY18 CET1 ratio 11.5-12.0%[(2)]
- FY19 CET1 ratio 12.0-12.5%, MDA buffer target of 200-250bps

(1) Group adjusted net profit excludes the impairment of Yapi (-846m in 3Q18), but adjustment does not include provisions for US sanctions.

(2) Assuming BTP spreads remain at current levels (as at 5 November 2018).

Strong underlying performance and Transform 2019 progress

Strong underlying Core bank performance
- 9M18 net operating profit 6.0bn, up 15.1% 9M/9M(1)
- 9M18 adjusted RoTE at 10.4%, up 0.5p.p. 9M/9M(1)
- 3Q18 Core gross NPE ratio 4.3%, down 85bps Y/Y

Transform 2019 progress
- 3Q18 Group costs 2.6bn, down 7.7% Y/Y. Achieved 93% of FTE, 88% of branch reduction target
- FY18 Group costs below 11.0bn
- Accelerated Non Core rundown by 2021 fully on track
- 3Q18 Non Core gross NPEs 20.6bn, gross NPE targets for FY18 and FY19 confirmed

Outlook FY18
- FY18 net profit >2.8bn and adjusted(1) net profit >3.6bn
- CET1 ratio for year end 2018 11.5-12.0%(2)

UniCredit: a pan-European winner

(1) Group and Group Core adjusted net profit and RoTE exclude the net impact from Pekao (-310m in 2Q17) and Pioneer (+2.1bn in 3Q17) disposals, one-off charge booked in Non Core (-80m in 3Q17), the net profit from Pekao and Pioneer (+48m in 1Q17, +72m in 2Q17 and +3m in 3Q17) and the impairment of Yapi (-846m in 3Q18), but adjustment does not include provisions for US sanctions. RoTE calculated at CMD perimeter, taking into account the capital increase and Pekao and Pioneer disposals as at 1 January 2017.

(2) Assuming BTP spreads remain at current levels (as at 5 November 2018).

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Group – 2017 and 2018 non-recurring items

2017

		Net Profit, m	Division
1Q	Pekao and Pioneer net profit(1)	+48	GCC
2Q	Pekao and Pioneer net profit(1)	+72	GCC
2Q	Pekao disposal	-310	GCC
3Q	Pioneer disposal	+2.1bn	GCC
3Q	One-off charge in Non Core	-80	Non Core
3Q	Pioneer net profit(1)	+3	GCC

2018

		Net Profit, m	Division
1Q	Net trading gains from participations	+39	CIB
2Q	Net gain from participation	+27	CB Germany
3Q	Pawn business disposal	+114	CB Italy
3Q	Yapi impairment	-846	GCC

Used to calculate Group and Group Core adjusted net profit

Used to calculate normalised RoAC for divisions

(1) In order to increase comparability 1Q17, 2Q17 and 3Q17 adjusted net profit also takes into account Pekao and Pioneer net profit.

Divisional monitoring KPIs for Group, Group Core and Non Core

	Group			Group Core		Non Core	
	9M18	2018	2019	9M18	2019	9M18	2019
Revenues, bn	14.9	19.7	19.8	14.9		0.0	0.0
Cost, bn	-8.0	<-11.0	<-10.6	-7.9		-0.1	-0.1
Cost/Income, %	53.7	<55	52-53	53.1		n.m.	n.m.
LLP, bn	-1.7	-3.1	-2.6	-1.0		-0.7	-0.6
Cost of Risk, bps	50	68	55	29	43	n.m.	n.m.
Net Profit, bn	2.2	>2.8	4.7	2.8		-0.6	-0.5
RWA, bn	362.6		406	348.5		14.1	20.8
RoTE(1), %	8.3%		>9	10.4%	>10		
FL CET1 ratio, %	12.11	11.5-12.0	12.0-12.5				
Loans(2), bn	432.0		444	423.2			
Deposits(2), bn	420.4		404	419.6			
Gross Loans, bn	489.7		505	467.4	490	22.3	14.9
Gross NPE, bn	40.8		37.9	20.2	23.0	20.6	14.9
Net NPE, bn	16.0		16.6	8.6	10.2	7.3	6.4
Gross NPE Ratio, %	8.3		7.5	4.3	4.7	92.5	100
Net NPE Ratio, %	3.5		3.5	1.9	2.2	82.7	100
NPE Coverage, %	60.9		>54	57.3	>51	64.3	>57
UTP Coverage, %	46.2		>38	45.9	>39	46.6	>38
Bad Loans Coverage, %	72.8		>63	70.3	>64	74.7	>63

(1) RoTE calculated at CMD perimeter excludes the impairment of Yapi (-846m in 3Q18) taking into account the capital increase and Pekao and Pioneer disposals as at 1 January 2017. But adjustment does not include provisions for US sanctions.

(2) End-of-period accounting volumes calculated excluding repos and intercompany items.

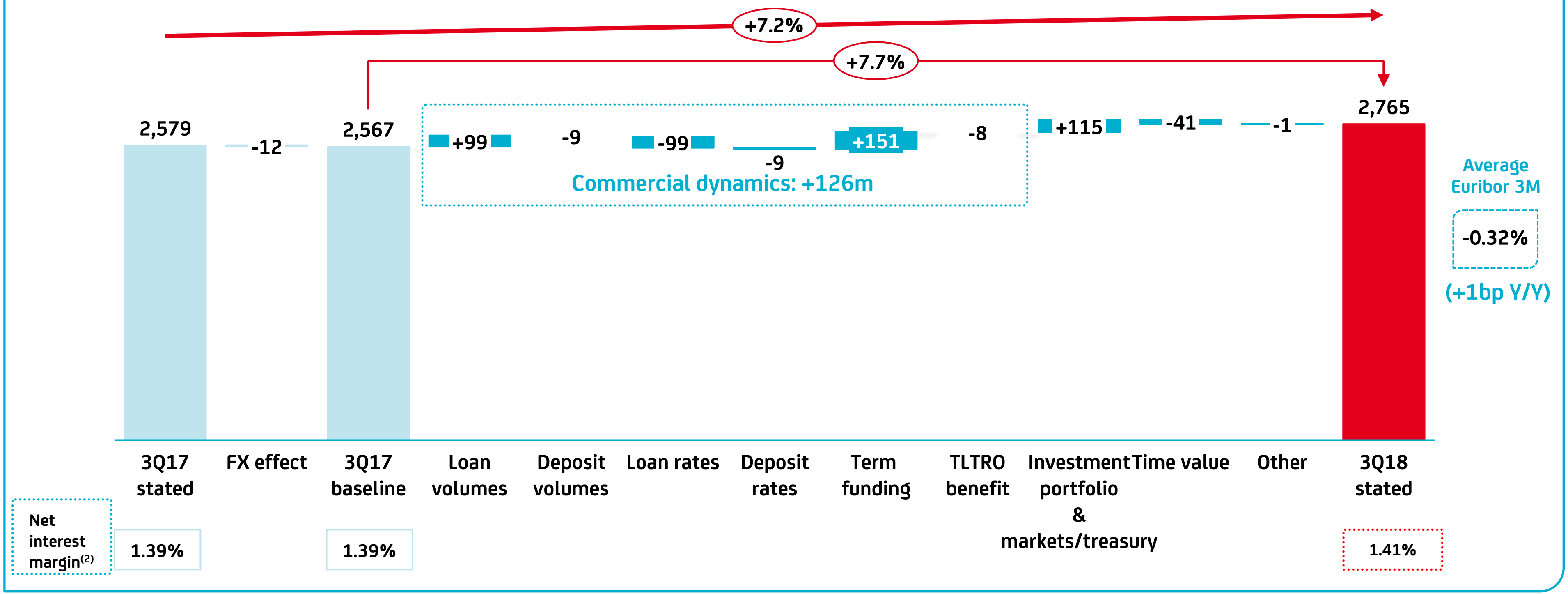
Divisional monitoring KPIs[1] by division

	CB Italy		CB Germany		CB Austria		CEE		CIB		GCC	
	9M18	2019	9M18	2019	9M18	2019	9M18	2019	9M18	2019	9M18	2019
Revenues, bn	5.5	7.5	1.8	2.5	1.2	1.6	3.2	4.4	2.9	3.9	-0.2	0.0
Cost, bn	-3.1	-4.0	-1.3	-1.7	-0.8	-1.0	-1.2	-1.6	-1.2	-1.6	-0.3	-0.4
Cost/Income, %	56.3	52.6	68.9	67.0	64.2	63.3	36.6	36.9	40.0	40.2	n.m.	n.m.
Cost of Risk, bps	71	58	6	15	-9	16	64	102	-10	21	71	n.m.
RWA, bn	88.5	105.2	36.3	36.2	21.7	22.5	85.9	99.1	81.7	87.5	32.0	31.0
RoAC, %	13.8	12.9	5.9	9.1	16.6	13.3	15.9	13.4	8.8	11.7	n.m.	n.m.
Loans[2], bn	143.5	149.3	85.8	89.0	44.5	47.6	64.2	68.2	79.4	78.7	3.3	
Gross NPE ratio, %	6.2	5.3	1.9	2.8	4.0	4.3	6.5	7.2	2.6	4.1		
Net NPE Ratio, %	2.9		1.0		1.8		2.2		1.2			
NPE Coverage, %	55.0	>52	46.5	>46	56.8	>59	67.6	>59	55.3	>43		
UTP Coverage, %	42.7	>38	37.6	>29	31.2	>37	56.9	>47	46.7	>34		
Bad Loans Coverage, %	69.5	>68	47.7	>54	85.1	>80	86.9	>72	65.6	>51		

(1) 2019 targets as per CMD 2017.
(2) End-of-period accounting volumes calculated excluding repos and intercompany items.

Group – 3Q18 net interest 2.8bn, up 7.2% Y/Y thanks to positive commercial dynamics

Net interest[1] Y/Y, m



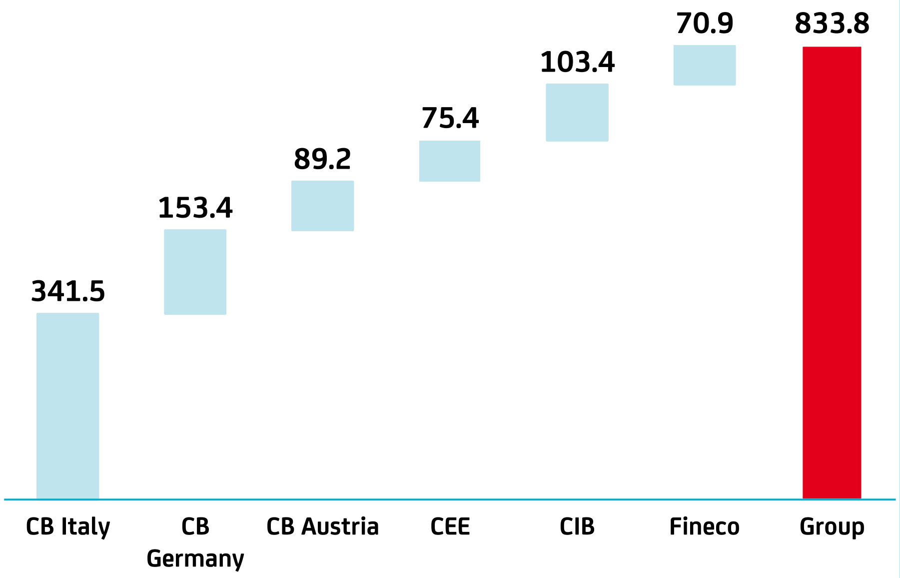
(1) Net contribution from hedging strategy of non-maturity deposits in 3Q18 at 381m, +2.2m Q/Q and -0.4m Y/Y.
(2) Net interest margin calculated as interest income divided by interest earning assets minus interest expenses divided by interest bearing liabilities.

TFAs – Divisional breakdown

Main drivers

- Group TFAs up by 27.6 bn or 3.4% Y/Y to 833.8bn in 3Q18, mainly driven by CIB, CB Germany and Fineco:
  - ✓ CB Italy: TFAs down by 1.4bn (-0.4% Y/Y) to 341.5bn, due to lower AuC (-16.3% Y/Y) driven by negative market performance and retail bond run off
  - ✓ CB Germany: TFAs up by 7.7bn (+5.3% Y/Y) to 153.4bn, supported by higher AuM (+10.7% Y/Y) and deposits (+3.4% Y/Y)
  - ✓ CB Austria: TFAs down by 0.3bn (-0.3% Y/Y) to 89.2bn
  - ✓ CEE: TFAs up by 4.7% Y/Y at constant FX supported by higher deposits (+5.9% Y/Y at constant FX)
  - ✓ CIB: TFAs up by 14.4bn (+16.2% Y/Y) to 103.4bn thanks to higher deposits[2] (+23.6% Y/Y) and AuC (+11.4% Y/Y)
  - ✓ Fineco: TFAs up by 5.5bn (+8.4% Y/Y) to 70.9bn, mainly thanks to increased AuM (+9.0% Y/Y)

3Q18 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.

(2) In 3Q18, CIB had technically driven and extraordinary high single digit billion deposit inflows from corporate clients that are expected to reverse over the next few months.

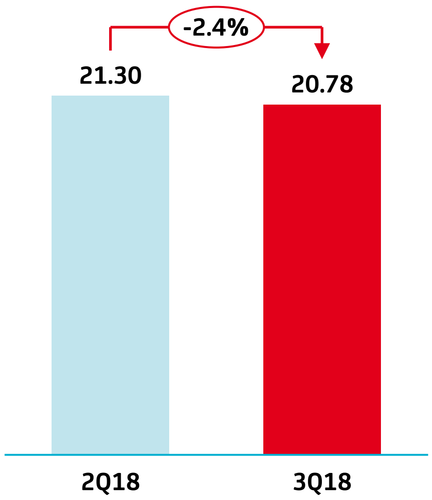
Systemic charges – Breakdown by type and division

3Q18	Systemic Charges	o/w SRF	o/w DGS	o/w Bank levies
CB Italy	**68**	0	68	0
CB Germany	**8**	0	8	0
CB Austria	**4**	0	0	4
CEE	**14**	0	12	2
CIB	**4**	0	3	1
Fineco	**14**	0	14	0
GCC	**36**	0	8	28
Non Core	**1**	0	0	1
Group	**148**	0	113	36

Group – Adjusted[1] 3Q18 Core earnings per share at 0.46
Group tangible book value per share at 20.78

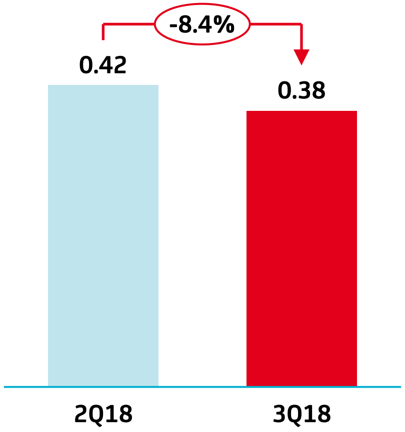
Tangible book value per share[2]

Group

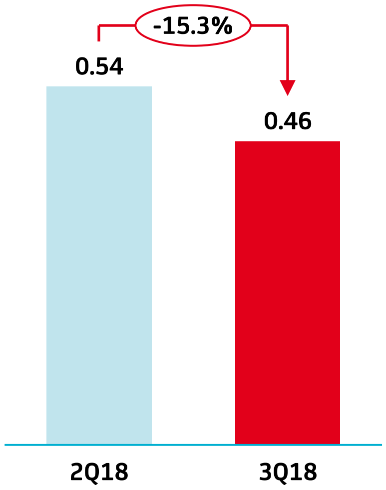


Adjusted earnings per share[1]

Group



Group Core



(1) Group and Group Core adjusted earnings exclude the impairment of Yapi (-846m in 3Q18), the payment of coupons for AT1 net of tax (95m in 2Q18 and 24m in 3Q18); average number of shares of 2,230m in 2Q18 and 2,230m in 3Q18, excluding treasury shares.

(2) End of period tangible book value per share; end of period number of shares of 2,230m in 2Q18 and 2,230m in 3Q18, excluding treasury shares.

Yapi – Net operating profit 68m, up 6.7% Y/Y at constant FX

Main drivers[1]

- Net interest up 41.4% Q/Q at constant FX, thanks to higher loan volumes and ongoing loan repricing efforts
- Fees up 31.9% Y/Y at constant FX, driven by all fee types
- Costs up 24.3% Y/Y at constant FX, driven by inflation
- CoR at 197bps in 9M18, up 73bps 9M/9M. CoR up 203bps Q/Q driven by conservatively increased Stage 2 loan classification and coverage
- Net operating profit 68m in 3Q18, up 6.7% Y/Y at constant FX thanks to higher net interest offset by higher LLPs
- Net profit 24m in 3Q18, down 37.7% Y/Y at constant FX. 9M18 net profit 207m, up 6.2% 9M/9M at constant FX
- FX loans to total loans up Y/Y and Q/Q due to the depreciation of the Turkish Lira while FX loans decreased
- RoAC at 8.7% in 9M18

Data in m [1]	*3Q17*	*2Q18*	*3Q18*	*Δ % vs. 2Q18 constant*	*Δ % vs. 3Q17 constant*	*9M17*	*9M18*	*Δ % vs. 9M17 constant*
Total revenues	283	296	304	+28.8%	+68.6%	898	890	+35.4%
o/w Net interest	*220*	*222*	*255*	*+41.4%*	*+79.5%*	*672*	*694*	*+41.4%*
o/w Fees	*64*	*68*	*50*	*-1.5%*	*+31.9%*	*206*	*192*	*+27.1%*
Operating costs	-111	-99	-85	+11.1%	+24.3%	-347	-285	+12.5%
Gross operating profit	172	197	219	*+37.7%*	*+97.1%*	551	605	*+49.8%*
LLPs	-58	-72	-152	n.m	n.m.	-190	-265	+92.2%
Net operating profit	114	126	68	-23.0%	+6.7%	361	339	+27.3%
Net profit	85	83	24	-49.1%	-37.7%	262	207	+6.2%
RoAC	10.0%	10.5%	3.2%	-7.3p.p.	-6.8p.p.	9.9%	8.7%	-1.2p.p.
C/I	39.2%	33.4%	27.8%	-5.5p.p.	-11.3p.p.	38.6%	32.1%	-6.6p.p.
CoR (bps)	116	158	361	+203	+245	124	197	+73
FX loans/Total loans	42.4%	44.3%	50.1%	+580bps	+762bps	42.4%	50.1%	+762bps
Gross NPE ratio[2]	5.0%	5.5%	5.9%	+41bps	+98bps	5.0%	5.9%	+98bps

(1) Managerial view representing proportional contribution of Yapi to P&L (UniCredit Group participates with 40.9% through the Joint Venture in Yapi). Yapi is valued at equity method and contributes to the Group P&L via the dividend line. RWA of Yapi contribute to Group RWA through CEE division, following the proportional consolidation of Yapi for regulatory purposes. Stated numbers at current FX. Variations Q/Q and Y/Y at constant FX (RoAC, C/I, gross NPE ratio and CoR variations at current FX).

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

Russia – Net operating profit 57m, down 27.6% Y/Y at constant FX due to lower revenues

Main drivers[1]

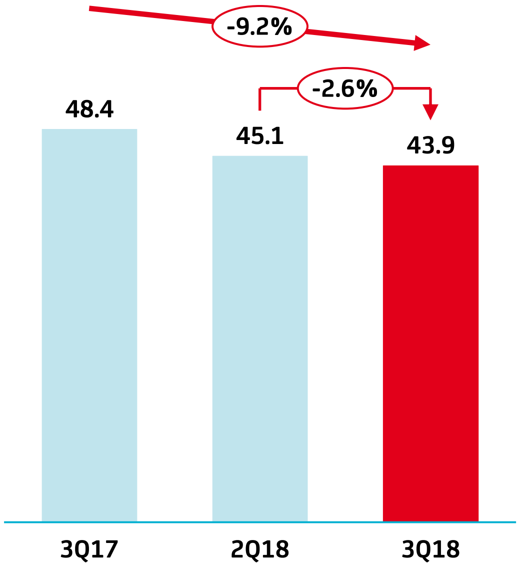
- Net interest down 2.2% Q/Q at constant FX mainly due to higher cost of funding
- Fees up 22.6% Y/Y at constant FX, mainly thanks to financing fees (+44.8% Y/Y)
- 9M18 C/I ratio at 35.0%, up 3.0p.p. 9M/9M
- CoR at 150ps in 9M18, up 3bps 9M/9M
- Net operating profit 57m in 3Q18, down 27.6% Y/Y at constant FX due to lower revenues
- Net profit 42m, down 30.1% Y/Y at constant FX
- RoAC at 13.2% in 9M18

Data in m [1]	*3Q17*	*2Q18*	*3Q18*	*Δ % vs. 2Q18 constant*	*Δ % vs. 3Q17 constant*	*9M17*	*9M18*	*Δ % vs. 9M17 constant*
Total revenues	194	165	143	-10.3%	-18.3%	597	515	-2.7%
o/w Net interest	*151*	*137*	*130*	*-2.2%*	*-5.5%*	*469*	*415*	*-0.0%*
o/w Fees	*26*	*32*	*29*	*-7.4%*	*+22.6%*	*80*	*88*	*+25.5%*
Operating costs	-61	-59	-59	+2.9%	+5.6%	-191	-180	+6.8%
Gross operating profit	132	106	84	*-17.7%*	*-29.4%*	406	335	*-7.2%*
LLPs	-45	-57	-26	-50.1%	-33.0%	-110	-109	+11.7%
Net operating profit	87	49	57	+18.1%	-27.6%	296	226	-14.2%
Net profit	66	37	42	+15.9%	-30.1%	227	170	-16.1%
RoAC	16.4%	8.0%	10.5%	+2.5p.p.	-5.9p.p.	17.6%	13.2%	-4.4p.p.
C/I	31.8%	35.8%	41.3%	+5.5p.p.	+9.6p.p.	32.0%	35.0%	+3.0p.p.
CoR (bps)	189	235	110	-125	-79	146	150	+3
FTEs	4,137	4,102	4,135	+0.8%	-0.0%	4,137	4,135	-0.0%
Gross NPE ratio	8.6%	8.8%	8.2%	-59bps	-47bps	8.6%	8.2%	-47bps

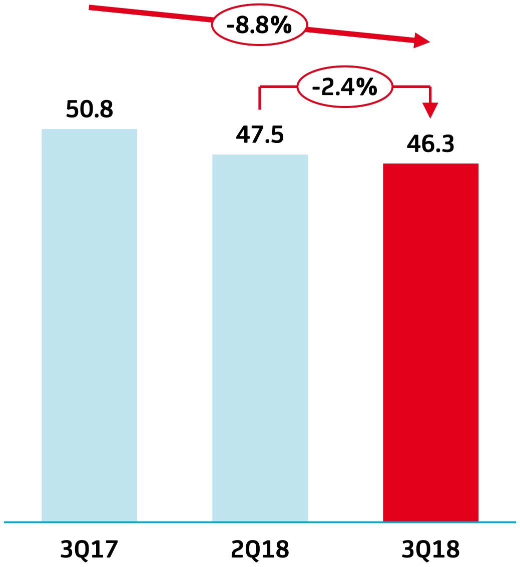
(1) Stated numbers at current FX. Variations Q/Q and Y/Y at constant FX (RoAC, C/I, gross NPE ratio and CoR variations at current FX).

Group – CET1 capital fully loaded and tangible equity

CET1 capital FL (eop), bn

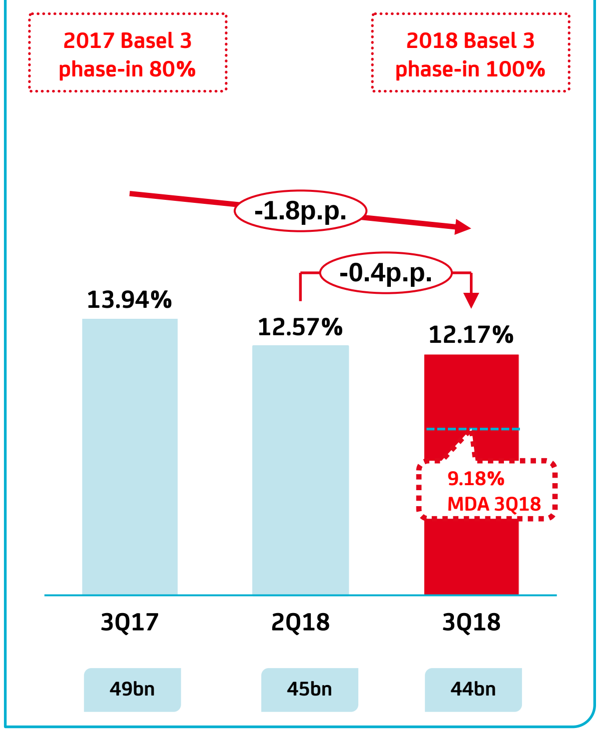


Tangible equity (eop), bn

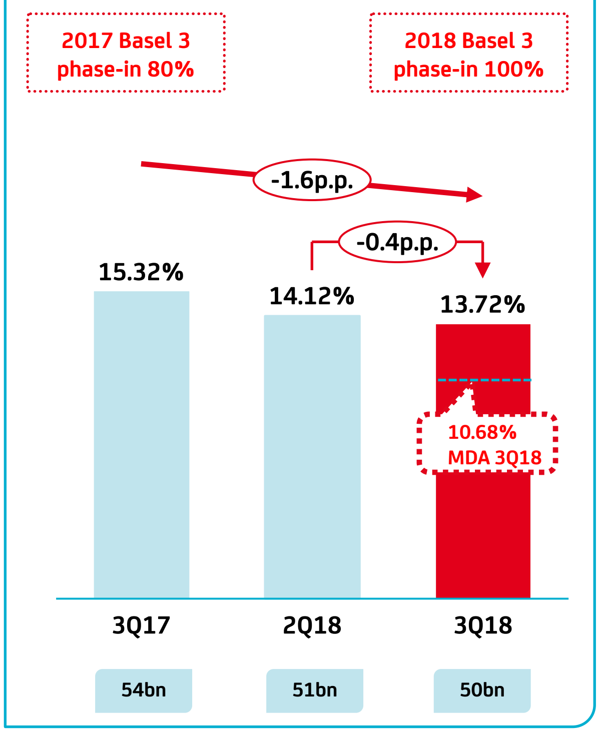


Group – Transitional capital ratios well above MDA levels

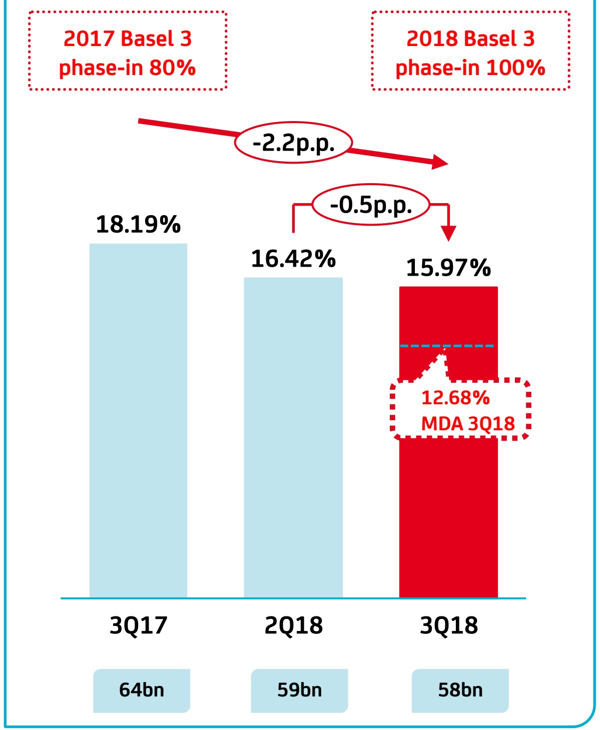
CET1 transitional[1]



Tier 1 transitional[1]



Total capital transitional[1]

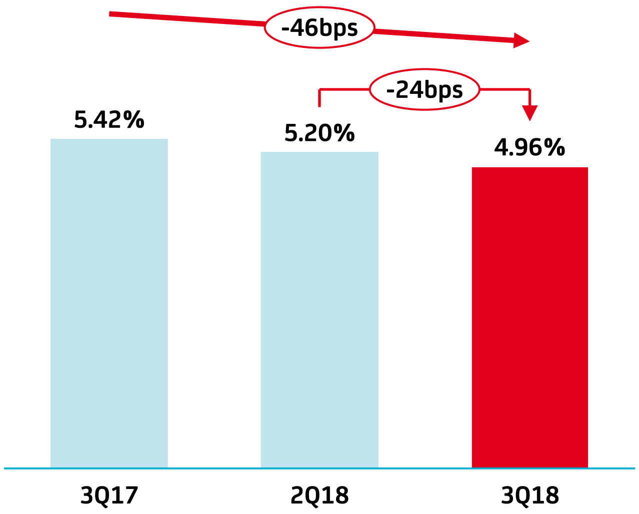


(1) Phase-in of net liability related to Defined Benefit Obligation at 60% in 2017 and 80% in 2018.

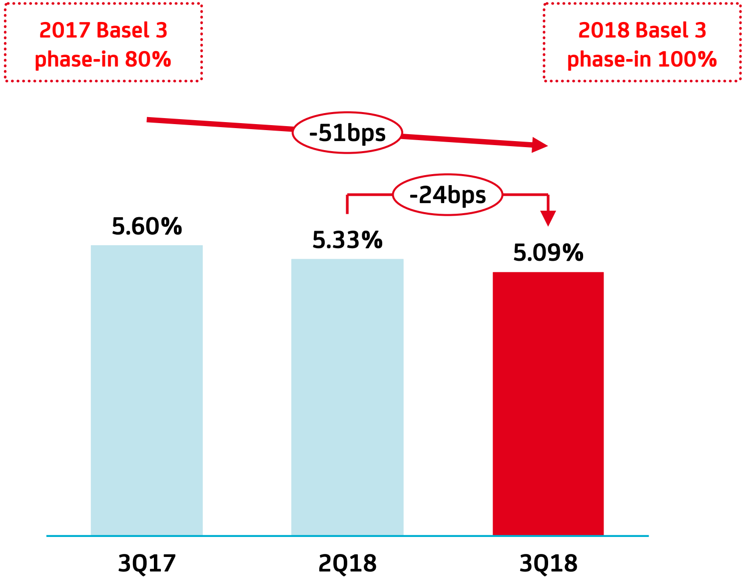
Absolute amount for CET1 transitional, Tier1 capital transitional and total capital transitional.

Group – Leverage ratio fully loaded at 5.0%, down 24bps Q/Q and 46bps Y/Y

Basel 3 leverage ratio fully loaded



Basel 3 leverage ratio transitional(1)



(1) Phase-in of net liability related to Defined Benefit Obligation at 60% in 2017 and 80% in 2018.

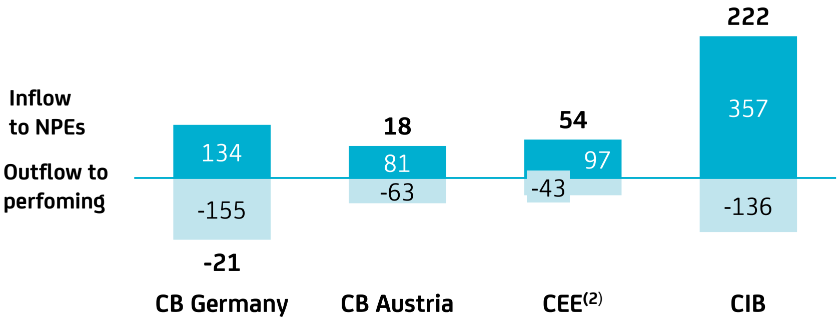
Asset quality by division

3Q18	Group	Group Core	CB Italy	CB Germany	CB Austria	CEE	CIB	Non Core
Gross loans, bn	**489.7**	467.4	149.6	87.0	46.8	68.0	114.5	22.3
Gross NPE, bn	**40.8**	20.2	9.2	1.7	1.9	4.5	3.0	20.6
Net NPE, bn	**16.0**	8.6	4.2	0.9	0.8	1.4	1.3	7.3
Gross NPE ratio,%	**8.3**	4.3	6.2	1.9	4.0	6.5	2.6	92.5
Net NPE ratio,%	**3.5**	1.9	2.9	1.0	1.8	2.2	1.2	82.7
NPE coverage,%	**60.9**	57.3	55.0	46.5	56.8	67.6	55.3	64.3
Bad loans coverage,%	**72.8**	70.3	69.5	47.7	85.1	86.9	65.6	74.7
UTP coverage,%	**46.2**	45.9	42.7	37.6	31.2	56.9	46.7	46.6

Asset quality – NPE dynamics[1] CB Germany, CB Austria, CEE and CIB

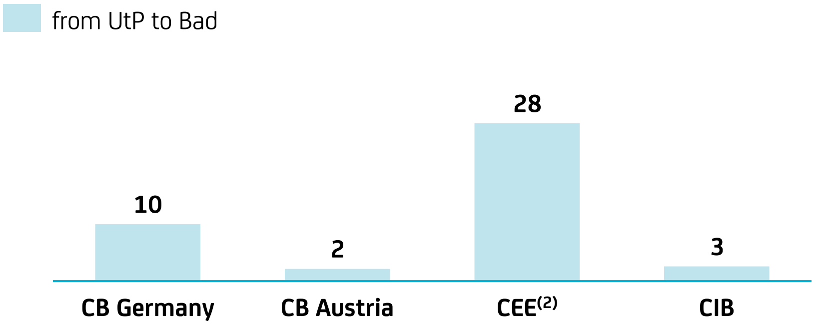
Net flows to NPEs, recoveries and write-offs – 3Q18, m

	CB Germany	CB Austria	CEE[2]	CIB
Recoveries	15	84	150	58
Write-off	86	52	75	127



	CB Germany	CB Austria	CEE[2]	CIB
Default rate	0.7%	0.7%	0.7%	1.4%
Cure rate	34.0%	12.0%	3.4%	14.7%

Migrations from Unlikely-to-pay to Bad loans – 3Q18, m



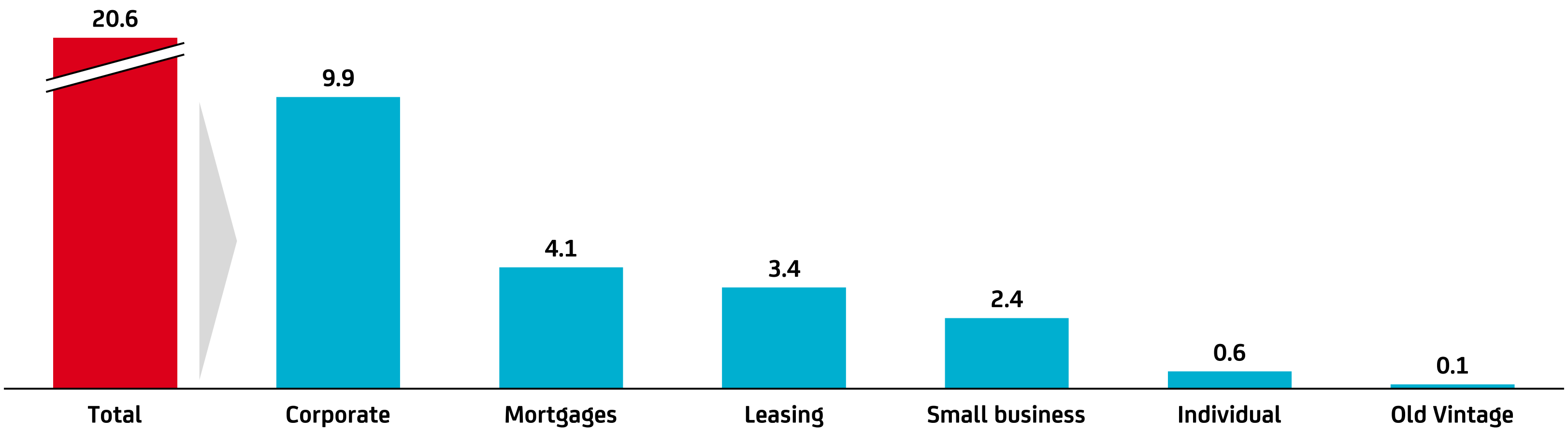
	CB Germany	CB Austria	CEE[2]	CIB
Migration rate, %	22.0%	0.9%	4.1%	0.5%

(1) Managerial figures. Recoveries at 2Q18 recasted
(2) Including Profit Center Milan.

Asset quality – Non Core gross NPEs breakdown by asset class

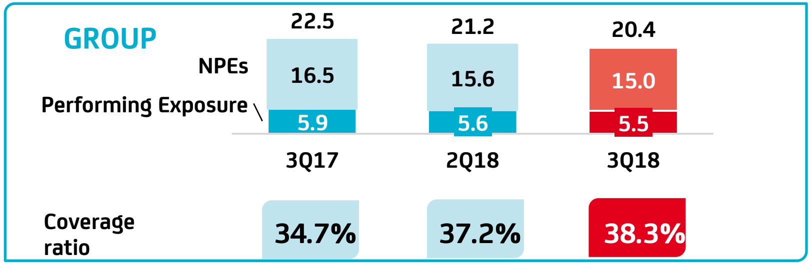
Non Core gross NPEs, bn

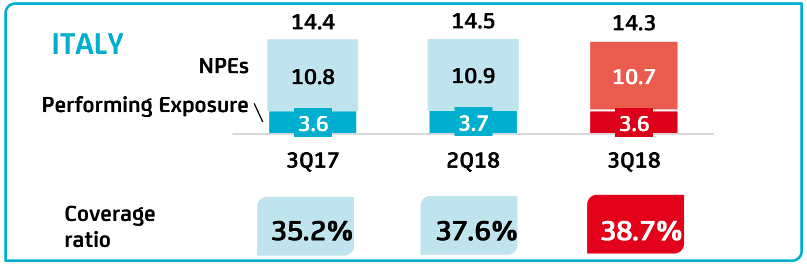
Data as at 3Q18

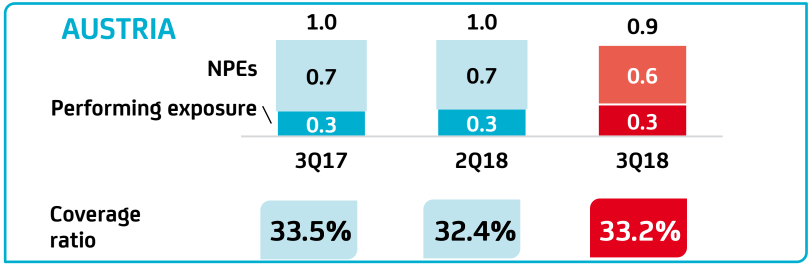


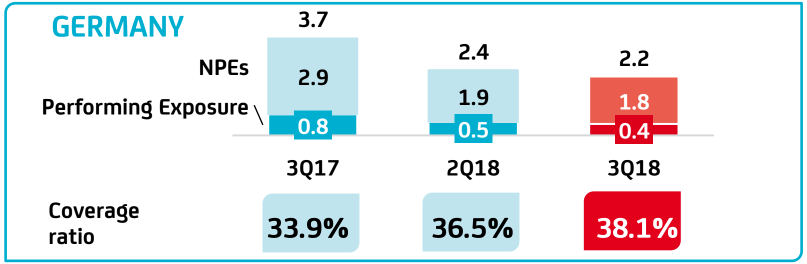
Asset quality – Forborne exposures by region

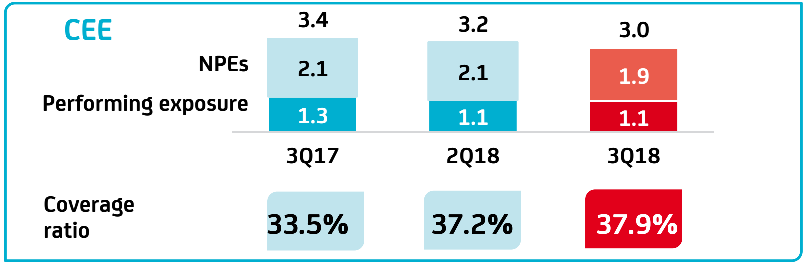
Forborne loans[1], bn











(1) Regulatory reporting data.

Glossary

Glossary[1] (1/5)

AT1	Additional Tier 1 Capital
AuC	Assets under Custody
AuM	Assets under Management
Bad loans	Exposures to borrowers in a state of insolvency or in an essentially similar situation, regardless of any loss forecasts made by the bank
Branches	Number of branches consistent with CMD perimeter, i.e. retail only excluded minor premises, corporate and private banking (Yapi at 100%)
C/I	Cost/Income ratio
CB	Commercial Banking
CC	Corporate Centre
CEE	Central Eastern Europe includes: Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bosnia and Herzegovina, 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

(1) All financial data reported in the presentation are in Euro. Numbers may not add up due to rounding. Numbers for past quarters recasted as per divisional database.

Glossary (2/5)

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 loan level
CoR	Cost of Risk calculated as LLPs of the period annualised divided by the average net customer loans volume
Core RoTE	Group Rote excluding Non Core (Group Core Annualised Net Profit divided by Average Tangible Equity netted of Non Core Allocated Capital)
Coverage ratio	Stock of LLPs on NPEs divided by Gross NPEs
Cure rate	Back to performing (annualised) divided by the stock of NPEs at the beginning of the period
Customer loan rates	Real interest on loans divided by the commercial net loans daily average volume (assuming the 365 days convention)
Days effect	Effect related to quarters having different numbers of days
DGS	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

Glossary (3/5)

E2E	End-to-End
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
FTA	First Time Adoption
FVOCI	Fair Value through Other Comprehensive Income
FY/FY	Current full year vs previous full year
Group Core	Group Core is equivalent to Group excluding Non Core. It is not a separate division
Group Corporate Centre (Group CC)	Corresponding to the divisional database section: "Global Corporate Centre" including Corporate Centre, Chief Operating Officer Services and Elisions & Adjustments
1H/1H	Current half year vs previous half year
9M/9M	Current nine months vs previous nine months

Glossary (4/5)

Migration rate	Representing the percentage of UTPs that turn into bad loans
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)
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)
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 customer loans
Non HR costs	Other administrative expenses (including indirect costs) net of expense recoveries, plus depreciation and amortisation
Past Due	Problematic exposures that, at the reporting date, are more than 90 days past due on any material obligation
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

Glossary (5/5)

RoAC	Return on Allocated Capital (annualised net profit divided by the 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 Profit divided by Average Tangible Equity)
SRF	Single Resolution Fund
SRT	Significant Risk Transfer
Tangible equity	Shareholders' equity (including consolidated profit of the period) less intangible assets (goodwill and other intangibles), less AT1 component; dividend pay-out is accounted for on a cash basis.
TFAs	Group commercial Total Financial Assets. Non-commercial elements, i.e. Group Corporate Centre, Non Core, Leasing/Factoring and Market Counterparts are excluded
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

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Pursuant the consolidated law on financial intermediation of 24 February 1998 (article 154-bis, paragraph 2) Stefano Porro, in his capacity as manager responsible for the preparation of the Company's financial reports declares that the accounting information contained in this Presentation reflects the UniCredit Group's documented results, financial accounts and accounting records.

This Presentation has been prepared on a voluntary basis since the financial disclosure additional to the half-year and annual ones is no longer compulsory pursuant to law 25/2016 in application of Directive 2013/50/EU, in order to grant continuity with the previous quarterly presentations. The UniCredit Group is therefore not bound to prepare similar presentations in the future, unless where provided by law.
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