4Q18 and FY18 Results

Milan, 7 February 2019

Banking that matters. | UniCredit

Preface - Extraordinary positive tax effect for 887m related to IFRS9 First Time Adoption on 4Q18 stated net profit

As communicated at UniCredit's 1Q18 presentation (slide 39 Market Presentation), UniCredit took a gross impact of -3.8bn for the first time adoption (FTA) of IFRS9 on 1 January 2018. According to established accounting practices, such impact was taken at equity and had no impact on the Group's P&L. UniCredit SpA did not book any positive tax impact in Italy related to IFRS9 FTA.

Following the publication of the recent Italian Budget Law, it has been ruled that such IFRS9 FTA shall become tax deductible over 10 years, rather than to be taken all at once in the first year. Taking into account the relevant accounting treatment, this change will accelerate the booking of the positive tax effects(1) *associated to IFRS9 FTA at the current tax rate, as for all Italian banks, of around 33%; for UniCredit this results in a positive effect of +887m*(2)*.*

As the FTA was recognised at equity, a coherent representation for the related tax impact should have been at equity as well.

However, based on the very recent indications received from the relevant Authorities, UniCredit has now recognised such positive tax effect related to IFRS9 FTA through its P&L in 4Q18, generating a positive extraordinary effect equivalent to +887m(2)*.*
The application of such accounting treatment has resulted in a stated 4Q18 net profit of 1,727m. Excluding such positive tax effect, the 4Q18 would have recorded a net profit of 840m.

In what follows, UniCredit will focus its analysis on the adjusted net profit that does not contain the above mentioned positive one off tax impact, so as to reflect what UniCredit considers the economic performance of the Group in the period. The regulatory capital and dividend implications will be clarified in the following pages.

(1) Mainly represented by deferred tax assets (DTAs) related to temporary differences.

(2) +887m, o/w +871m DTAs recognition and +16m IRAP tax effect, both related to UniCredit SpA IFRS9 FTA.

Agenda

Strong FY18 performance up versus FY17, adjusted[1] net profit at 3.9bn Transform 2019 well ahead of schedule

Strong Group FY18 performance notwithstanding macro and one-offs

- FY18 net operating profit of 6.4bn (+13.1% FY/FY), best since 2008
- FY18 adjusted net profit of 3.9bn (+7.7% FY/FY[1]), regardless of large additional provisions for US sanctions

Core bank performing very well resulting in high profitability

- FY18 adjusted RoTE at 10.1%, up 1.0p.p. FY/FY[1], regardless of large additional provisions for US sanctions
- FY18 gross NPE ratio 4.1%, down 99bps Y/Y, ahead of plan
- Customer loans grew by 28bn in FY18, around 3 times FY17 growth

Good commercial dynamics with Transform 2019 well ahead of schedule

- FY18 Group net interest of 10.9bn, up 2.1% FY/FY
- 100% of FTE, 93% of branch reduction targets achieved, both well ahead of plan
- FY18 Group costs at 10.7bn, better than 11.0bn target
- FY18 Group CoR 58bps, better than 68bps target
- FY18 Non Core gross NPE 18.6bn down 7.5bn FY/FY. Group disposals 4.4bn. Both better than target

Strong balance sheet and excellent markets access

- FY18 CET1 ratio 12.07%. Fully-loaded MDA buffer of 201bps[2]. TLAC subordination ratio 18.13% pro-forma[3], 107bps buffer
- FY18 tangible equity 47.7bn up 3.0% from trough in 3Q18
- Proposed cash dividend of 0.27 per share equal to 0.6bn[4]

(1) Group and Group Core adjusted net profit and RoTE exclude the net impact from Pekao and Pioneer disposals (-310m in 2Q17,+2.1bn in 3Q17 and +93m in 4Q17), net profit from Pekao and Pioneer (+48m in 1Q17, +72m in 2Q17, +3m in 3Q17 and +7m in 4Q17), one-off charge booked in Non Core (-80m in 3Q17), impairment of Yapi (-846m in 3Q18) and IFRS9 FTA tax effect (+887m in 4Q18), but net profit and RoTE are not adjusted for large additional provisions for US sanctions in FY18. RoTE calculated at CMD 2016 perimeter, taking into account the capital increase and Pekao and Pioneer disposals as at 1 January 2017. (2) MDA buffer vs. fully-loaded requirement as of 1 January 2019. (3) Managerial figures under current regulatory assumptions including USD 3bn senior non-preferred issuance in January 2019. (4) Dividend proposed to AGM, 20% payout on stated net profit excluding the net impact from IFRS9 FTA tax effect (+887m in 4Q18). For FY17 0.32 per share equal to 0.7bn was paid. For FY19 payout ratio of 30%.

4Q18 Group adjusted net profit of 840m up 19.9% Y/Y(1)

Record quarterly results
- 4Q18 Group adjusted net profit of 840m up 19.9% Y/Y(1)
- Best fourth quarter in a decade for the second time running

Sustained Core bank commercial performance
- 4Q18 net interest 2.8bn (+1.3% Q/Q) and fees 1.7bn (-1.1% Y/Y)
- 4Q18 gross operating profit 2.2bn, up 5.1% Y/Y

Strong Group performance
- 4Q18 costs down 2.7% Y/Y
- 4Q18 CoR of 79bps includes 13bps of models and 10bps of IFRS9 macro scenario impact
- 4Q18 gross NPE ratio at 7.7%, down significantly by 2.7p.p. Y/Y
- 4Q18 CET1 ratio 12.07%, including -23bps of regulatory headwinds

(1) Group and Group Core adjusted net profit and RoTE exclude the net impact from Pekao and Pioneer disposals (-310m in 2Q17,+2.1bn in 3Q17 and +93m in 4Q17), net profit from Pekao and Pioneer (+48m in 1Q17, +72m in 2Q17, +3m in 3Q17 and +7m in 4Q17), one-off charge booked in Non Core (-80m in 3Q17), impairment of Yapi (-846m in 3Q18) and IFRS9 FTA tax effect (+887m in 4Q18), but net profit and RoTE are not adjusted for large additional provisions for US sanctions in FY18. RoTE calculated at CMD 2016 perimeter, taking into account the capital increase and Pekao and Pioneer disposals as at 1 January 2017.

Group – Strong adjusted FY18 net profit 3.9bn up 7.7% FY/FY[1] notwithstanding macro and one-offs

Group key figures	FY17	FY18	Δ % vs. FY17	4Q17	3Q18	4Q18	Δ % vs. 3Q18	Δ % vs. 4Q17
Total revenues, m	19,941	19,723	-1.1%	4,905	4,814	4,856	+0.9%	-1.0%
Operating costs, m	-11,338	-10,698	-5.6%	-2,793	-2,592	-2,718	+4.9%	-2.7%
Loan loss provisions, m	-2,939	-2,619	-10.9%	-835	-696	-923	+32.5%	+10.5%
Net profit, m	5,473	3,892	n.m.	801	29	1,727	n.m.	n.m.
Adjusted net profit[1], m	3,578	3,852	+7.7%	701	875	840	-4.0%	+19.9%
Fully loaded CET1 ratio	13.60%	12.07%	-1.5p.p.	13.60%	12.11%	12.07%	-0.0p.p.	-1.5p.p.
RWA transitional, bn	356.1	370.2	+4.0%	356.1	362.6	370.2	+2.1%	+4.0%
Loans, exc. repos, bn	413.0	433.6	+5.0%	413.0	432.0	433.6	+0.4%	+5.0%
Gross NPE, bn	48.3	38.2	-21.0%	48.3	40.8	38.2	-6.5%	-21.0%
Adjusted RoTE[1]	7.2%	8.0%	+0.8p.p.	5.5%	7.5%	7.1%	-0.3p.p.	+1.7p.p.
C/I	56.9%	54.2%	-2.6p.p.	56.9%	53.8%	56.0%	+2.1p.p.	-1.0p.p.
Cost of risk, bps	67	58	-9	76	60	79	+19	+3

(1) Group and Group Core adjusted net profit and RoTE exclude the net impact from Pekao and Pioneer disposals (-310m in 2Q17,+2.1bn in 3Q17 and +93m in 4Q17), net profit from Pekao and Pioneer (+48m in 1Q17, +72m in 2Q17, +3m in 3Q17 and +7m in 4Q17), one-off charge booked in Non Core (-80m in 3Q17), impairment of Yapi (-846m in 3Q18) and IFRS9 FTA tax effect (+887m in 4Q18), but net profit and RoTE are not adjusted for large additional provisions for US sanctions in FY18. RoTE calculated at CMD 2016 perimeter, taking into account the capital increase and Pekao and Pioneer disposals as at 1 January 2017.

Agenda

Transform 2019 achievements (1/2)

1 2 3 4 5 6 7 8

Transform 2019 update

STRENGTHEN AND OPTIMISE CAPITAL	CET1 ratio guidance confirmed Full TLAC compliance	• 4Q18 CET1 ratio 12.07%. MDA buffer of 201bps(1) • FY19 CET1 ratio 12.0-12.5%, MDA buffer target of 200-250bps • Real estate disposals confirmed, expected +0.2p.p. CET1 ratio impact mainly in 2019 • Fully compliant with TLAC subordination requirements of >17.1%. 4Q18 TLAC subordination ratio 17.42%, pro-forma(2) 18.13%, buffer of 107bps(2)
IMPROVE ASSET QUALITY	Ongoing de-risking 2021 accelerated Non Core rundown fully on track	• 4Q18 Group gross NPE ratio improved to 7.7% (-2.7p.p. Y/Y) with Group gross NPEs down 10.2bn Y/Y and 2.6bn Q/Q, of which 4.4bn(3) disposed in FY18 • Group Core gross NPE ratio 4.1%, down 99bps Y/Y, close to the EBA average(4) • Accelerated Non Core rundown by 2021 fully on track. 4Q18 Non Core gross NPEs at 18.6bn, better than 19bn target. FY19 14.9bn target confirmed
TRANSFORM OPERATING MODEL	Transformation well ahead of schedule FY19 cost target 10.4bn	• 93% of 944 Transform 2019 branch closure target already achieved, with 50 in 4Q18 and 881 since December 2015 in Western Europe • 100% of 14,000 Transform 2019 FTE reduction target achieved. FTEs down by 1,087 Q/Q • FY18 Group costs at 10.7bn, better than 11.0bn target. FY19 costs confirmed at 10.4bn

(1) MDA buffer vs. fully-loaded requirement as at 1 January 2019.

(2) Managerial figures under current regulatory assumptions including USD 3bn senior non-preferred issuance in January 2019.

(3) Of which 2.1bn in Non Core.

(4) Weighted average "NPL" ratio of EBA sample banks is 3.4%. Source: EBA risk dashboard (data as at 3Q18). UniCredit's definition of "NPE" ratio is more conservative than EBA.

Transform 2019 achievements (2/2)

1 2 3 4 5 6 7 8

Transform 2019 update

MAXIMISE COMMERCIAL BANK VALUE

Multichannel offer/ customer experience

- CEE mobile user penetration(1) further improved by 2.3p.p. Q/Q to 40.5%

Commercial partnerships

- Confirming strong commitment to deliver innovative services in all Group geographies
- Google Pay launched in Italy, offering 7 million cardholders a new fast and easy way to pay via mobile
- Apple Pay launched in Germany, following the successful roll-out in Italy. UniCredit among the first

Extended product catalogue

- New insurance product MyCare Family released in Italy in Nov 2018, with more than 50,000 contracts underwritten by year-end 2018

E2E streamlining

- Germany: new fully digitalised onboarding and retail account opening process

Leading European Debt and Trade Finance house

- Trade Finance, UniCredit named Global Best Service Provider in five categories and in 11 European countries in the 2019 Euromoney's Trade Finance Survey
- In 2018, UniCredit lead managed as bookrunner more than 100bn in combined syndicated Bonds and Loans globally, ranking #2 in EMEA for transactions denominated in EUR(2). Moreover, with almost 350 deals, UniCredit was again the most active player in EMEA for Bonds in EUR, an undisputed leadership since 2012(2), which has been further enhanced thanks to the fully plugged-in business model

ADOPT LEAN BUT STEERING CENTRE

Group CC streamlining

- The ratio of GCC costs to total costs, is down to 3.4% in FY18. FY19 target of 3.8% confirmed

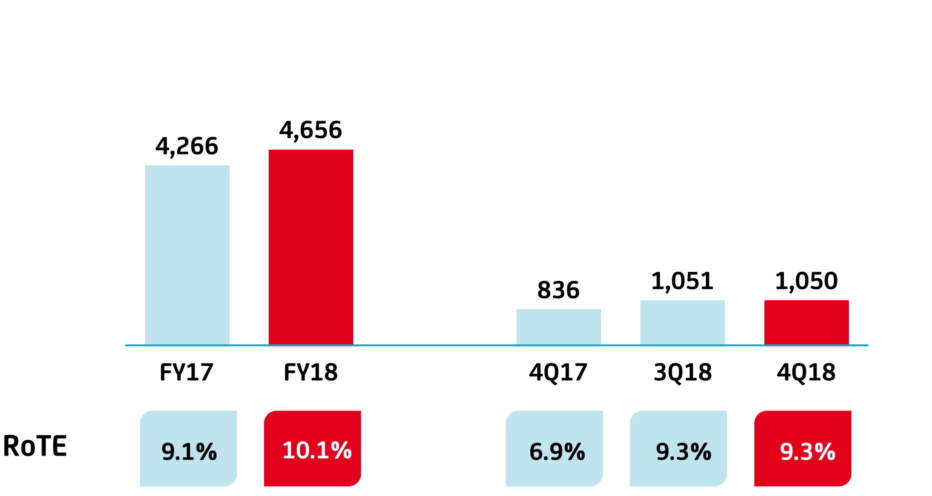
(1) Including Yapi at 100%. Ratio defined as number of retail mobile users as percentage of active customers.

(2) Source: Dealogic, as at 2 January 2019. Period 1 January – 31 December 2018; rankings by volume, unless otherwise stated.

Agenda

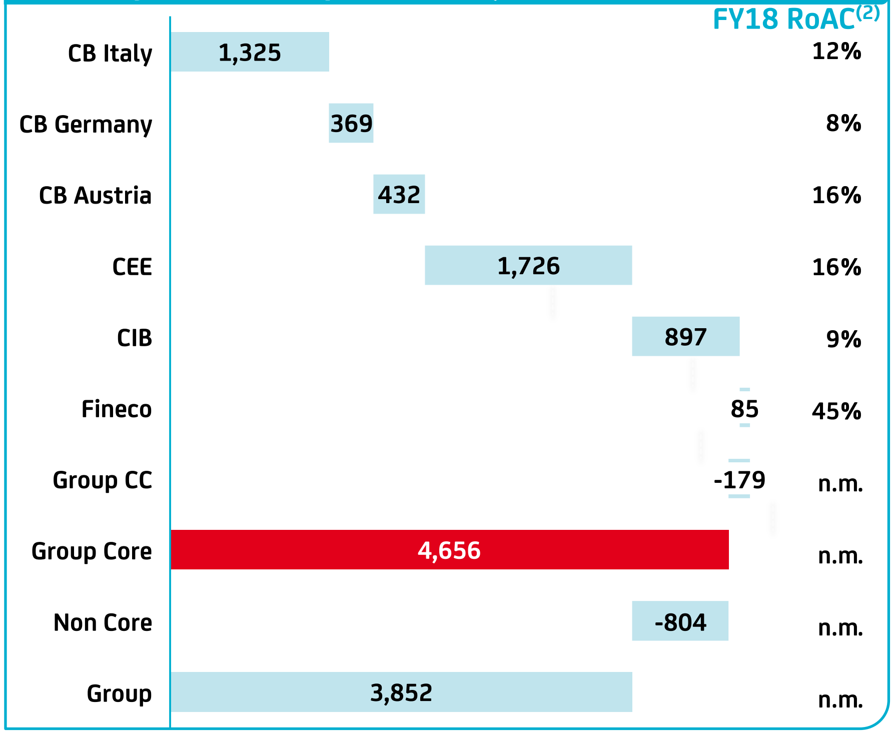
Group Core – Adjusted FY18 RoTE 10.1% up 1.0p.p. FY/FY[1]

Group Core adjusted net profit[1], m



- Adjusted FY18 Group Core RoTE at 10.1%, up 1.0p.p. FY/FY[1], notwithstanding large additional provisions for US sanctions
- CEE and CB Italy main drivers
- FY19 Group Core RoTE target >10% confirmed

Adjusted net profit[1] by division FY18, m



(1) Group and Group Core adjusted net profit and RoTE exclude the net impact from Pekao and Pioneer disposals (-310m in 2Q17,+2.1bn in 3Q17 and +93m in 4Q17), net profit from Pekao and Pioneer (+48m in 1Q17, +72m in 2Q17, +3m in 3Q17 and +7m in 4Q17), one-off charge booked in Non Core (-80m in 3Q17), impairment of Yapi (-846m in 3Q18) and IFRS9 FTA tax effect (+887m in 4Q18), but net profit and RoTE are not adjusted for large additional provisions for US sanctions in FY18. RoTE calculated at CMD 2016 perimeter, taking into account the capital increase and Pekao and Pioneer disposals as at 1 January 2017.

(2) Stated FY18 RoAC. Normalised for non-recurring items (summarised in Annex on page 50), FY18 RoACs are: CB Italy 11.0%, CB Germany 4.1% and CIB 8.6%.

Group Core – Adjusted FY18 net profit 4.7bn up 9.1% FY/FY[1]

Main drivers

- Strong commercial performance: net interest up 2.9% FY/FY driven by strong loan volumes[2] (+7.1% Y/Y) and stabilising loan rates. Fees resilient (+0.8% FY/FY)
- 1.9 million gross new clients in FY18
- Gross new loan production[3] at 105bn in FY18 (+16.9bn FY/FY)
- Costs down 5.6% FY/FY thanks to continued strong focus on cost discipline. FY18 C/I ratio at 53.5%, down 2.9p.p. FY/FY
- LLPs down 14.1% FY/FY to 1.7bn as the overall risk environment remains supportive
- Gross NPE ratio 4.1%[4], down by 99bps Y/Y and well below FY19 4.7% target
- FY18 adjusted RoTE at 10.1%, up 1.0p.p. FY/FY[1], regardless of large additional provisions for US sanctions

Data in m	*FY17*	*FY18*	*Δ % vs. FY17*	*4Q17*	*3Q18*	*4Q18*	*Δ % vs. 3Q18*	*Δ % vs. 4Q17*
Total revenues	19,872	19,783	-0.4%	4,896	4,814	4,908	+1.9%	+0.2%
o/w Net interest	*10,449*	*10,752*	*+2.9%*	*2,610*	*2,732*	*2,768*	*+1.3%*	*+6.1%*
o/w Fees	*6,769*	*6,822*	*+0.8%*	*1,703*	*1,643*	*1,684*	*+2.5%*	*-1.1%*
Operating costs	-11,218	-10,590	-5.6%	-2,784	-2,562	-2,689	+5.0%	-3.4%
Gross operating profit	8,654	9,194	+6.2%	2,112	2,252	2,218	-1.5%	+5.1%
LLPs	-1,977	-1,698	-14.1%	-656	-478	-734	+53.5%	+11.9%
Net operating profit	6,677	7,496	+12.3%	1,456	1,774	1,485	-16.3%	+2.0%
Net profit	6,241	4,696	n.m.	936	204	1,937	n.m.	n.m.
Adjusted net profit[1]	4,266	4,656	+9.1%	836	1,051	1,050	-0.1%	+25.6%
Adjusted RoTE[1]	9.1%	10.1%	+1.0p.p.	6.9%	9.3%	9.3%	-0.1p.p.	+2.3p.p.
C/I	56.5%	53.5%	-2.9p.p.	56.9%	53.2%	54.8%	+1.6p.p.	-2.1p.p.
CoR (bps)	47	38	-8	62	42	64	+21	+2
Gross NPE ratio	5.1%	4.1%	-99bps	5.1%	4.3%	4.1%	-23bps	-99bps

(1) Group Core adjusted net profit and RoTE exclude the net impact from Pekao and Pioneer disposals (-310m in 2Q17,+2.1bn in 3Q17 and +93m in 4Q17), net profit from Pekao and Pioneer (+48m in 1Q17, +72m in 2Q17, +3m in 3Q17 and +7m in 4Q17), impairment of Yapi (-846m in 3Q18) and IFRS9 FTA tax effect (+887m in 4Q18), but net profit and RoTE are not adjusted for large additional provisions for US sanctions in FY18. RoTE calculated at CMD 2016 perimeter, taking into account the capital increase and Pekao and Pioneer disposals as at 1 January 2017.

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

(3) Managerial figures.

(4) Weighted average "NPL" ratio of EBA sample banks is 3.4%. Source: EBA risk dashboard (data as at 3Q18). UniCredit's definition of "NPE" ratio is more conservative than EBA.

Group – Adjusted FY18 net profit 3.9bn up 7.7% FY/FY[1]

Main drivers

- Strong commercial revenues with net interest up 2.1% FY/FY and fees up 0.9% FY/FY
- Adjusted trading down 25.2% FY/FY[2] due to a very difficult market environment
- Resilient fees up 0.9% FY/FY mainly thanks to transactional fees (+10.4% FY/FY)
- Costs at 10.7bn in FY18 better than 11.0bn target, down 5.6% FY/FY thanks to lower HR costs (-7.0% FY/FY) and Non HR costs (-3.5% FY/FY)
- LLPs down 10.9% FY/FY, leading to a CoR of 58bps in FY18, including 5bps of models and 3bps of IFRS9 macro scenario negative impact. The overall risk environment remains supportive
- Other charges & provisions in FY18 higher due to large additional provisions for US sanctions
- Normalised FY18 tax rate 17.8%
- 4Q18 Group adjusted net profit of 840m, up 19.9% Y/Y[1]. Best fourth quarter in a decade for the second time running

Data in m	*FY17*	*FY18*	*Δ % vs. FY17*	*4Q17*	*3Q18*	*4Q18*	*Δ % vs. 3Q18*	*Δ % vs. 4Q17*
Total revenues	19,941	19,723	-1.1%	4,905	4,814	4,856	+0.9%	-1.0%
o/w Net interest	*10,633*	*10,856*	*+2.1%*	*2,646*	*2,765*	*2,776*	*+0.4%*	*+4.9%*
o/w Fees	*6,695*	*6,756*	*+0.9%*	*1,682*	*1,628*	*1,659*	*+1.9%*	*-1.4%*
o/w Trading	*1,818*	*1,245*	*-31.5%*	*384*	*277*	*159*	*-42.5%*	*-58.6%*
Operating costs	-11,338	-10,698	-5.6%	-2,793	-2,592	-2,718	+4.9%	-2.7%
Gross operating profit	8,603	9,025	+4.9%	2,112	2,222	2,138	-3.8%	+1.2%
LLPs	-2,939	-2,619	-10.9%	-835	-696	-923	+32.5%	+10.5%
Net operating profit	5,664	6,406	+13.1%	1,277	1,526	1,215	-20.4%	-4.8%
Other charges & provisions	-1,064	-2,293	n.m.	-193	-741	-371	-49.9%	+92.1%
o/w Systemic charges	*-610*	*-846*	*+38.8%*	*14*	*-148*	*-60*	*-59.8%*	*n.m.*
Profit (loss) from investments	-305	-485	+58.8%	-151	-655	-52	-92.0%	-65.4%
Profit before taxes	4,148	3,619	-12.7%	830	127	778	n.m.	-6.3%
Income taxes[3]	-609	479	n.m.	-66	-40	998	n.m.	n.m.
Net profit from discontinued operations	2,251	14	-99.4%	96	-1	1	n.m.	-99.3%
Net profit	5,473	3,892	n.m.	801	29	1,727	n.m.	n.m.
Adjusted net profit[1]	3,578	3,852	+7.7%	701	875	840	-4.0%	+19.9%

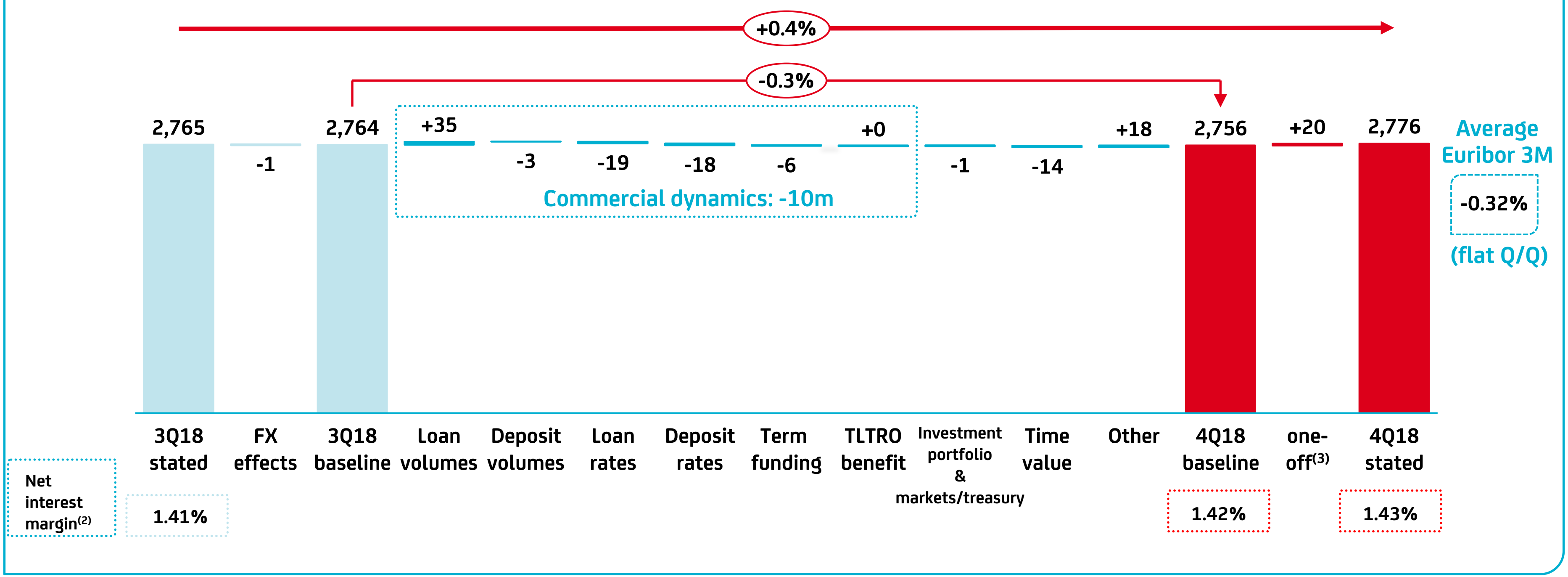
(1) Group adjusted net profit and RoTE exclude the net impact from Pekao and Pioneer disposals (-310m in 2Q17,+2.1bn in 3Q17 and +93m in 4Q17), net profit from Pekao and Pioneer (+48m in 1Q17, +72m in 2Q17, +3m in 3Q17 and +7m in 4Q17), one-off charge booked in Non Core (-80m in 3Q17), impairment of Yapi (-846m in 3Q18) and IFRS9 FTA tax effect (+887m in 4Q18), but net profit and RoTE are not adjusted for large additional provisions for US sanctions in FY18. RoTE calculated at CMD 2016 perimeter, taking into account the capital increase and Pekao and Pioneer disposals as at 1 January 2017.

(2) Non-recurring capital gains pre-tax in 3Q17: +87m in CIB and +39m in CB Germany. In 4Q17: +28m in CB Germany.

(3) Income taxes include the net impact from IFRS9 FTA tax effect (+887m in 4Q18), excluding these effect the income taxes would have been +112m in 4Q18 and -408m in FY18.

Group – 4Q18 net interest 2.8bn up 0.4% Q/Q thanks to positive loan dynamics

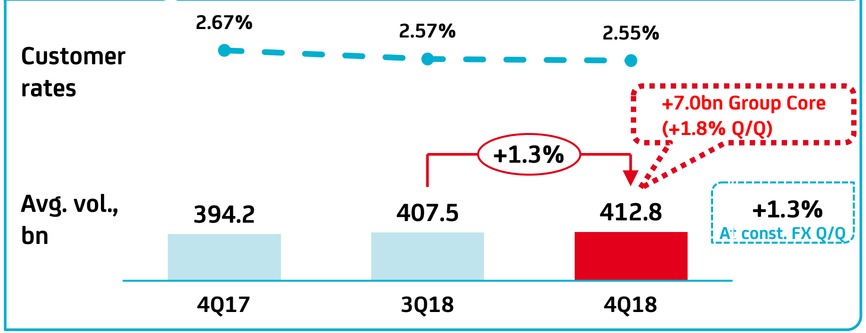
Net interest[1] Q/Q, m



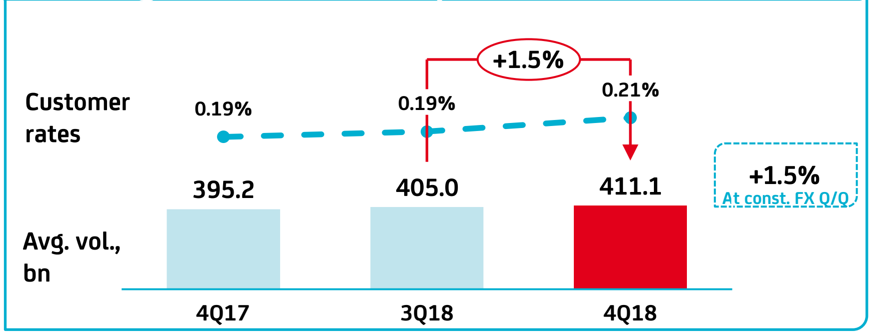
(1) Net contribution from hedging strategy of non-maturity deposits in 4Q18 at 381m, -0.1m Q/Q and -1.1m Y/Y.
(2) Net interest margin calculated as interest income divided by interest earning assets minus interest expenses divided by interest bearing liabilities.
(3) Release of a tax provision in net interest line in CB Germany (+20m) in 4Q18.

Group – Average Group Core loan volumes up 7.0bn Q/Q

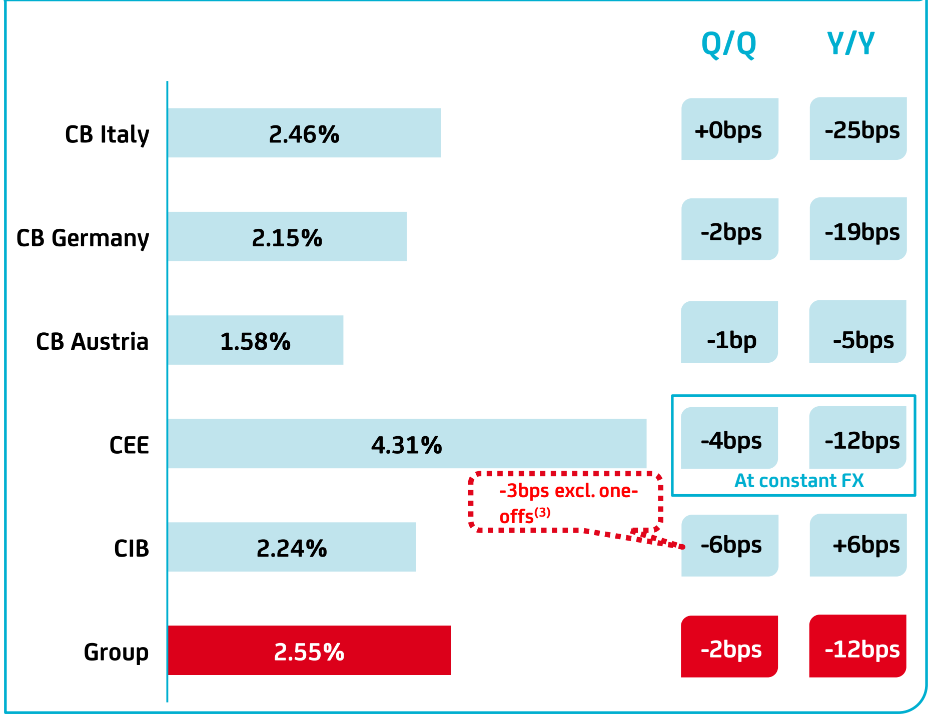
Avg. commercial loans(1) and rates(2)



Avg. commercial deposits(1) and rates(2)



Customer loan rates(2) 4Q18



(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 CIB (shipping).

Group – End-of-period Group Core customer loans up 3.8bn Q/Q

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

	bn	Q/Q	Y/Y
CB Italy	145.6	+1.5%	+6.0%
CB Germany	84.5	-1.5%	+4.6%
CB Austria	45.0	+1.1%	+1.4%
CEE	65.3	At constant FX +2.8%	At constant FX +12.2%
CIB	80.4	+1.3%	+12.3%
Fineco	2.8	+9.6%	+45.6%
Group CC	3.3	-0.9%	+19.9%
Group Core	426.9	+0.9%	+7.1%
Non Core	6.6	-25.3%	-53.4%
Group	433.6	+0.4%	+5.0%

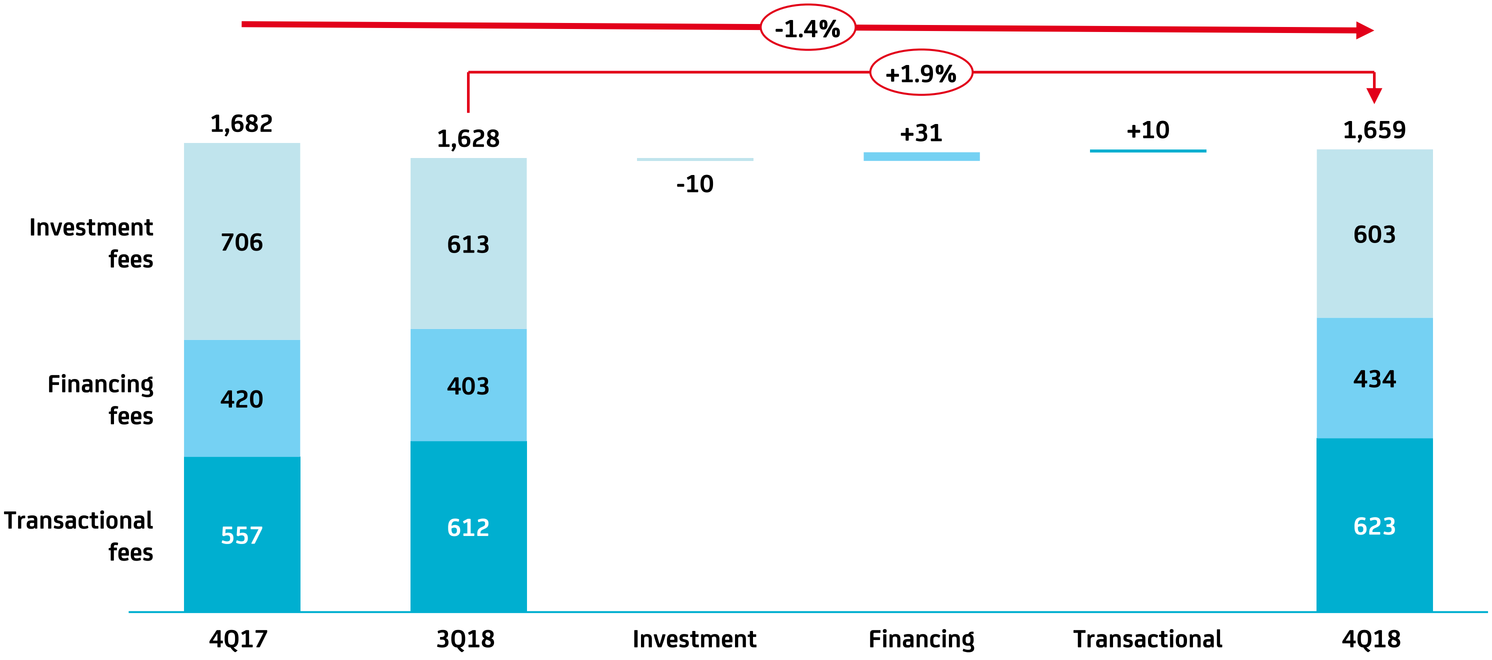
Customer deposits (end-of-period)[1], bn

	bn	Q/Q	Y/Y
CB Italy	146.3	+0.6%	+3.8%
CB Germany	91.7	+4.6%	+0.1%
CB Austria	47.4	+1.6%	+1.9%
CEE	65.7	At constant FX +6.4%	At constant FX +9.1%
CIB	45.3	-14.2%[2]	-5.2%
Fineco	22.2	+2.3%	+10.5%
Group CC	3.0	+0.5%	-17.9%
Group Core	421.5	+0.4%	+2.1%
Non Core	0.5	-31.6%	-42.3%
Group	422.0	+0.4%	+2.0%

(1) End-of-period accounting volumes excluding repos and intercompany items.
(2) In 3Q18, CIB had technically driven and extraordinary high single digit billion deposit inflows from corporates that reversed in 4Q18 as expected.

Group – Fees down 1.4% Y/Y
Transactional fees up 11.8% Y/Y, investment fees down 14.5% Y/Y

Fees Q/Q(1), m



	Q/Q	Y/Y
Investment fees	-1.6%	-14.5%
Financing fees	+7.6%	+3.3%
Transactional fees	+1.7%	+11.8%

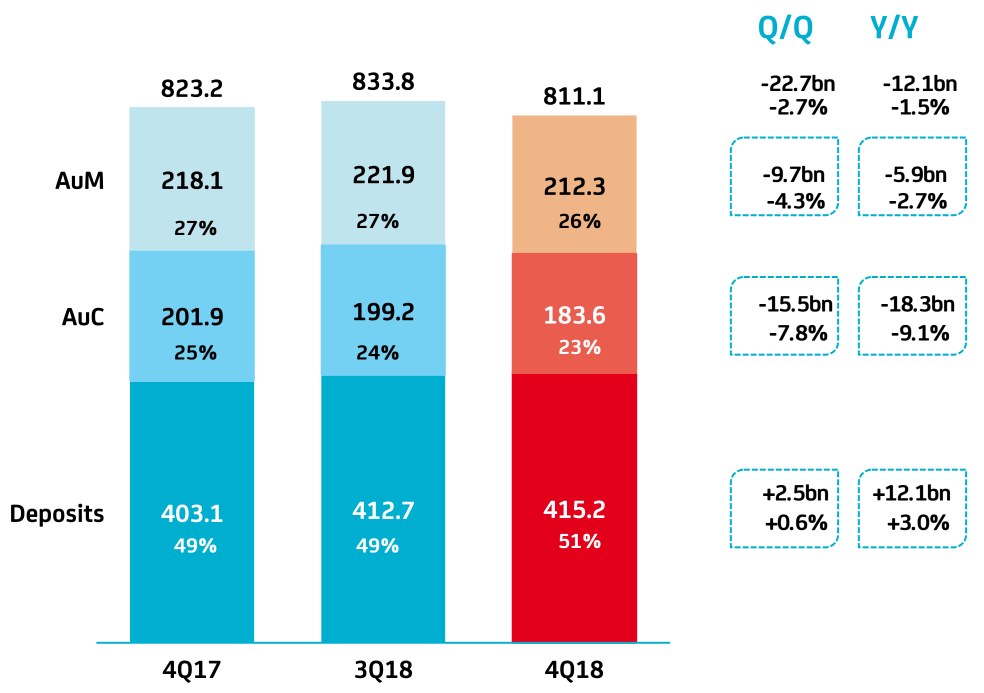
(1) All 2017 figures have been restated for the consolidation effects arising from the intercompany fees relating to Bank Pekao and Pioneer, which until 2Q17 were classified as held for sale, in accordance with IFRS5.

Group – TFAs down 2.7% Q/Q due to market performance

Main drivers

- **TFAs** down 2.7% Q/Q to 811.1bn, mainly due to lower AuC:
  - **Assets under Management** at 212.3bn, down 4.3% Q/Q, AuM net sales +0.3bn in 4Q18. FY18 positive AuM net sales (+8.8bn FY18) offset by negative market performance (-14.6bn FY18)
  - **Assets under Custody** at 183.6bn, down 7.8% Q/Q. Positive AuC net sales (+0.7bn FY18) offset by negative market performance (-18.7bn FY18)
  - **Deposits** at 415.2bn, up 0.6% Q/Q mainly thanks to CB Germany (+5.3% Q/Q) and CEE (+6.5% Q/Q at constant FX)

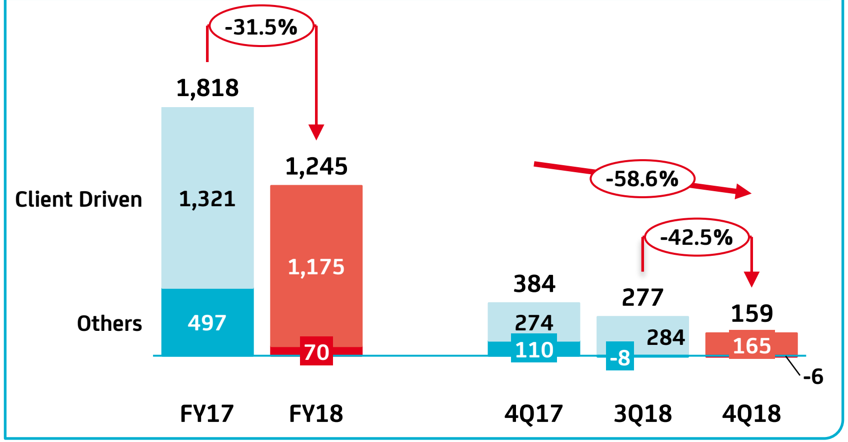
Group TFAs[1] 4Q18, bn



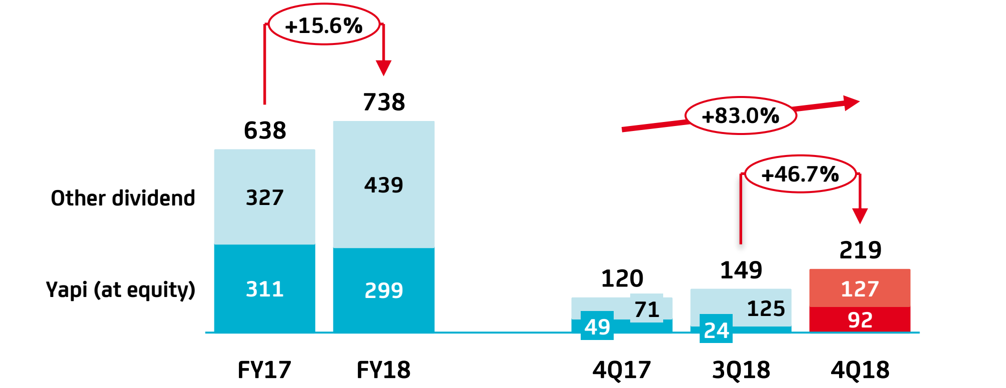
(1) Refers to Group commercial Total Financial Assets. Non-commercial elements, i.e. Group Corporate Centre, Non Core, Leasing/Factoring and Market Counterparts are excluded. Numbers are managerial figures.

Group – Trading income down 31.5% FY/FY due to a very difficult market environment in 2H18

Trading income, m



Dividends(1), m



- Trading income down 31.5% FY/FY due to a very difficult market environment and consequently less client activity
- Adjusted trading income down 25.2% FY/FY(2)
- Client driven trading includes valuation adjustments(3) equal to -30m in 4Q18 (+26m in 3Q18 and +23m in 4Q17)

- Yapi´s contribution up 30.8% FY/FY at constant FX, down 4.0% FY/FY at current FX as the TRY rally in 4Q18 reversed some of the earlier losses
- The regulatory consolidation of Yapi's RWA is pro rata (23.1bn)
- The TRY FX sensitivity on the Group's CET1 ratio positive at around +1bp net impact for 10% adverse FX move(4)
- Other dividends up 34.3% FY/FY mainly thanks to dividends on shares underlying the Pekao mandatory convertible

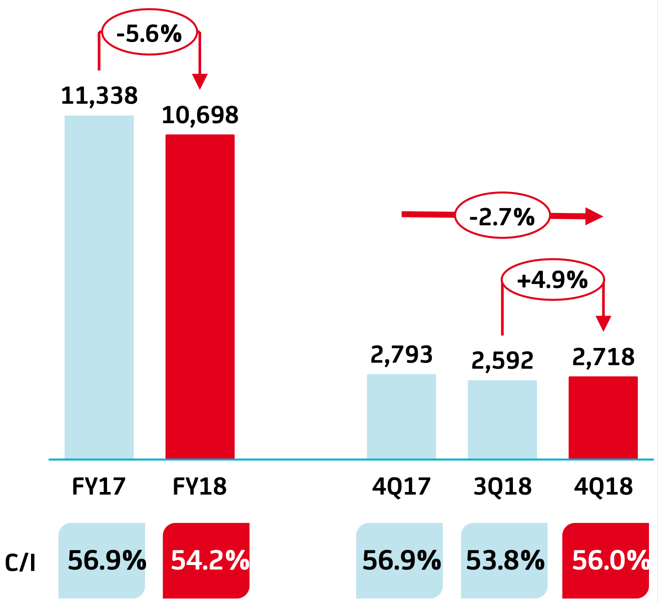
(1) Include dividends and equity investments. Yapi is valued by the equity method and contributes to the dividend line of the Group P&L based on managerial view.
(2) Non-recurring capital gains pre-tax in 3Q17: +87m in CIB and +39m in CB Germany. In 4Q17: +28m in CB Germany.
(3) Collateral Valuation Adjustment (OIS), Debt/Credit Value Adjustment (DVA/CVA), Fair Value Adjustment and Funding Valuation Adjustment (FVA).
(4) TRY sensitivity: 10% depreciation of the TRY has around +1bp net impact (-3bps from capital, +3bps from RWA) on the fully loaded CET1 ratio. Managerial data as at 31 December 2018.

Group – FY18 Group costs at 10.7bn better than 11.0bn target FY19 costs confirmed at 10.4bn

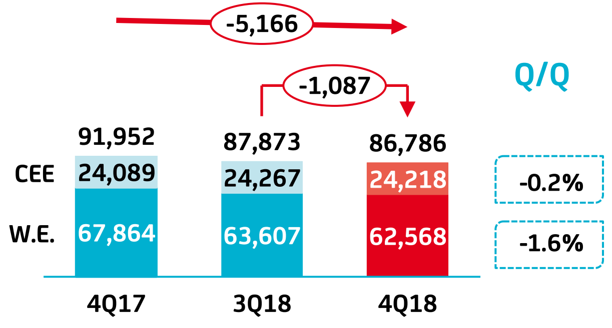
Main drivers

- Transform 2019 well ahead of schedule:
  - 100% of FTE reduction target achieved (14,000)
  - 93% of branch closures completed (881 out of 944)
- FTEs down 5,166 Y/Y, branches down 226 Y/Y
- FY18 C/I 54.2% below target, down 2.6p.p. FY/FY
- 4Q18 total costs at 2.7bn, up 4.9% Q/Q due to seasonality
- FY18 Group costs at 10.7bn, better than 11.0bn target. FY19 costs confirmed at 10.4bn

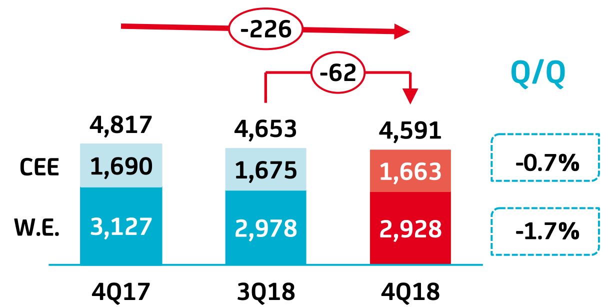
Costs, m



FTEs (eop)



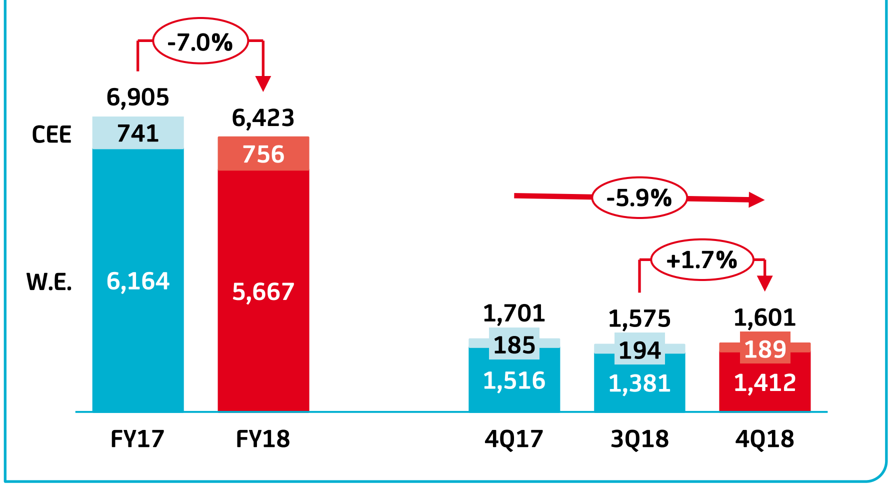
Branches(1)



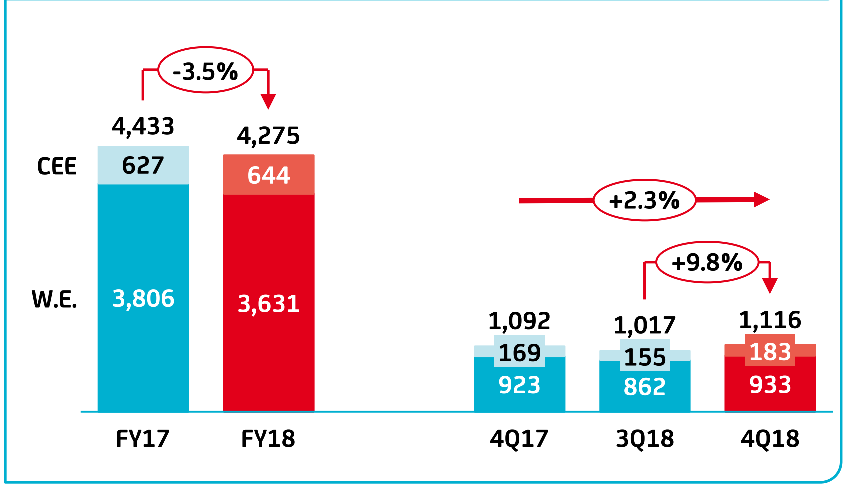
(1) Branch figures consistent with CMD 2016 perimeter.

Group – Disciplined cost reduction, both HR and Non HR costs down FY/FY

HR costs, m



Non HR costs(1), m



- HR costs down 7.0% FY/FY, confirming continued cost reduction efforts supported by lower FTEs, down 5,166 Y/Y

- Non HR costs down 3.5% FY/FY mainly thanks to lower real estate expenses, consulting fees and sponsorships
- Up 9.8% Q/Q due to seasonality

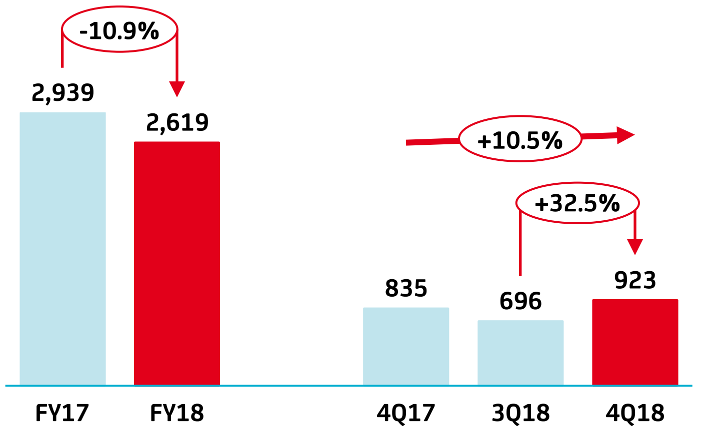
(1) Non HR costs include "other administrative expenses", "recovery of expenses" and "amortisation, depreciation and impairment losses on intangible and tangible assets".

Group – FY18 LLPs down 10.9% FY/FY
Gross NPE ratio 7.7% down 2.7p.p. Y/Y

Main drivers

- FY18 LLPs down 10.9% FY/FY to 2.6bn. The overall risk environment remains supportive
- FY18 CoR of 58bps includes 5bps of models and 3bps of IFRS9 macro scenario negative impact
- Group gross NPE ratio improved to 7.7% in 4Q18, down 2.7p.p. Y/Y. Coverage ratio at 61.0% up 4.6p.p. Y/Y
- Group Core gross NPE ratio at 4.1%[1], down 99bps Y/Y
- CoR across divisions in FY18:
  - CB Italy CoR at 74bps, up 3bps FY/FY mainly due to models (8bps in FY18) and IFRS9 macro scenario impact (6bps in FY18)
  - CB Germany CoR at 17bps in FY18 and 50bps in 4Q18 due to models impact (11bps in 4Q18)
  - CB Austria CoR at -5bps thanks to net write-backs in 1H18
  - CEE CoR low at 73bps thanks to a still supportive risk environment and NPE sales
  - CIB CoR at a low 7bps driven by non recurring write-backs in 2Q18 partially offset by models impact (8bps in FY18)

Loan loss provisions, m



	FY17	FY18	4Q17	3Q18	4Q18
Cost of risk	67bps	58bps	76bps	60bps	79bps
Cov. ratio gross NPE			56.3%	60.9%	61.0%
Gross NPE ratio			10.3%	8.3%	7.7%

o/w 5bps models impact

o/w 13bps models impact

(1) Weighted average "NPL" ratio of EBA sample banks is 3.4%. Source: EBA risk dashboard (data as at 3Q18). UniCredit's definition of "NPE" ratio is more conservative than EBA.

Agenda

CB Italy – Net operating profit 2.1bn in FY18 up 2.7% FY/FY mainly thanks to lower costs

1 2 3 **4** 5 6 7 8

Main drivers

- Net interest down 5.6% FY/FY due to pressure on customer rates partially offset by increased loan volumes. Net interest started to stabilise in 4Q18 (-0.2% Q/Q)
- Strong gross new loan production(1) at 24.9bn in FY18 (+20.4% FY/FY), mainly driven by corporates and retail mortgages
- Fees up 0.8% FY/FY, thanks to transactional fees (+14.6% FY/FY) more than compensating lower investment fees (-6.5% FY/FY) negatively impacted by market performance
- 363,000 gross new clients in FY18 (+4.5% FY/FY)
- Costs down 7.1% FY/FY mainly driven by HR cost reduction (-8.5% FY/FY). FY18 C/I ratio at 56.9%, down 2.8p.p. FY/FY
- CoR at 74bps in FY18, up 3bps FY/FY mainly due to models (8bps in FY18) and IFRS9 macro scenario impact (6bps in FY18)
- Gross NPE ratio down 95bps Y/Y and 45bps Q/Q to 5.7%
- Normalised(3) RoAC at 11.0% in FY18. FY19 RoAC target stable around 11%. FY19 net profit expected to be higher

Data in m	*FY17*	*FY18*	*Δ % vs. FY17*	*4Q17*	*3Q18*	*4Q18*	*Δ % vs. 3Q18*	*Δ % vs. 4Q17*
Total revenues	7,442	7,257	-2.5%	1,868	1,758	1,747	-0.6%	-6.5%
o/w Net interest	*3,704*	*3,495*	*-5.6%*	*915*	*861*	*859*	*-0.2%*	*-6.1%*
o/w Fees	*3,713*	*3,742*	*+0.8%*	*937*	*893*	*895*	*+0.3%*	*-4.5%*
Operating costs	-4,438	-4,125	-7.1%	-1,093	-1,015	-1,022	+0.7%	-6.5%
Gross operating profit	3,004	3,131	+4.2%	775	743	725	-2.4%	-6.4%
LLPs	-975	-1,046	+7.4%	-270	-317	-298	-5.9%	+10.6%
Net operating profit	2,029	2,085	+2.7%	505	426	427	+0.2%	-15.4%
Net profit	1,229	1,325	+7.8%	343	367	209	-43.0%	-39.1%
RoAC	11.9%	12.1%	+0.2p.p.	12.3%	13.3%	7.3%	-6.0p.p.	-5.0p.p.
C/I	59.6%	56.9%	-2.8p.p.	58.5%	57.7%	58.5%	+0.8p.p.	-0.0p.p.
CoR (bps)	72	74	+3	79	89	83	-6	+4
Branches(2)	2,663	2,466	-7.4%	2,663	2,516	2,466	-2.0%	-7.4%
FTEs	32,334	29,669	*-8.2%*	32,334	30,299	29,669	-2.1%	*-8.2%*
Gross NPE ratio	6.7%	5.7%	-95bps	6.7%	6.2%	5.7%	-45bps	-95bps

(1) Managerial figures.
(2) Branch figures consistent with CMD 2016 perimeter.
(3) Normalised RoAC for pawn business disposal (+114m) in 3Q18.

CB Germany – Resilient commercial performance, strong cost reduction

Main drivers

- Adjusted(1) commercial revenues (sum of net interest and fees) down 3.3% FY/FY
- Net interest adjusted for one-offs(1) down 4.2% FY/FY due to lower customer rates partially offset by higher loan volumes
- Strong gross new loan production(2) at 18.5bn in FY18 (+17.9% FY/FY), mainly driven by corporates and mortgages
- Fees down 1.4% FY/FY mainly due to investment fees (-7.8% FY/FY) partly offset by transactional fees (+10.4% FY/FY)
- 75,000 gross new clients in FY18 (+50.0% FY/FY)
- Costs down 5.9% FY/FY, driven by lower HR (-6.5% FY/FY) and Non HR costs (-5.0% FY/FY). FY18 C/I ratio at 69.0%, stable (+0.0p.p. FY/FY) adjusted for one-offs(1)
- CoR at 17bps in FY18 and 50bps in 4Q18 due to models impact (11bps in 4Q18)
- Normalised(4) RoAC at 4.1% in FY18 impacted by large additional provisions for US sanctions. FY19 RoAC target confirmed at 9.1%

Data in m	*FY17*	*FY18*	*Δ % vs. FY17*	*4Q17*	*3Q18*	*4Q18*	*Δ % vs. 3Q18*	*Δ % vs. 4Q17*
Total revenues	2,694	2,470	-8.3%	629	603	621	+3.0%	-1.3%
o/w Net interest	*1,649*	*1,514*	*-8.2%*	*391*	*378*	*395*	*+4.5%*	*+1.0%*
o/w Fees	*762*	*752*	*-1.4%*	*177*	*174*	*180*	*+3.6%*	*+2.0%*
Operating costs	-1,810	-1,704	-5.9%	-440	-413	-429	+3.9%	-2.3%
Gross operating profit	883	766	-13.3%	189	190	191	+1.0%	+1.3%
LLPs	-125	-145	+15.9%	-59	23	-106	n.m.	+78.7%
Net operating profit	758	620	-18.2%	130	212	85	-59.7%	-34.1%
Net profit	621	369	-40.7%	129	54	168	n.m.	+30.3%
RoAC	13.4%	8.1%	-5.3p.p.	10.7%	4.6%	14.3%	+9.7p.p.	+3.6p.p.
C/I	67.2%	69.0%	+1.8p.p.	69.9%	68.6%	69.2%	+0.6p.p.	-0.8p.p.
CoR (bps)	15	17	+2	29	-11	50	+60	+20
Branches(3)	341	339	-0.6%	341	339	339	+0.0%	-0.6%
FTEs	10,105	9,208	*-8.9%*	10,105	9,325	9,208	-1.3%	*-8.9%*
Gross NPE ratio	2.2%	1.8%	-38bps	2.2%	1.9%	1.8%	-7bps	-38bps

(1) Release of a tax provision in net interest line in 2Q17 (+90m) and in 4Q18 (+20m).

(2) Managerial figures.

(3) Branch figures consistent with CMD 2016 perimeter.

(4) Normalised RoAC for non-recurring net gain from participation in 2Q18 (+27m) and 4Q18 (+147m) related to the release in tax provision. Net profit not adjusted for large additional provisions for US sanctions in FY18.

CB Austria – Resilient commercial performance, strong cost reduction

1 2 3 4 5 6 7 8

Divisional results highlights

Main drivers

- Net interest down 3.3% FY/FY adjusted for one-offs(1), mainly due to repayments
- Gross new loan production(2) at 7.4bn in FY18 (-5.6% FY/FY), driven by corporates and housing loans
- Fees down 0.8% FY/FY mainly due to investment fees (-1.9% FY/FY)
- 50,000 gross new clients in FY18 (-2.3% FY/FY)
- Costs down 5.9% FY/FY thanks to lower Non HR (-7.1% FY/FY) and HR costs (-4.8% FY/FY). FY18 C/I ratio at 65.3%, down 3.2p.p. FY/FY
- CoR at -5bps in FY18 thanks to net write-backs in 1H18. CoR expected to normalise in FY19. FY19 target of 16bps confirmed
- RoAC at 16.0% in FY18. FY19 RoAC target confirmed at 13.3%

Data in m	*FY17*	*FY18*	*Δ % vs. FY17*	*4Q17*	*3Q18*	*4Q18*	*Δ % vs. 3Q18*	*Δ % vs. 4Q17*
Total revenues	1,583	1,563	-1.3%	405	403	376	-6.7%	-7.2%
o/w Net interest	*724*	*687*	*-5.1%*	*174*	*178*	*173*	*-3.1%*	*-0.8%*
o/w Fees	*623*	*618*	*-0.8%*	*164*	*150*	*155*	*+3.2%*	*-5.3%*
Operating costs	-1,085	-1,022	-5.9%	-269	-240	-260	+8.3%	-3.5%
Gross operating profit	498	542	+8.8%	136	163	117	-28.7%	-14.5%
LLPs	17	25	+49.0%	-39	-23	-7	-71.8%	-83.2%
Net operating profit	515	567	+10.1%	97	140	110	-21.5%	+13.1%
Net profit	570	432	-24.3%	99	124	98	-20.9%	-0.8%
RoAC	20.1%	16.0%	-4.1p.p.	14.9%	18.8%	14.5%	-4.3p.p.	-0.5p.p.
C/I	68.5%	65.3%	-3.2p.p.	66.4%	59.5%	69.0%	+9.6p.p.	+2.6p.p.
CoR (bps)	-4	-5	-2	34	20	6	-15	-28
Branches(3)	123	123	+0.0%	123	123	123	+0.0%	+0.0%
FTEs	5,092	4,873	*-4.3%*	5,092	4,894	4,873	-0.4%	*-4.3%*
Gross NPE ratio	4.4%	3.9%	-51bps	4.4%	4.0%	3.9%	-11bps	-51bps

(1) Non-recurring items in 3Q17: related to real estate disposals (+14m net interest).
(2) Managerial figures.
(3) Branch figures consistent with CMD 2016 perimeter.

CEE – Net operating profit 2.2bn up 15.6% FY/FY driven by strong commercial dynamics

Main drivers

- Net interest up 6.6% FY/FY at constant FX mainly thanks to increased loan volumes
- Gross new loan production[2] at 22.4bn in FY18 (+22.9% FY/FY at constant FX)
- Fees up 5.0% FY/FY at constant FX mainly thanks to transactional fees (+7.7% FY/FY)
- Dividends up 29.7% FY/FY at constant FX thanks to higher Yapi contribution (+30.8% FY/FY)
- 1.3 million gross new clients in FY18[1]
- Costs up 3.3% FY/FY at constant FX due to competitive labour markets. FY18 C/I ratio stable at 36.7% (-0.1p.p. FY/FY)
- CoR low at 73bps in FY18 thanks to a still supportive risk environment and NPE sales
- Successful de-risking, gross NPE ratio down 1.5p.p. Y/Y to 6.4% in 4Q18. Coverage ratio at 66.9% (+2.9p.p. Y/Y)
- RoAC at 15.7% in FY18. FY19 RoAC target confirmed at 13.4%

Data in m [1]	*FY17*	*FY18*	*Δ % vs. FY17 constant*	*4Q17*	*3Q18*	*4Q18*	*Δ % vs. 3Q18 constant*	*Δ % vs. 4Q17 constant*
Total revenues	4,186	4,262	+6.3%	1,004	995	1,112	+13.7%	+16.8%
o/w Net interest	*2,598*	*2,713*	*+6.6%*	*666*	*679*	*716*	*+5.5%*	*+9.6%*
o/w Fees	*848*	*876*	*+5.0%*	*199*	*219*	*230*	*+5.2%*	*+17.4%*
o/w Dividend	*334*	*325*	*+29.7%*	*54*	*30*	*96*	*n.m.*	*n.m.*
Operating costs	-1,543	-1,566	+3.3%	-398	-388	-412	+6.1%	+5.3%
Gross operating profit	2,643	2,697	+8.0%	605	607	700	+18.3%	+24.2%
LLPs	-584	-457	-18.9%	-149	-91	-160	+70.8%	+8.1%
Net operating profit	2,059	2,240	+15.6%	456	516	540	+9.2%	+29.5%
Net profit	1,583	1,726	+17.3%	350	428	411	+1.9%	+30.9%
RoAC	13.9%	15.7%	+1.9p.p.	12.4%	15.7%	15.2%	-0.6p.p.	+2.8p.p.
C/I	36.9%	36.7%	-0.1p.p.	39.7%	39.0%	37.1%	-1.9p.p.	-2.6p.p.
CoR (bps)	97	73	-24	99	58	98	+40	-1
Branches	1,690	1,663	-1.6%	1,690	1,675	1,663	-0.7%	-1.6%
FTEs	24,089	24,218	+0.5%	24,089	24,267	24,218	-0.2%	+0.5%
Gross NPE ratio	7.9%	6.4%	-152bps	7.9%	6.5%	6.4%	-17bps	-152bps

(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). Yapi is valued by the equity method and contributes to the dividend line of the Group P&L based on managerial view. Yapi's branches and clients considered at 100%, Yapi not considered in CoR, FTEs and Gross NPE ratio.

(2) Managerial figures.

CIB – Net operating profit 2.2bn in FY18 down 1.7% FY/FY mainly due to lower trading income partially compensated by lower LLPs

Main drivers

- Revenues down (-7.3% FY/FY) due to lower client trading (-39.4% FY/FY) in a difficult market environment. Overall client driven revenues at 75% in FY18
- Net interest up 7.5% FY/FY thanks to increased loan volumes and higher investment portfolio contribution
- Fees down 2.4% FY/FY due to weak capital markets business partially offset by strong structured finance lending
- Leading franchise confirmed: #1 in "EMEA All Bonds in EUR" by number of transactions, #1 in "All Bonds in EUR" in Italy and Germany(1)
- Confirmed cost discipline, costs down 3.9% FY/FY. FY18 C/I ratio at 41.0%, up 1.5p.p. FY/FY
- CoR at a low 7bps driven by non recurring write-backs in 2Q18 partially offset by models impact (8bps in FY18)
- Normalised(2) RoAC at 8.6% in FY18 impacted by large additional provisions for US sanctions. FY19 RoAC target confirmed at 11.7%

Data in m	*FY17*	*FY18*	*Δ % vs. FY17*	*4Q17*	*3Q18*	*4Q18*	*Δ % vs. 3Q18*	*Δ % vs. 4Q17*
Total revenues	4,113	3,813	-7.3%	1,010	915	937	+2.3%	-7.3%
o/w Net interest	*2,131*	*2,292*	*+7.5%*	*532*	*588*	*589*	*+0.2%*	*+10.7%*
o/w Fees	*639*	*624*	*-2.4%*	*169*	*159*	*152*	*-4.8%*	*-10.4%*
o/w Trading	*1,243*	*754*	*-39.4%*	*254*	*169*	*97*	*-42.6%*	*-61.9%*
Operating costs	-1,626	-1,563	-3.9%	-388	-371	-412	+11.3%	+6.3%
Gross operating profit	2,487	2,249	-9.5%	622	545	524	-3.7%	-15.7%
LLPs	-275	-76	-72.4%	-128	-81	-157	+94.6%	+22.6%
Net operating profit	2,212	2,174	-1.7%	494	464	368	-20.8%	-25.6%
Net profit	1,433	897	-37.4%	376	96	241	n.m.	-35.9%
RoAC	15.4%	9.0%	-6.4p.p.	16.0%	3.7%	9.4%	+5.7p.p.	-6.6p.p.
C/I	39.5%	41.0%	+1.5p.p.	38.4%	40.5%	44.0%	+3.5p.p.	+5.6p.p.
CoR (bps)	27	7	-20	50	28	54	+25	+3
FTEs	3,298	3,289	*-0.3%*	3,298	3,313	3,289	-0.7%	*-0.3%*
Gross NPE ratio	3.6%	2.5%	-112bps	3.6%	2.6%	2.5%	-10bps	-112bps

(1) Source: Dealogic, as at 2 January 2019. Period 1 January – 31 December 2018; rankings by volume, unless otherwise stated.
(2) Normalised RoAC for non-recurring net trading gains from participations (+39m) in 1Q18. Net profit not adjusted for large additional provisions for US sanctions in FY18.

Fineco – Net operating profit 374m 7.6% higher FY/FY thanks to better revenues

Main drivers

- Revenues up 6.5% FY/FY supported by fees (+11.3% FY/FY) and net interest (+5.0% FY/FY)
- Loan volumes[1] at 2.8bn in 4Q18, up 45.6% Y/Y mainly driven by Lombard loans
- AuM volumes down 1.8% Y/Y driven by market performance. Management fees up 12.4% FY/FY
- 112,000 gross new clients in FY18 (-2.6% FY/FY), reaching 1.2 million total clients (+6.2% Y/Y)
- Costs up 5.4% FY/FY to support business expansion. Costs under control as demonstrated by a C/I ratio of 39.4% in FY18, down 0.4p.p. FY/FY
- Net profit at 85m in FY18, up 12.5% FY/FY
- RoAC at 45.3% in FY18

Data in m	*FY17*	*FY18*	*Δ % vs. FY17*	*4Q17*	*3Q18*	*4Q18*	*Δ % vs. 3Q18*	*Δ % vs. 4Q17*
Total revenues	586	624	+6.5%	156	153	160	+4.9%	+2.9%
o/w Net interest	*264*	*277*	*+5.0%*	*70*	*70*	*71*	*+1.6%*	*+1.2%*
o/w Fees	*270*	*300*	*+11.3%*	*71*	*73*	*82*	*+12.5%*	*+15.8%*
Operating costs	-233	-246	+5.4%	-59	-60	-61	+2.7%	+4.8%
Gross operating profit	353	378	+7.2%	97	93	99	+6.3%	+1.8%
LLPs	-5	-4	-18.1%	-2	-1	-2	n.m.	+8.9%
Net operating profit	347	374	+7.6%	95	92	96	+4.8%	+1.6%
Minorities	-138	-155	+12.6%	-41	-34	-41	+20.9%	+0.6%
Net profit[2]	76	85	+12.5%	22	19	22	+20.9%	+0.5%
RoAC	62.7%	45.3%	-17.4p.p.	66.3%	36.4%	39.5%	+3.1p.p.	-26.8p.p.
C/I	39.8%	39.4%	-0.4p.p.	37.6%	39.1%	38.3%	-0.8p.p.	+0.7p.p.
AuM	33,080	32,472	-1.8%	33,080	34,151	32,472	-4.9%	-1.8%
AuM/TFA	49.2%	46.8%	-2.4p.p.	49.2%	48.2%	46.8%	-1.4p.p.	-2.4p.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 563m in FY18 improved by 54.7% FY/FY thanks to better revenues and lower costs

Main drivers

- Revenues improved FY/FY mainly thanks to lower funding volumes
- Costs down 24.4% FY/FY
- Lean but Steering Corporate Centre transformation on track with a reduction of 1,429 FTEs Y/Y (HR costs down 11.7% FY/FY). Since December 2015, FTEs down by 20.6% (-3,637 FTEs)
- The ratio of GCC costs to total costs is down to 3.4% in FY18. FY19 target of 3.8% confirmed

Data in m	*FY17*	*FY18*	*Δ % vs. FY17*	*4Q17*	*3Q18*	*4Q18*	*Δ % vs. 3Q18*	*Δ % vs. 4Q17*
Total revenues	-732	-205	-71.9%	-176	-13	-46	n.m.	-73.8%
Operating costs	-482	-364	-24.4%	-137	-76	-92	+21.6%	-32.7%
Gross operating loss/profit	-1,213	-569	-53.1%	-313	-89	-138	+55.1%	-55.8%
LLPs	-30	6	n.m.	-9	13	-4	n.m.	-58.1%
Net operating loss/profit	-1,243	-563	-54.7%	-322	-76	-142	+85.6%	-55.9%
Other Charges & Provisions	-161	-379	n.m.	-72	-72	-113	+57.4%	+57.9%
o/w Systemic Charges	*-33*	*-216*	*n.m.*	*45*	*-36*	*-28*	*-20.7%*	*n.m.*
Profits (loss) from investments	-208	-720	n.m.	-89	-840	23	n.m.	n.m.
Profit before taxes	-1,743	-1,638	-6.0%	-590	-989	-219	-77.9%	-62.9%
Income Taxes(1)	462	1,503	n.m.	113	110	1,009	n.m.	n.m.
Net profit from discontinued operations	2,136	-1	n.m.	97	-2	0	n.m.	n.m.
Net loss/profit	729	-138	n.m.	-383	-882	788	n.m.	n.m.
FTEs	15,488	14,059	-9.2%	15,488	14,286	14,059	-1.6%	-9.2%
Costs GCC/ Tot. costs	4.2%	3.4%	-0.8p.p.	4.9%	2.9%	3.4%	+0.5p.p.	-1.5p.p.

(1) Income taxes include the net impact from IFRS9 FTA tax effect (+887m in 4Q18), excluding these effects the income taxes would have been +122m in 4Q18 and +616m in FY18.

Non Core – 2021 accelerated Non Core rundown fully on track

Main drivers

- In 4Q18 gross NPEs reduced by 2.0bn Q/Q mainly driven by write-offs and disposals. FY19 gross NPE target of 14.9bn confirmed
- Revenues down 128m FY/FY driven by lower contribution from time value and rundown of the performing portfolio
- LLPs at 921m in FY18 down 4.2% FY/FY, with coverage ratio improving to 64.3% (+7.1p.p. Y/Y)
- Net loss of 804m in FY18

Data in m	*FY17*	*FY18*	*Δ % vs. FY17*	*4Q17*	*3Q18*	*4Q18*	*Δ % vs. 3Q18*	*Δ % vs. 4Q17*
Total revenues	68	-60	n.m.	9	0	-52	n.m.	n.m.
Operating costs	-120	-109	-9.4%	-9	-30	-28	-4.5%	n.m.
Gross operating profit	-51	-168	n.m.	1	-30	-80	n.m.	n.m.
LLPs	-962	-921	-4.2%	-179	-218	-189	-13.4%	+5.4%
Net Operating Profit	-1,013	-1,090	+7.6%	-179	-248	-270	+8.8%	+50.7%
Net loss	-768	-804	+4.6%	-135	-176	-210	+19.4%	+54.9%
Gross customer loans	29,255	18,560	-36.6%	29,255	22,263	18,560	-16.6%	-36.6%
o/w NPEs	*26,025*	*18,556*	*-28.7%*	*26,025*	*20,593*	*18,556*	*-9.9%*	*-28.7%*
o/w Performing	*3,231*	*4*	*n.m.*	*3,231*	*1,670*	*4*	*n.m.*	*n.m.*
NPE coverage ratio	57.2%	64.3%	+7.1p.p.	57.2%	64.3%	64.3%	-0.1p.p.	+7.1p.p.
Net NPEs	11,146	6,625	-40.6%	11,146	7,342	6,625	-9.8%	-40.6%
RWA	21,595	12,129	-43.8%	21,595	14,062	12,129	-13.7%	-43.8%

Agenda

Group – Asset quality significantly improved as part of Transform 2019 Gross NPEs dropped by 38.6bn since 3Q16, down 50 percent

Massive reduction of NPE stock

- Gross NPEs dropped by 38.6bn since 3Q16 (-50.3%) to 38.2bn, Net NPEs down 21.5bn since 3Q16 (-59.1%) to 14.9bn
- 4Q18 gross NPE ratio at 7.7%, reduced by about 7p.p. from 14.7% in 3Q16
- Proactive management of NPE portfolio with about 10bn disposals since 3Q16, of which 7.3bn in Italy, on top of FINO NPE disposal of 17.0bn(1)
- At the same time, Group NPE coverage ratio increased to 61.0% (up by about 8.4p.p. since 3Q16)
- Committed to fully run down Non Core division to zero by 2021

Strong underwriting discipline with very good quality of new business Expected Loss (EL), in line with Risk Appetite

- For the Group, 4Q18 EL on new business at 34bps, below the EL on stock at 38bps
- For CB Italy, 4Q18 EL on new business at 35bps, below the EL on stock at 63bps

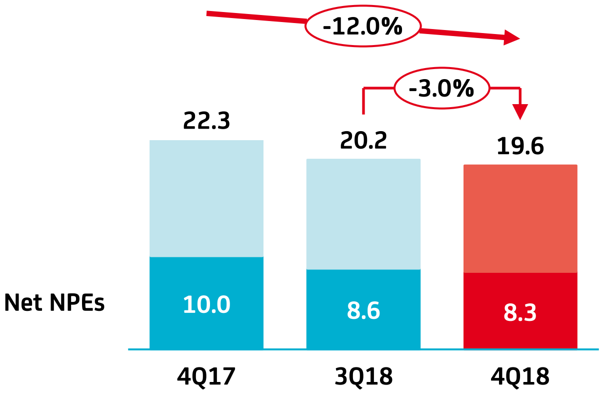
Pro-active and decisive de-risking actions for the benefit of all stakeholders

- Coverage ratio second highest in the sample of Eurozone banks and the highest in Italy(2)
- The estimated impact on CET1 ratio of ECB calendar provisioning on stock is in the low annual single digit basis points

(1) 17.7bn as of June 2016 and 17.0bn as of December 2016, thanks to recoveries activities.
(2) Source: EBA 2018 transparency exercise. For more details on peer comparison see Annex pages 72-74.

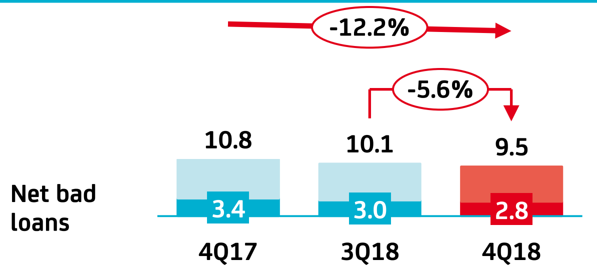
Group Core – Gross NPE ratio 4.1% down 99bps Y/Y
Coverage ratio 57.8% up 2.4p.p. Y/Y

Non performing exposures[(1)], bn



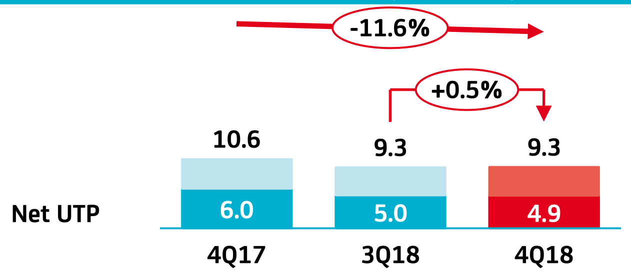
	4Q17	3Q18	4Q18
Gross NPE ratio	5.1%	4.3%	4.1%
Net NPE ratio	2.3%	1.9%	1.8%
Coverage ratio	55.4%	57.3%	57.8%

o.w. Gross bad loans, bn



	4Q17	3Q18	4Q18
Coverage ratio	68.9%	70.3%	70.8%

o.w. Gross unlikely to pay, bn

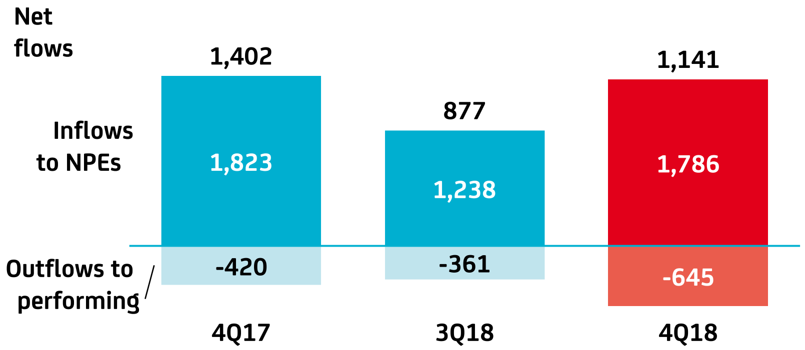


	4Q17	3Q18	4Q18
Coverage ratio	42.9%	45.9%	47.0%

(1) Gross NPEs including gross bad loans, gross unlikely to pay and gross past due. Gross past due at 802m in 4Q18 (-9.9% Q/Q and -14.5% Y/Y).

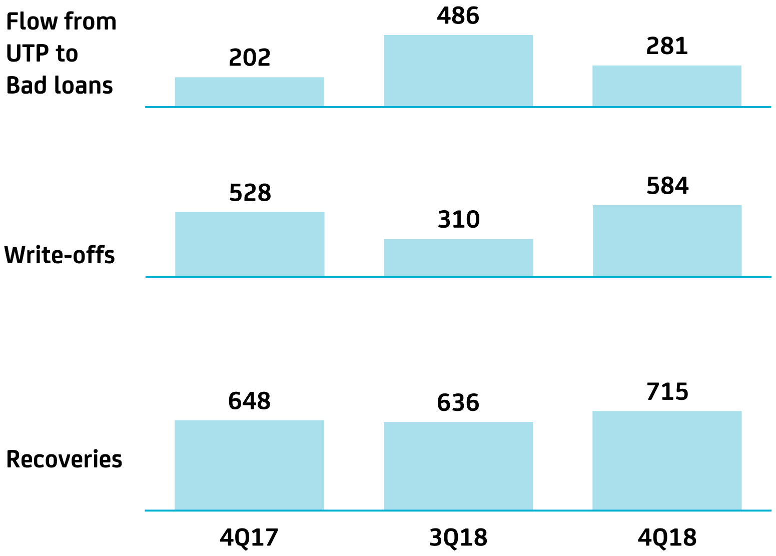
Group Core – Default rate at 1.7% in 4Q18
Cure rate at 11.6%

Group Core(1) – net flows to NPEs, m



	4Q17	3Q18	4Q18
Default rate	1.8%	1.2%	1.7%
Cure rate	6.8%	6.5%	11.6%
Migration rate	7.4%	18.4%	10.6%

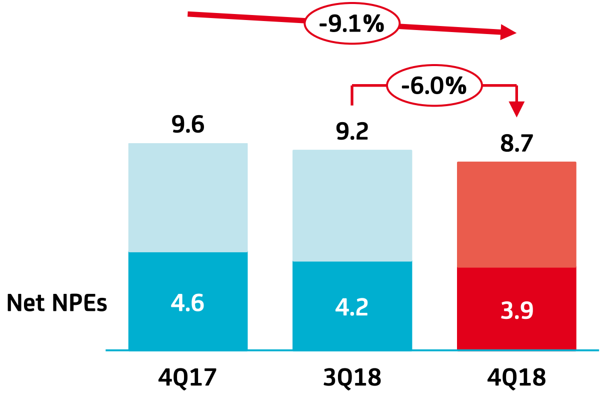
Group Core(1) – loan evolution drivers, m



(1) 3Q18 recasted figures based on new Bankit dynamic methodology.

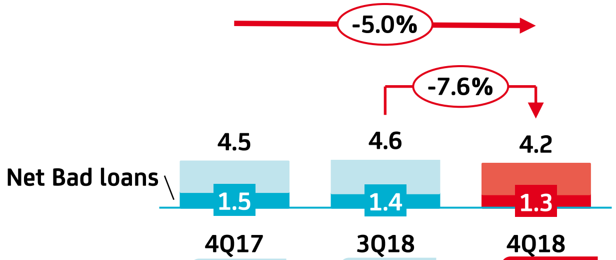
CB Italy – Gross NPE ratio 5.7% down 95bps Y/Y
Coverage ratio 55.5% up 3.3p.p. Y/Y

Non performing exposures[1], bn



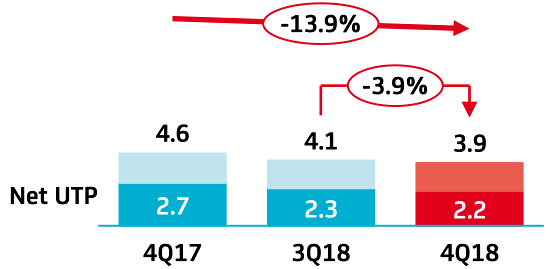
	4Q17	3Q18	4Q18
Gross NPE ratio	6.7%	6.2%	5.7%
Net NPE ratio	3.3%	2.9%	2.7%
Coverage ratio	52.2%	55.0%	55.5%

o.w. Gross bad loans, bn



	4Q17	3Q18	4Q18
Coverage ratio	65.7%	69.5%	69.2%

o.w. Gross unlikely to pay, bn

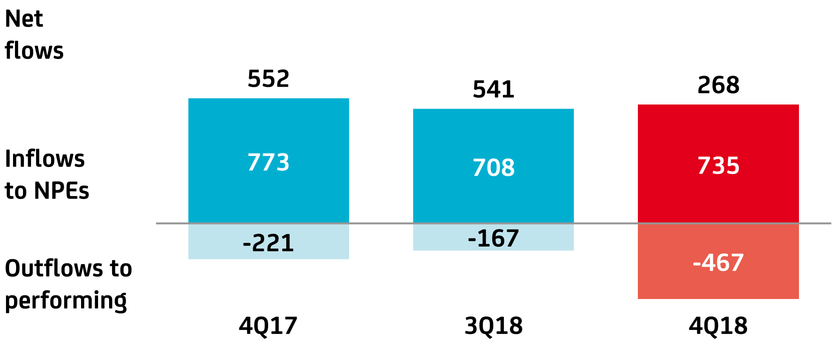


	4Q17	3Q18	4Q18
Coverage ratio	41.2%	42.7%	44.5%

(1) Gross NPEs including gross bad loans, gross unlikely to pay and gross past due. Gross past due at 526m in 4Q18 (-7.4% Q/Q and -3.1% Y/Y).

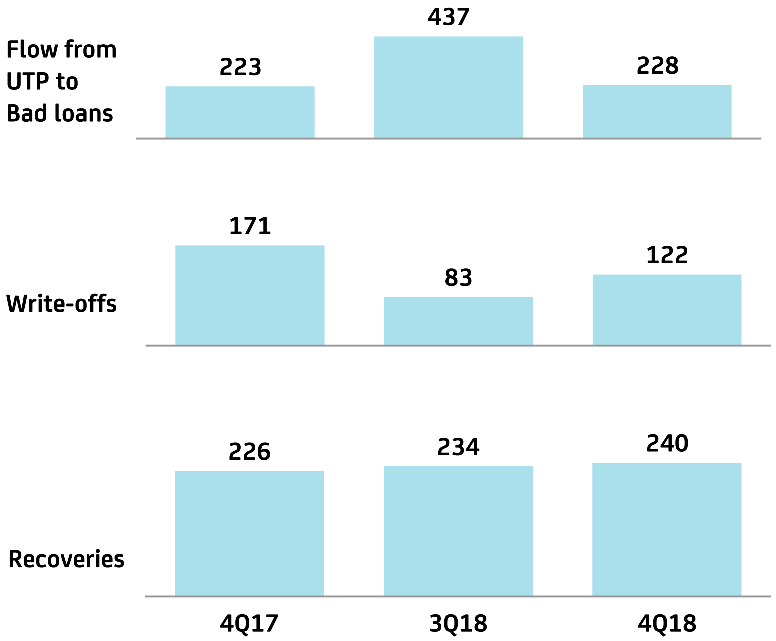
CB Italy – Default rate at 2.2% in 4Q18
Cure rate at 19.5%

CB Italy – net flows to NPEs, m



	4Q17	3Q18	4Q18
Default rate	2.4%	2.1%	2.2%
Cure rate	9.2%	7.0%	19.5%
Migration rate	20.0%	38.3%	20.0%

CB Italy – loan evolution drivers, m

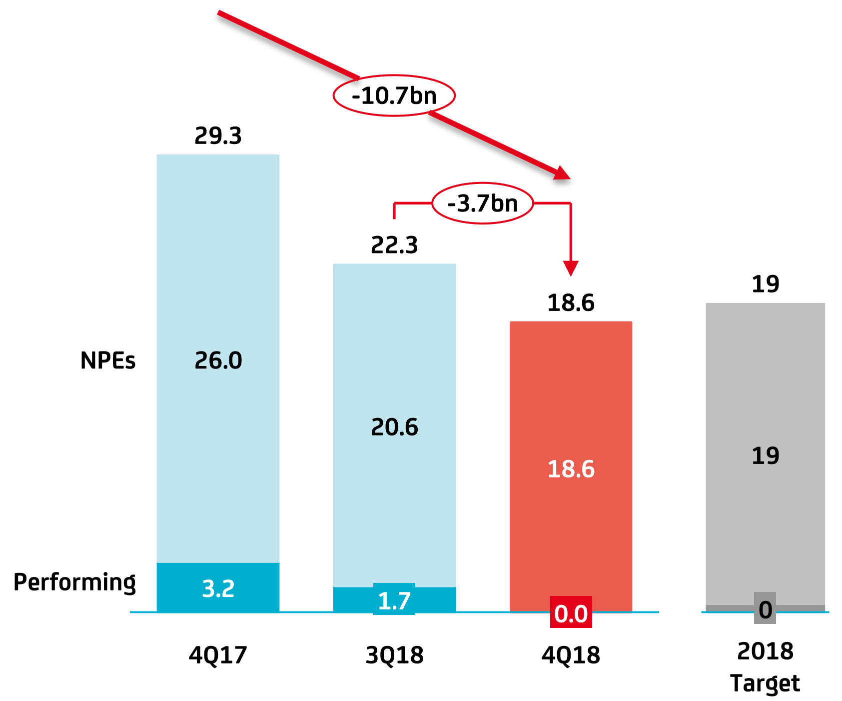


Non Core – Gross loans down to 18.6bn better than target
Performing exposure reduced to zero as per guidance

Actions of Non Core rundown, bn

	4Q18	FY18
Disposals	1.2	2.1
Recoveries	0.4	1.2
Write-offs	0.5	3.3
Back to Core	1.5	2.7
Repayments	0.2	0.5
Other(2)	-	0.9
Total	3.7	10.7

Gross loans(1), bn

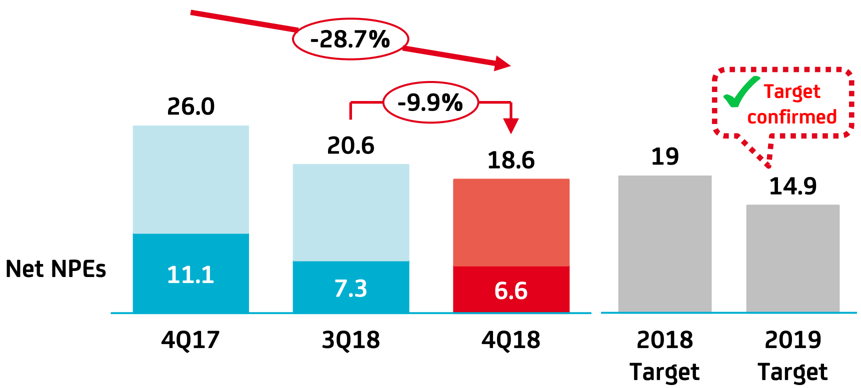


(1) Previous quarters recasted.

(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.

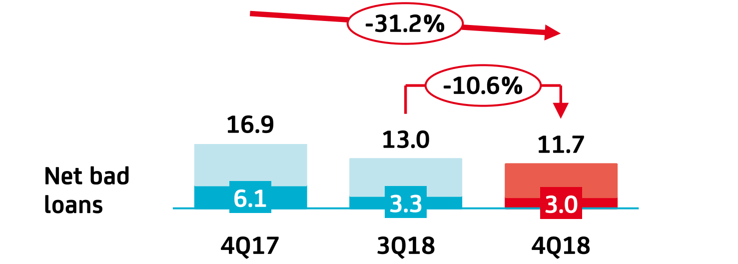
Non Core – Gross NPEs 18.6bn down 28.7% Y/Y and 9.9% Q/Q Coverage ratio 64.3% up 7.1p.p. Y/Y

Non performing exposures(1), bn



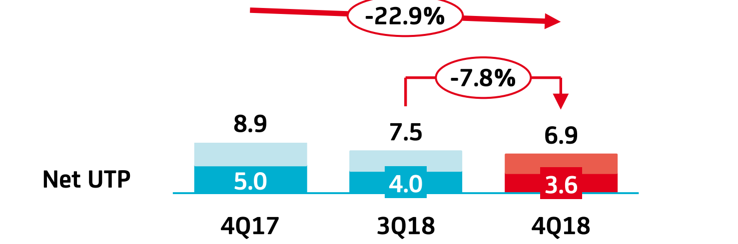
	4Q17	3Q18	4Q18	2019 Target
Gross NPE ratio	89.0%	92.5%	100.0%	100%
Net NPE ratio	78.4%	82.7%	99.9%	100%
Coverage ratio	57.2%	64.3%	64.3%	>57%

o.w. Gross bad loans, bn



	4Q17	3Q18	4Q18
Coverage ratio	64.0%	74.7%	74.2%

o.w. Gross unlikely to pay, bn



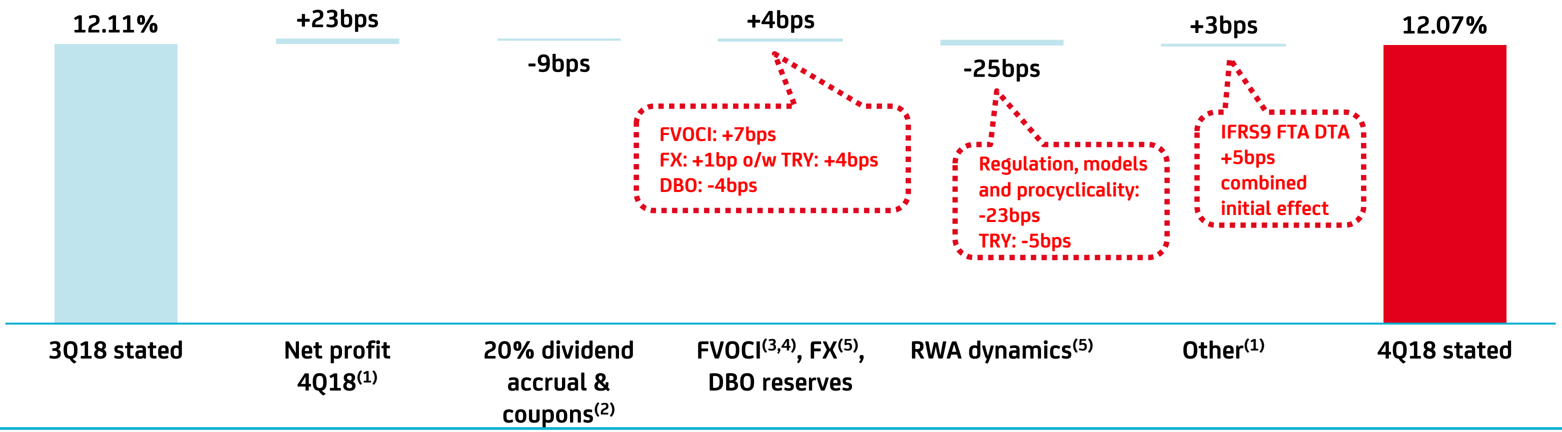
	4Q17	3Q18	4Q18
Coverage ratio	44.4%	46.6%	47.6%

 (1) Gross NPEs including gross bad loans, gross unlikely to pay and gross past due. Gross past due at 38m in 4Q18 (-66.9% Q/Q and -76.9% Y/Y).

Agenda

Group – CET1 ratio at 12.07% as earnings generation compensated impact from regulation, models and procyclicality

Fully loaded Common Equity Tier 1 ratio, %



- FY18 CET1 ratio 12.07% down 4bps Q/Q, as earnings generation compensated the negative impact from regulation, models & procyclicality
- Real estate disposals confirmed, expected +0.2p.p. CET1 ratio impact mainly in 2019
- CET1 ratio for year end 2019 confirmed between 12.0-12.5%, trough expected in 2Q19 at around 11.7%[6]. MDA buffer target of 200-250bps
- UniCredit's CET1 ratio among the best compared to Eurozone and Italian peers in the EBA transparency exercise[7]

(1) +23bps impact from "Net profit 4Q18" on the CET1 ratio excludes the net impact from IFRS9 FTA tax effect (+887m in 4Q18), which is considered in "Other", together with its RWA impact.

(2) In 4Q18 payment of coupons on AT1 instruments (135m pre tax) and CASHES (31m pre and post tax).

(3) In 4Q18 CET1 ratio impact from FVOCI +7bps, o/w +12bps thanks to BTP spread tightening. NB: 3yr BTP asset swap spreads tightened by c.50bps in 4Q18.

(4) BTP sensitivity: +10bps parallel shift of BTP asset swap spreads has a -3.1bps pre and -2.3bps post tax impact on the fully loaded CET1 ratio as at 31 December 2018.

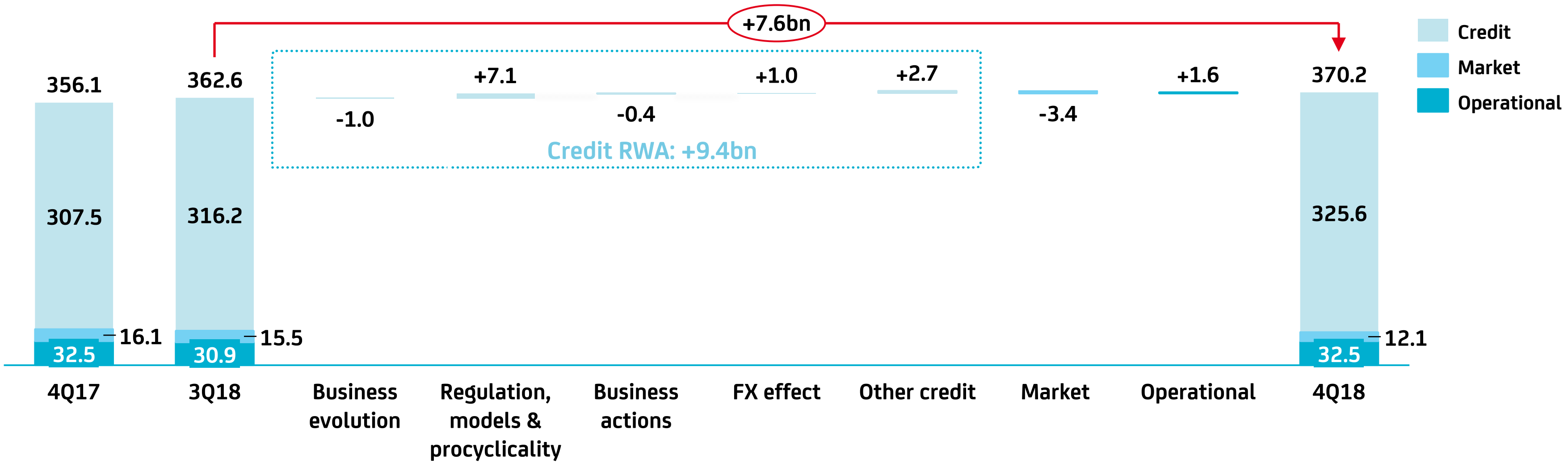
(5) In 4Q18 TRY appreciation had a total net impact on CET1 ratio of -1bp, o/w +3.7bps from capital shown in "FX" and -4.5bps from RWA shown in "RWA dynamics".

(6) At current BTP spread levels.

(7) Source: EBA 2018 transparency exercise. For more details on peer comparison see Annex pages 72-74.

Group – RWA up 7.6bn Q/Q due to additional regulation, models and procyclicality

RWA transitional[1] Q/Q, bn

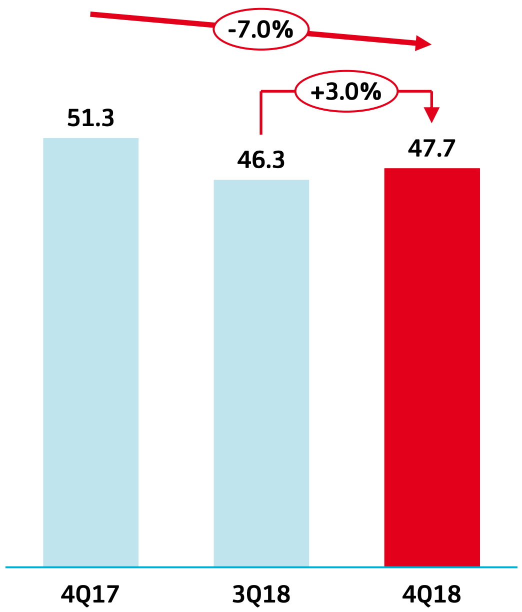


- Credit RWA up 9.4bn Q/Q mainly due to additional regulation, models & procyclicality
- Market RWA down 3.4bn Q/Q thanks to lower inventories from market making activities
- Operational RWA up 1.6bn Q/Q mainly due to the inclusion of the charges for US sanctions

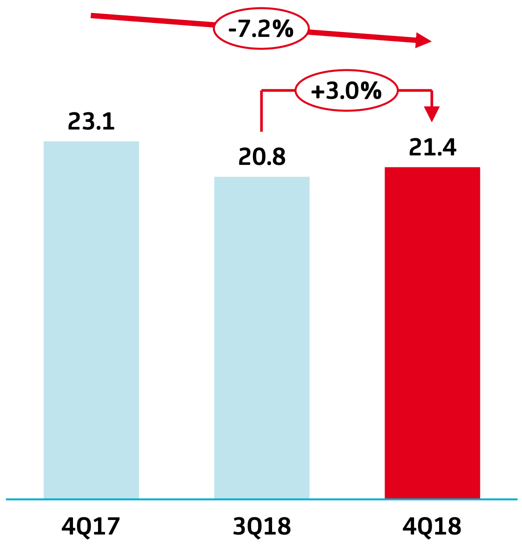
(1) Business evolution: changes related to customer driven activities (mainly loans); Regulation: changes (eg. CRR or CRD) determining variations of RWA; Procyclicality: change in macroeconomy or client's credit worthiness; Models: methodological changes to existing or new models; Business actions: initiatives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

Group – 4Q18 tangible equity 47.7bn up 3.0% from trough in 3Q18

Tangible equity (eop), bn



Tangible book value per share(1)



(1) End of period tangible book value per share equals end of period tangible equity divided by end of period number of shares (2,226m in 4Q17, 2,230m in 3Q18 and 2,230m in 4Q18, excluding treasury shares).

Group – TLAC subordination ratio 18.13% pro-forma[1], 107bps buffer

UniCredit SpA 2019 TLAC Funding Plan

	Target FY 2019		bn	Funding 2019	o/w to be issued[2]
TLAC Requirement >19.6%	**20.1-20.6%**				
Senior Preferred exemption	**2.5%**	TLAC buffer target 50-100bps		2.5	2.5
Subordination req. >17.1%	**17.6-18.1%**				
Senior Non Preferred & Other[3]				3.2	0.6
Tier 2	**2.0%**			2.3	2.3
AT1	**1.5%**	CET1 MDA buffer target 200-250bps		1.0	1.0
CET1 ratio (Trans.)	**12.0-12.5%**		***Total***	**9.0**	**6.4**
RWA	**406bn**		***o/w subordinated***	***6.5***	***3.9***

- 2019 TLAC funding plan 9.0bn, o/w 2.6bn already issued, only 3.9bn of subordinated instruments to be issued[2]
- Fully compliant with TLAC subordination requirements of >17.1%. 4Q18 TLAC subordination ratio 17.42%, pro-forma[1] 18.13%, buffer at 107bps[1]. Target buffer 50-100bps
- MREL subordination requirement already achieved[1]

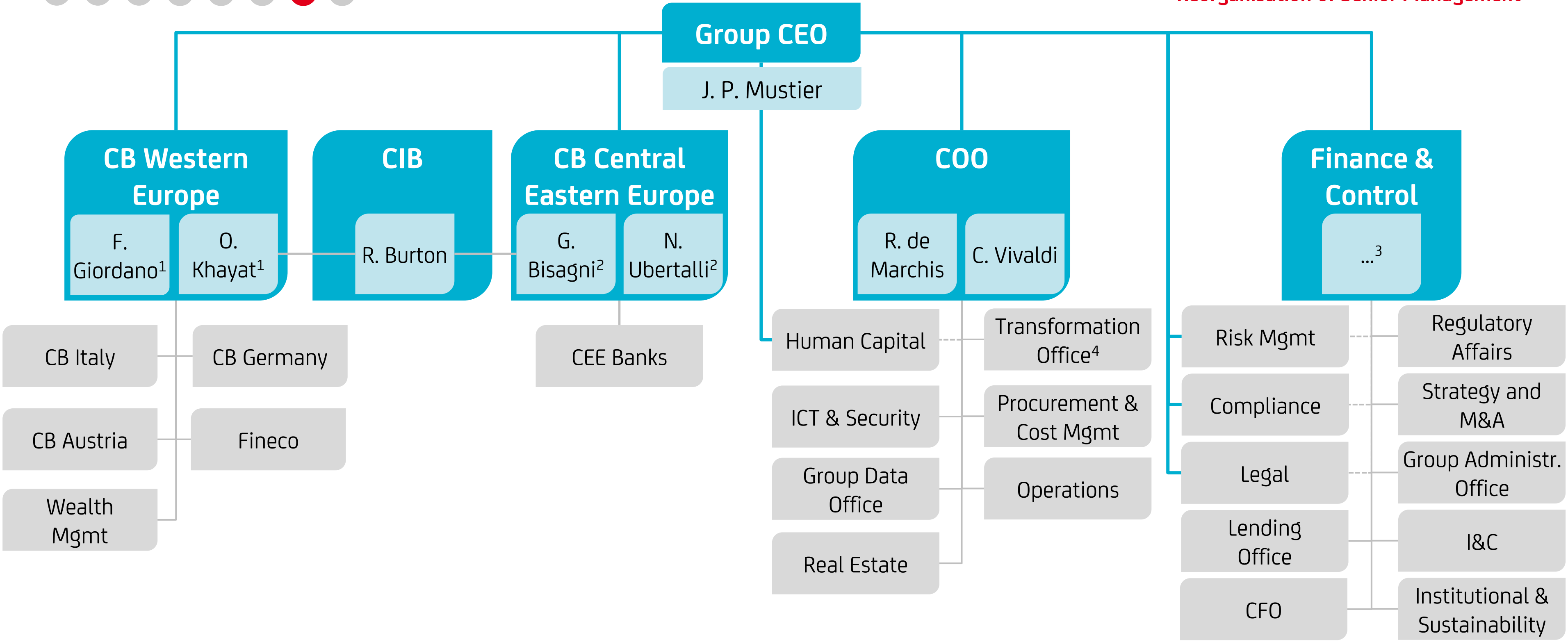
(1) Managerial figures under current regulatory assumptions including USD 3bn senior non-preferred issuance in January 2019.

(2) As of 25 January 2019.

(3) Not computable portion of subordinated instruments.

Agenda

UniCredit reorganises senior management team to prepare for next strategic cycle



1. Co-CEO Commercial Banking, Western Europe.
2. Co-CEO Commercial Banking, CEE. N. Ubertalli will take his function once the proper transition from his current role as Deputy CEO in Yapi Kredi has been defined.
3. Ad interim covered by Group CEO.
4. Ms. Kuetz will become deputy COO.

Strong FY18 performance puts UniCredit on track for the last stretch of Transform 2019 marathon

Core bank performing very well resulting in high profitability

- FY18 adjusted RoTE at 10.1%, up 1.0p.p. FY/FY[(1)], regardless of large additional provisions for US sanctions
- FY18 net operating profit 7.5bn, up 12.3% FY/FY
- FY18 gross NPE ratio 4.1%, down 99bps Y/Y, ahead of plan

Transform 2019 well ahead of schedule

- Achieved 100% of FTE and 93% of branch reduction targets. Both targets expected to be exceeded in 2019
- FY18 Group costs at 10.7bn, better than 11.0bn target. FY19 10.4bn target confirmed
- FY18 Non Core gross NPEs 18.6bn down 7.5bn Y/Y, net NPEs 6.6bn, ahead of plan. FY19 14.9bn target confirmed
- Accelerated 2021 Non Core rundown fully on track

Outlook FY19

- FY19 revenues 19.8bn, CoR 55bps confirmed
- FY19 net profit 4.7bn, RoTE >9% and Core RoTE >10% confirmed
- Tangible equity to grow throughout FY19
- CET1 ratio for year end 2019 confirmed between 12.0-12.5%. Target buffers: CET1 MDA 200-250bps, TLAC 50-100bps

3 December 2019: New Strategic Plan presentation in London

(1) Group and Group Core adjusted net profit and RoTE exclude the net impact from Pekao and Pioneer disposals (-310m in 2Q17,+2.1bn in 3Q17 and +93m in 4Q17), net profit from Pekao and Pioneer (+48m in 1Q17, +72m in 2Q17, +3m in 3Q17 and +7m in 4Q17), one-off charge booked in Non Core (-80m in 3Q17), impairment of Yapi (-846m in 3Q18) and IFRS9 FTA tax effect (+887m in 4Q18), but net profit and RoTE are not adjusted for large additional provisions for US sanctions in FY18. RoTE calculated at CMD 2016 perimeter, taking into account the capital increase and Pekao and Pioneer disposals as at 1 January 2017.

Agenda

Group – 2017 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
2Q	Atlante 1 impairment	-135	GCC
2Q	Release of tax provision	+170	CB Germany

2017

		Net Profit, m	Division
3Q	Pioneer disposal	+2.1bn	GCC
3Q	One-off charge in Non Core	-80	Non Core
3Q	Pioneer net profit(1)	+3	GCC
3Q	Capital gain	+38	CB Germany
3Q	Tax effects	+17	CB Austria
3Q	Real Estate disposal	+65	CB Austria
3Q	Capital gain	+84	CIB
4Q	Pioneer net profit(1)	+7	GCC
4Q	Pioneer/Pekao disposal	+93	GCC
4Q	Capital gain	+28	CB Germany

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, 3Q17 and 4Q17 adjusted net profit also takes into account Pekao and Pioneer net profit.

Group – 2018 non-recurring items

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
4Q	Release of tax provision	+147	CB Germany
4Q	IFRS9 FTA tax effect	+887	GCC

Used to calculate Group and Group Core adjusted net profit

Used to calculate normalised RoAC for divisions

Divisional monitoring KPIs for Group, Group Core and Non Core

	Group		Group Core		Non Core	
	FY18	FY19	FY18	FY19	FY18	FY19
Revenues, bn	19.7	19.8	19.8		-0.1	0.0
Cost, bn	-10.7	-10.4	-10.6		-0.1	-0.1
Cost/Income, %	54.2	52-53	53.5		n.m.	n.m.
LLP, bn	-2.6	-2.6	-1.7		-0.9	-0.6
Cost of Risk, bps	58	55	38	43	n.m.	n.m.
Net Profit, bn	3.9	4.7	4.7		-0.8	-0.5
RWA, bn	370.2	406	358.1		12.1	20.8
RoTE(1), %	8.0	>9	10.1	>10		
FL CET1 ratio, %	12.07	12.0-12.5				
Loans(2), bn	433.6	444	426.9			
Deposits(2), bn	422.0	404	421.5			
Gross Loans, bn	497.7	505	479.1	490	18.6	14.9
Gross NPE, bn	38.2	37.9	19.6	23.0	18.6	14.9
Net NPE, bn	14.9	16.6	8.3	10.2	6.6	6.4
Gross NPE Ratio, %	7.7	7.5	4.1	4.7	100.0	100
Net NPE Ratio, %	3.2	3.5	1.8	2.2	99.9	100
NPE Coverage, %	61.0	>54	57.8	>51	64.3	>57
UTP Coverage, %	47.3	>38	47.0	>39	47.6	>38
Bad Loans Coverage, %	72.6	>63	70.8	>64	74.2	>63

(1) RoTE calculated at CMD 2016 perimeter excludes the impairment of Yapi (-846m in 3Q18) and IFRS9 FTA tax effect (+887m in 4Q18) taking into account the capital increase and Pekao and Pioneer disposals as at 1 January 2017, but RoTE is not adjusted for large additional provisions for US sanctions in FY18.

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

Divisional monitoring KPIs(1) by division

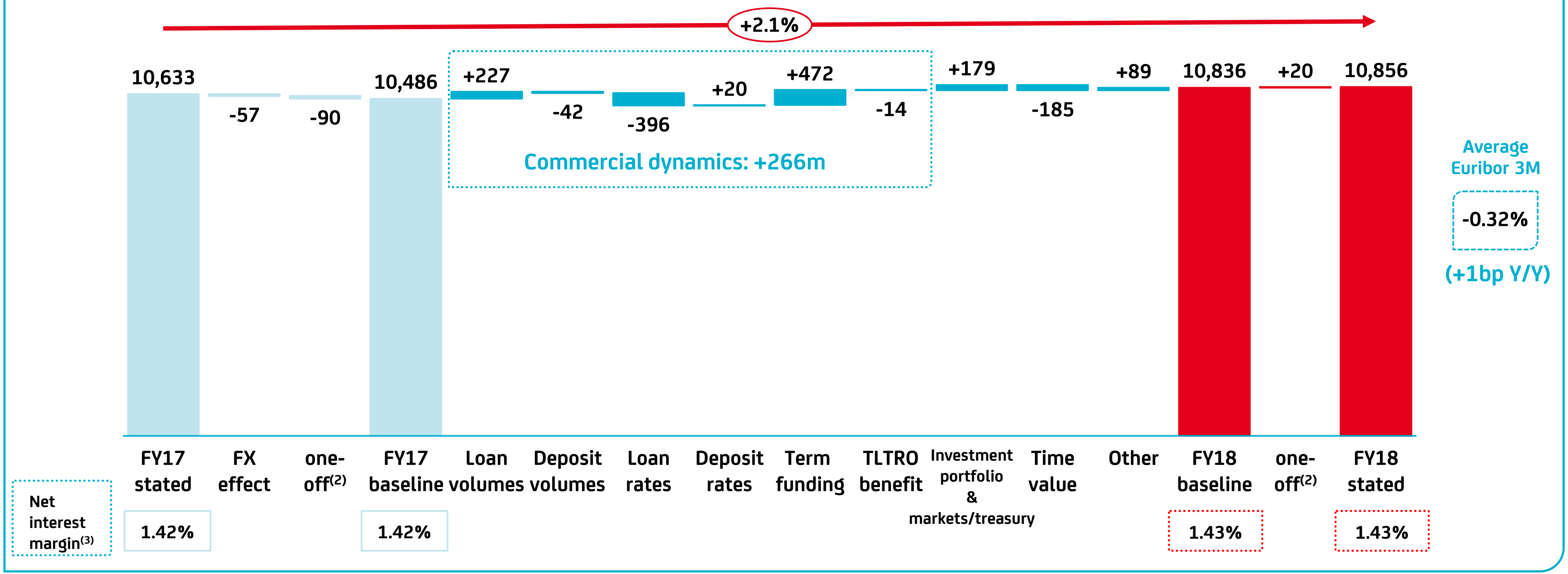
	CB Italy		CB Germany		CB Austria		CEE		CIB		GCC	
	FY18	FY19	FY18	FY19	FY18	FY19	FY18	FY19	FY18	FY19	FY18	FY19
Revenues, bn	7.3	7.5	2.5	2.5	1.6	1.6	4.3	4.4	3.8	3.9	-0.2	0.0
Cost, bn	-4.1	-4.0	-1.7	-1.7	-1.0	-1.0	-1.6	-1.6	-1.6	-1.6	-0.4	-0.4
Cost/Income, %	56.9	52.6	69.0	67.0	65.3	63.3	36.7	36.9	41.0	40.2	n.m.	n.m.
Cost of Risk, bps	74	58	17	15	-5	16	73	102	7	21	37	n.m.
RWA, bn	94.9	105.2	36.1	36.2	23.3	22.5	86.3	99.1	81.0	87.5	34.1	31.0
RoAC, %	12.1	12.9	8.1	9.1	16.0	13.3	15.7	13.4	9.0	11.7	n.m.	n.m.
Loans(2), bn	145.6	149.3	84.5	89.0	45.0	47.6	65.3	68.2	80.4	78.7	3.3	
Gross NPE ratio, %	5.7	5.3	1.8	2.8	3.9	4.3	6.4	7.2	2.5	4.1		
Net NPE Ratio, %	2.7		0.9		1.8		2.2		1.1			
NPE Coverage, %	55.5	>52	48.7	>46	55.3	>59	66.9	>59	57.5	>43		
UTP Coverage, %	44.5	>38	32.0	>29	28.9	>37	57.0	>47	48.8	>34		
Bad Loans Coverage, %	69.2	>68	50.1	>54	85.6	>80	86.8	>72	68.8	>51		

(1) 2019 targets as per CMD 2017.

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

Group – Net interest at 10.9bn in FY18, up 2.1% FY/FY thanks to commercial dynamics

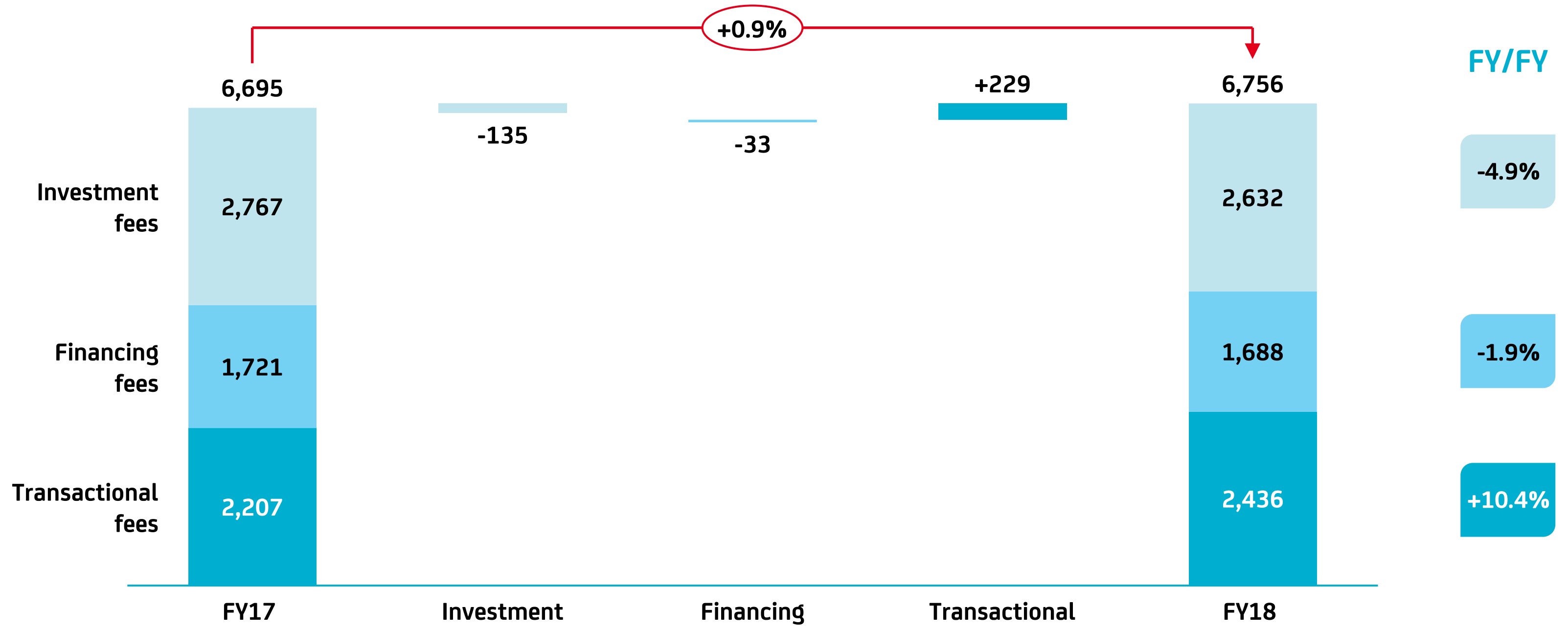
Net interest[1] FY/FY, m



(1) Net contribution from hedging strategy of non-maturity deposits in FY18 at 1,519m, -5.1m FY/FY.
(2) Release of a tax provision in net interest line in 2Q17 (+90m) and in 4Q18 (+20m), both in CB Germany.
(3) Net interest margin calculated as interest income divided by interest earning assets minus interest expenses divided by interest bearing liabilities.

Group – Resilient fees up 0.9% FY/FY mainly thanks to transactional fees (+10.4% FY/FY)

Fees FY/FY (1), m



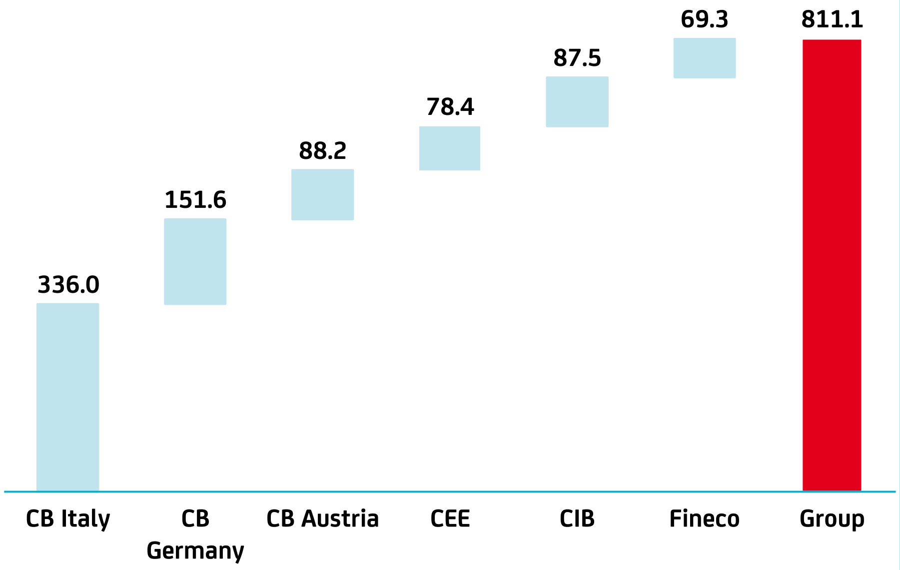
(1) All 2017 figures have been restated for the consolidation effects arising from the intercompany fees relating to Bank Pekao and Pioneer, which until 2Q17 were classified as held for sale, in accordance with IFRS5.

TFAs – Divisional breakdown

Main drivers

- Group TFAs down by 12.1 bn (-1.5% Y/Y) to 811.1bn in 4Q18:
  - CB Italy: TFAs down by 9.2bn (-2.7% Y/Y) to 336bn, due to lower AuM (-5.2% Y/Y) offset by higher deposit (+3.6% Y/Y)
  - CB Germany: TFAs down by 1.6bn (-1.0% Y/Y) to 151.6bn. AuM (+6.3% Y/Y) performed very well
  - CB Austria: TFAs down by 0.9bn (-1.0.% Y/Y) to 88.2bn
  - CEE: TFAs up by 7.4% Y/Y at constant FX supported by higher deposits (+5.4% Y/Y at constant FX)
  - CIB: TFAs down by 5.5bn (-5.9% Y/Y) to 87.5bn due to lower AuC (-8.2% Y/Y)
  - Fineco: TFAs up by 2.2bn (+3.2% Y/Y) to 69.3bn, mainly thanks to increased deposits (+10.7% Y/Y)

4Q18 TFAs[(1)] divisional breakdown, bn



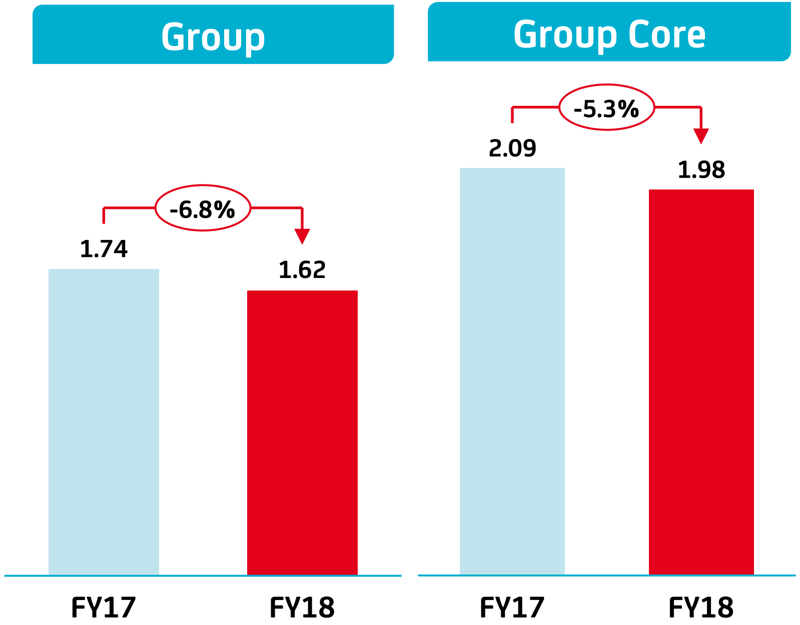
(1) Refers to Group Commercial Total Financial Assets. Non-commercial elements, i.e. Group Corporate Centre, Non-Core, Leasing/Factoring and Market Counterparts, are excluded. Numbers are managerial figures.

Systemic charges – Breakdown by type and division

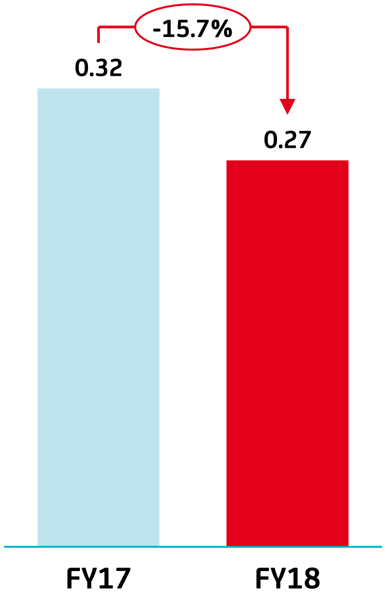
FY18	Systemic Charges	o/w SRF	o/w DGS	o/w Bank levies
CB Italy	**128**	46	81	1
CB Germany	**61**	32	29	0
CB Austria	**99**	31	17	51
CEE	**165**	74	66	25
CIB	**135**	111	10	15
Fineco	**14**	0	14	0
GCC	**216**	97	8	111
Non Core	**28**	24	0	4
Group	**846**	415	224	207

Group – Adjusted[1] FY18 Core earnings per share at 1.98

Adjusted[1] earnings per share



Dividends per share[2]



(1) Group and Group Core adjusted net profit exclude the net impact from Pekao and Pioneer disposals (-310m in 2Q17,+2.1bn in 3Q17 and +93m in 4Q17), net profit from Pekao and Pioneer (+48m in 1Q17, +72m in 2Q17, +3m in 3Q17 and +7m in 4Q17), one-off charge booked in Non Core (-80m in 3Q17), impairment of Yapi (-846m in 3Q18), IFRS9 FTA tax effect (+887m in 4Q18) and the payment of coupons for AT1 net of tax (176m in FY17 and 242m in FY18), but net profit is not adjusted for large additional provisions for US sanctions in FY18; average number of shares 1,957m in FY17 and 2,230m in FY18, excluding treasury shares.

(2) Dividend proposed to AGM, 20% payout on stated net profit excluding the net impact from IFRS9 FTA tax effect (+887m in 4Q18). For FY17 0.32 per share equal to 0.7bn was paid. For FY19 payout ratio of 30%.

Yapi – Net operating profit 434m in FY18 up 27.9% FY/FY at constant FX

Main drivers[1]

- Net interest up 46.8% FY/FY at constant FX, thanks to higher business volumes (loans and deposits) as well as higher income from inflation-linked bonds
- Fees up 28.3% FY/FY at constant FX, driven by all fee types
- Costs up 11.6% FY/FY at constant FX, driven by inflation
- CoR at 253bps in FY18, up 124bps FY/FY driven by increased Stage 2 loan classification and higher NPL inflows
- Net operating profit 434m in FY18, up 27.9% FY/FY at constant FX thanks to higher net interest more than compensating higher LLPs
- Net profit 299m in FY18, up 30.8% FY/FY at constant FX
- FX loans to total loans at 45.4%
- RoAC at 9.7% in FY18

Data in m [1]	*FY17*	*FY18*	*Δ % vs. FY17 constant*	*4Q17*	*3Q18*	*4Q18*	*Δ % vs. 3Q18 constant*	*Δ % vs. 4Q17 constant*
Total revenues	1,192	1,254	+44.7%	294	304	364	+13.1%	+70.5%
o/w Net interest	*915*	*974*	*+46.8%*	*243*	*255*	*280*	*+5.6%*	*+60.1%*
o/w Fees	*269*	*250*	*+28.3%*	*62*	*50*	*59*	*+6.1%*	*+31.9%*
Operating costs	-469	-380	+11.6%	-121	-85	-95	+3.5%	+9.5%
Gross operating profit	723	874	+66.2%	172	219	269	+17.0%	n.m.
LLPs	-260	-440	n.m.	-70	-152	-174	+16.1%	n.m.
Net operating profit	463	434	+27.9%	102	67	94	+18.5%	+29.6%
Net profit	311	299	+30.8%	49	24	92	n.m.	n.m.
RoAC	8.9%	9.7%	+0.7p.p.	5.9%	3.2%	12.7%	+9.5p.p.	+6.8p.p.
C/I	39.3%	30.3%	-9.0p.p.	41.3%	27.8%	26.0%	-1.8p.p.	-15.3p.p.
CoR (bps)	129	253	+124	143	361	444	+83	+302
FX loans/Total loans	40.0%	45.4%	+538bps	40.0%	50.1%	45.4%	-469bps	+538bps
Gross NPE ratio[2]	4.9%	7.3%	+240bps	4.9%	5.9%	7.3%	+139bps	+240bps

(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 303m in FY18 down 5.2% FY/FY at constant FX

Main drivers[1]

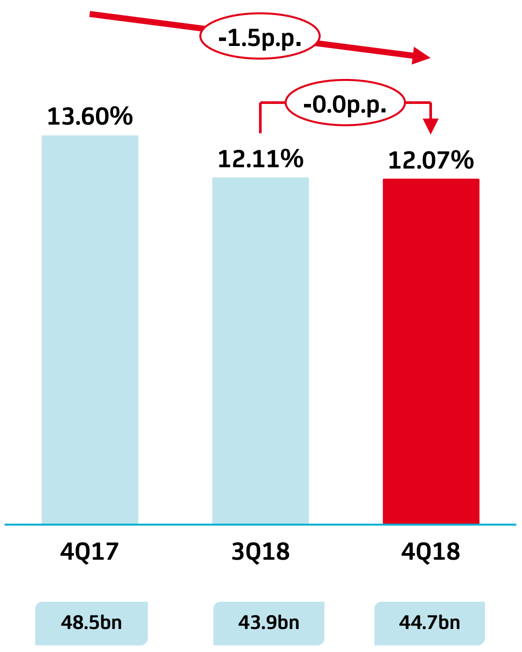
- Net interest down 1.6% FY/FY at constant FX mainly due to lower loan rates partially compensated by lower deposits cost
- Fees up 24.7% FY/FY at constant FX, mainly thanks to financing fees (+45.6% FY/FY)
- FY18 C/I ratio at 35.5%, up 2.6p.p. FY/FY
- CoR at 134bps in FY18, down 32bps FY/FY
- Net operating profit 303m in FY18, down 5.2% FY/FY at constant FX due to lower revenues
- Net profit 221m in FY18, down 9.6% FY/FY at constant FX
- RoAC at 13.0% in FY18

Data in m [1]	*FY17*	*FY18*	*Δ % vs. FY17 constant*	*4Q17*	*3Q18*	*4Q18*	*Δ % vs. 3Q18 constant*	*Δ % vs. 4Q17 constant*
Total revenues	779	675	-3.0%	182	143	159	+9.7%	-3.8%
o/w Net interest	*631*	*553*	*-1.6%*	*162*	*130*	*138*	*+5.2%*	*-5.8%*
o/w Fees	*106*	*118*	*+24.7%*	*27*	*29*	*30*	*+2.6%*	*+22.7%*
Operating costs	-256	-239	+4.9%	-66	-59	-59	-0.9%	-0.5%
Gross operating profit	522	435	-6.8%	116	84	100	+17.0%	-5.7%
LLPs	-165	-132	-10.4%	-55	-26	-23	-13.7%	-52.5%
Net operating profit	357	303	-5.2%	61	57	77	+31.4%	+35.1%
Net profit	272	221	-9.6%	45	42	50	+17.8%	+20.5%
RoAC	15.7%	13.0%	-2.7p.p.	9.8%	10.5%	12.2%	+1.7p.p.	+2.5p.p.
C/I	32.9%	35.5%	+2.6p.p.	36.0%	41.3%	37.1%	-4.3p.p.	+1.0p.p.
CoR (bps)	166	134	-32	230	110	90	-19	-139
FTEs	4,109	4,119	+0.2%	4,109	4,135	4,119	-0.4%	+0.2%
Gross NPE ratio	7.8%	7.1%	-66bps	7.8%	8.2%	7.1%	-108bps	-66bps

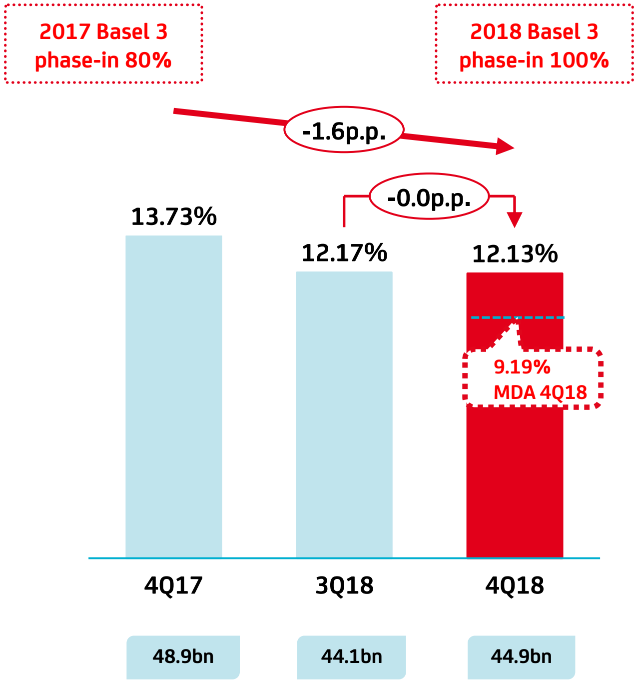
(1) Stated numbers at current FX. Variations Q/Q and Y/Y at constant FX (RoAC, C/I, gross NPE ratio and CoR variations at current FX).

Group – CET1 capital fully loaded and CET1 transitional

CET1 fully loaded



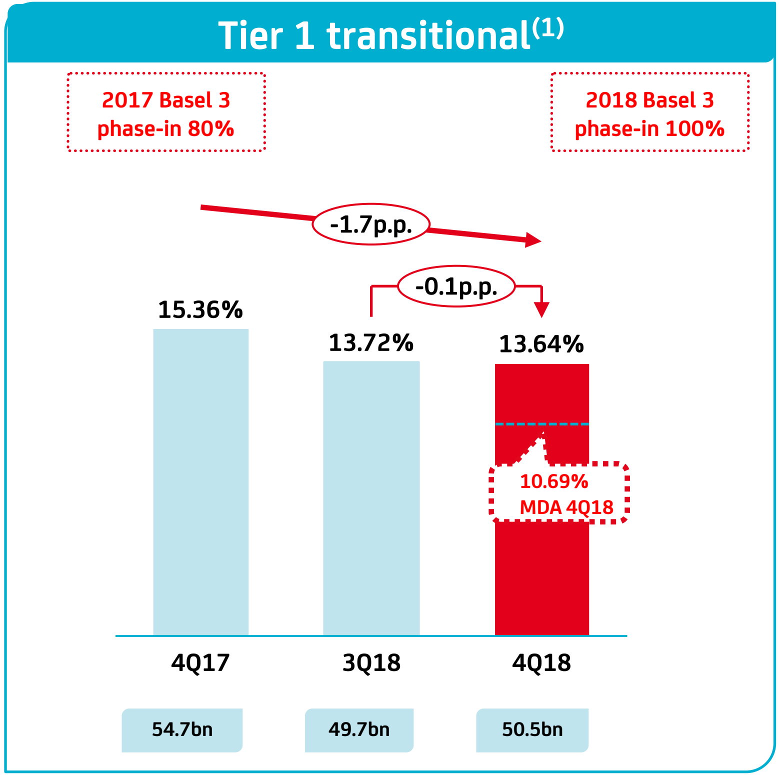
CET1 transitional[(1)]

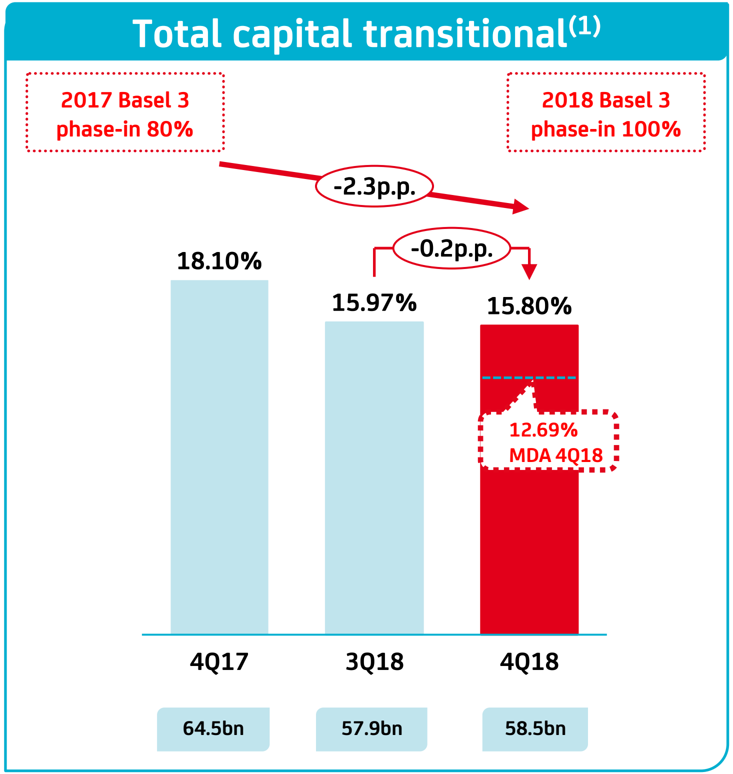


(1) Phase-in of net liability related to Defined Benefit Obligation at 60% in 2017 and 80% in 2018.

Absolute amount for CET1 fully loaded and CET1 transitional.

Group – Tier 1 transitional and total capital ratios well above MDA levels



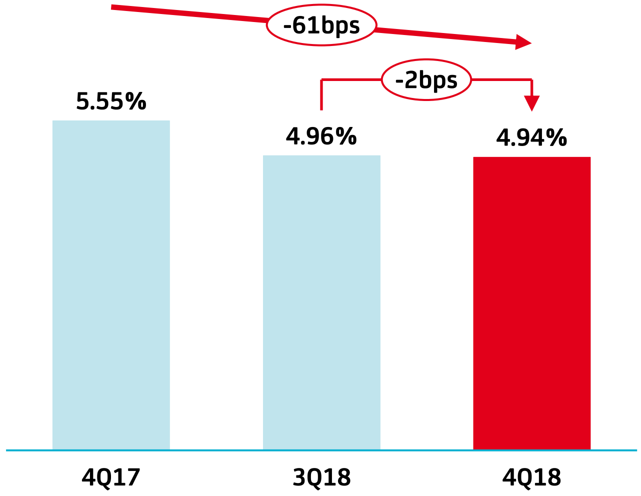


(1) Phase-in of net liability related to Defined Benefit Obligation at 60% in 2017 and 80% in 2018.

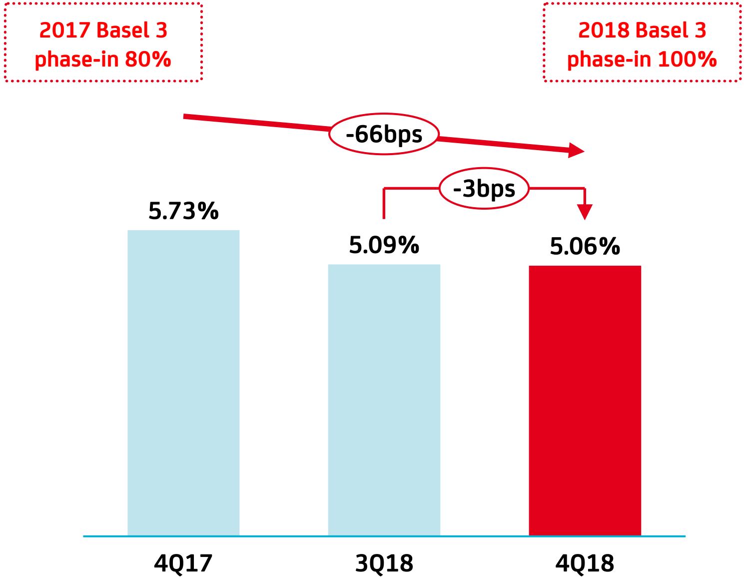
Absolute amount for Tier1 capital transitional and total capital transitional.

Group – Leverage ratio fully loaded at 4.9%

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.

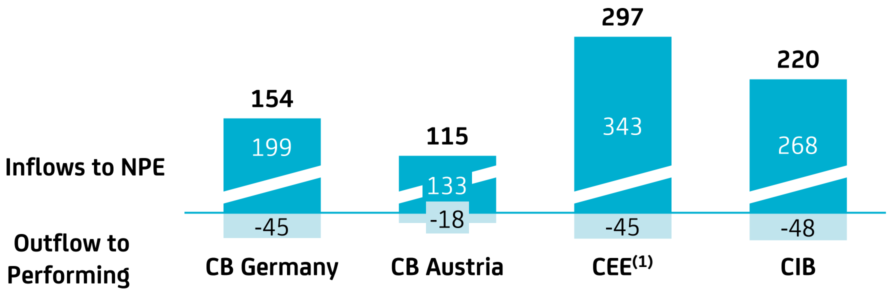
Asset quality by division

4Q18	Group	Group Core	CB Italy	CB Germany	CB Austria	CEE	CIB	Non Core
Gross loans, bn	**497.7**	479.1	151.7	85.7	47.1	69.3	123.6	18.6
Gross NPE, bn	**38.2**	19.6	8.7	1.6	1.8	4.4	3.1	18.6
Net NPE, bn	**14.9**	8.3	3.9	0.8	0.8	1.5	1.3	6.6
Gross NPE ratio,%	**7.7**	4.1	5.7	1.8	3.9	6.4	2.5	100.0
Net NPE ratio,%	**3.2**	1.8	2.7	0.9	1.8	2.2	1.1	99.9
NPE coverage,%	**61.0**	57.8	55.5	48.7	55.3	66.9	57.5	64.3
Bad loans coverage,%	**72.6**	70.8	69.2	50.1	85.6	86.8	68.8	74.2
UTP coverage,%	**47.3**	47.0	44.5	32.0	28.9	57.0	48.8	47.6

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

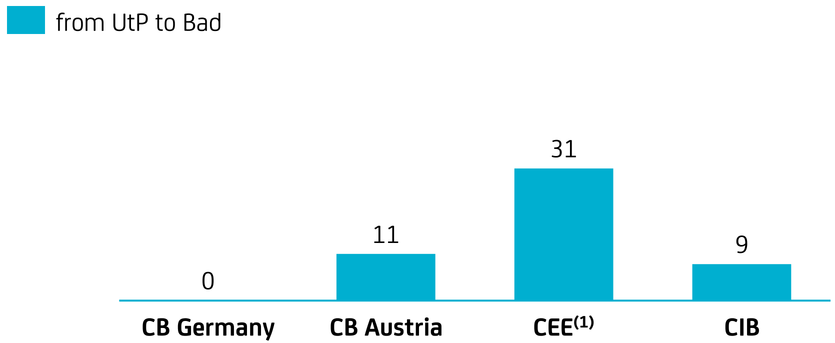
Net flows to NPEs, recoveries and write-offs – 4Q18, m

	CB Germany	CB Austria	CEE(1)	CIB
Recoveries	132	101	178	80
Write-off	36	26	274	98



	CB Germany	CB Austria	CEE(1)	CIB
Default rate, %	1.0%	1.2%	2.3%	1.1%
Cure rate, %	9.8%	3.4%	3.6%	5.2%

Migrations from Unlikely-to-pay to Bad loans – 4Q18, m



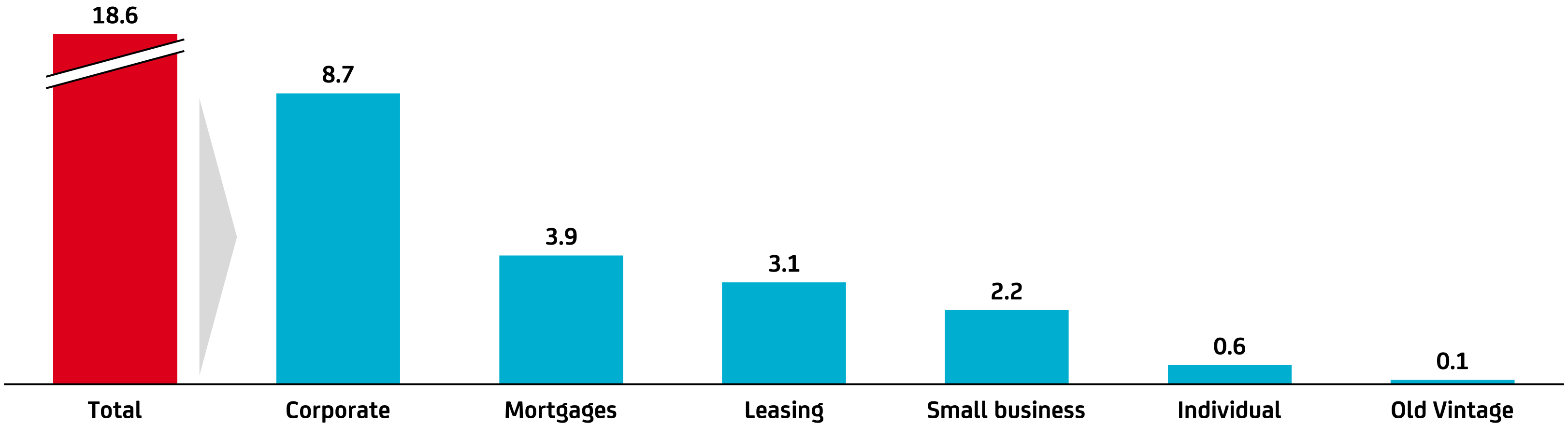
	CB Germany	CB Austria	CEE(1)	CIB
Migration rate, %	0.0%	4.3%	4.5%	1.7%

(1) Including Profit Center Milan.

Asset quality – Non Core gross NPEs breakdown by asset class

Non Core gross NPEs, bn

Data as of 4Q18



Asset quality – Forborne exposures by region

Forborne loans(1), bn

GROUP

	4Q17	3Q18	4Q18
Total	22.9	20.4	19.7
NPEs	16.6	15.0	14.2
Performing Exposure	6.4	5.5	5.5
Coverage ratio	33.9%	38.3%	39.5%

ITALY

	4Q17	3Q18	4Q18
Total	15.3	14.3	13.5
NPEs	11.1	10.7	10.0
Performing Exposure	4.1	3.6	3.5
Coverage ratio	34.1%	38.7%	40.1%

AUSTRIA

	4Q17	3Q18	4Q18
Total	1.0	0.9	0.9
NPEs	0.7	0.6	0.6
Performing exposure	0.3	0.3	0.3
Coverage ratio	35.0%	33.2%	33.4%

GERMANY

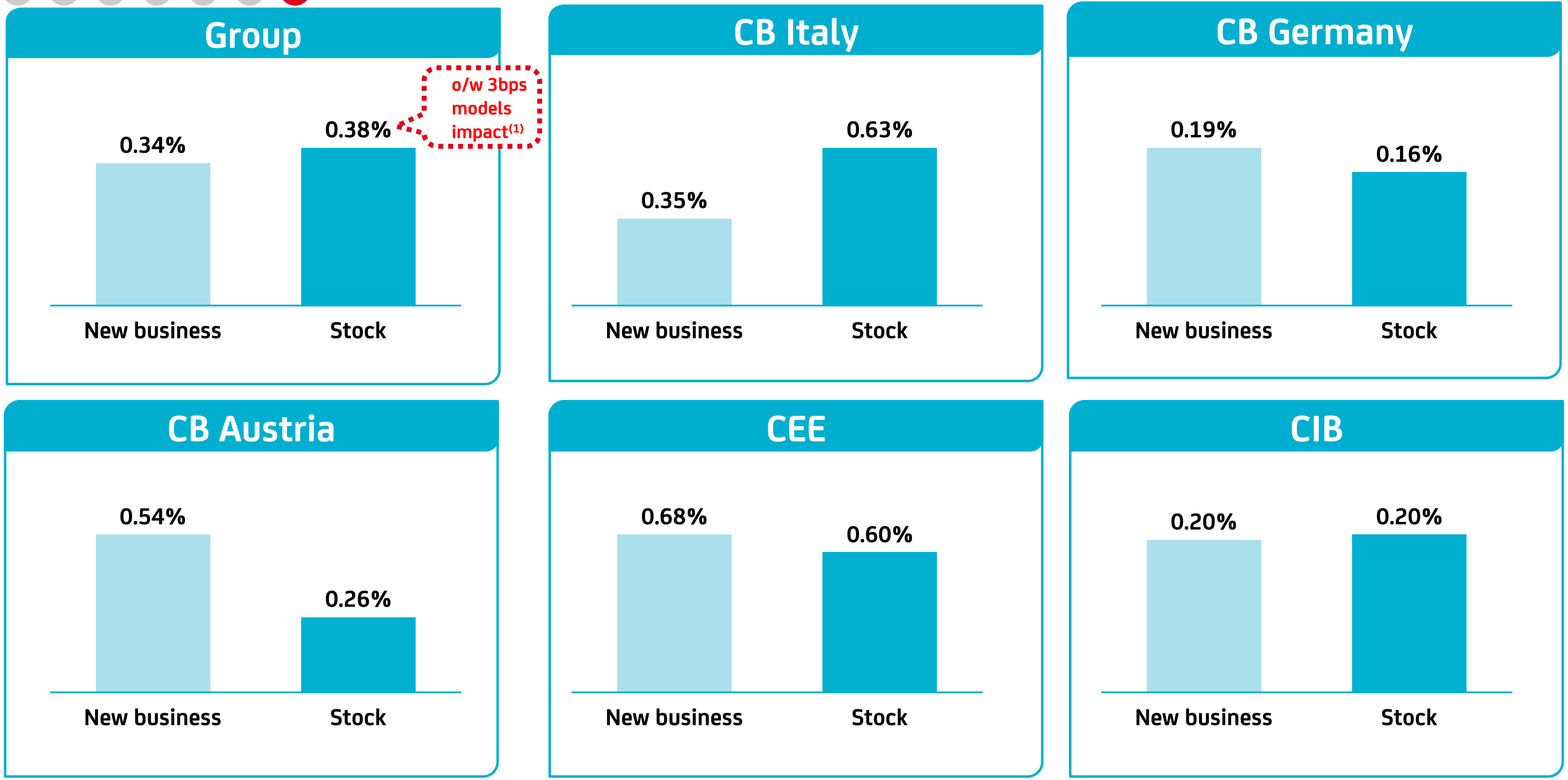
	4Q17	3Q18	4Q18
Total	3.6	2.2	2.2
NPEs	2.9	1.8	1.6
Performing Exposure	0.7	0.4	0.5
Coverage ratio	32.8%	38.1%	41.3%

CEE

	4Q17	3Q18	4Q18
Total	3.1	3.0	3.1
NPEs	1.8	1.9	1.9
Performing exposure	1.3	1.1	1.2
Coverage ratio	33.7%	37.9%	37.1%

(1) Regulatory reporting data.

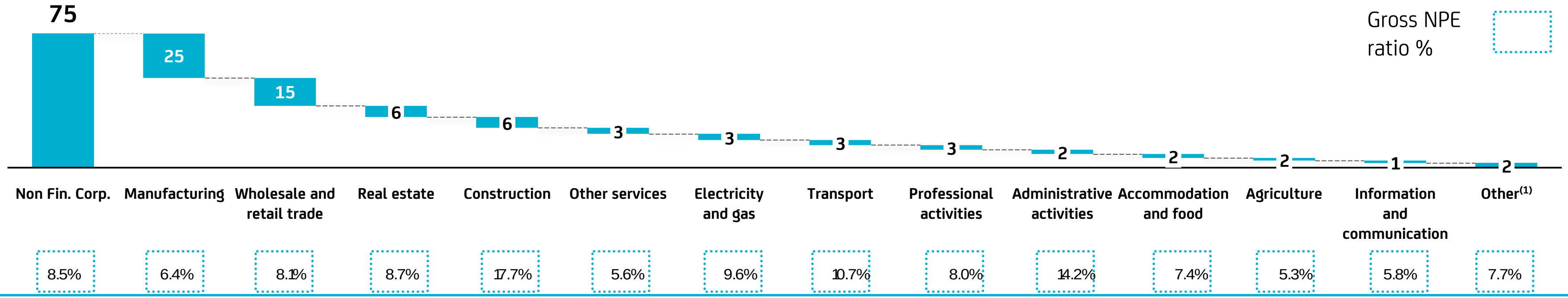
Asset quality – 4Q18 Group EL stock at 38bps with new business contribution at 34bps



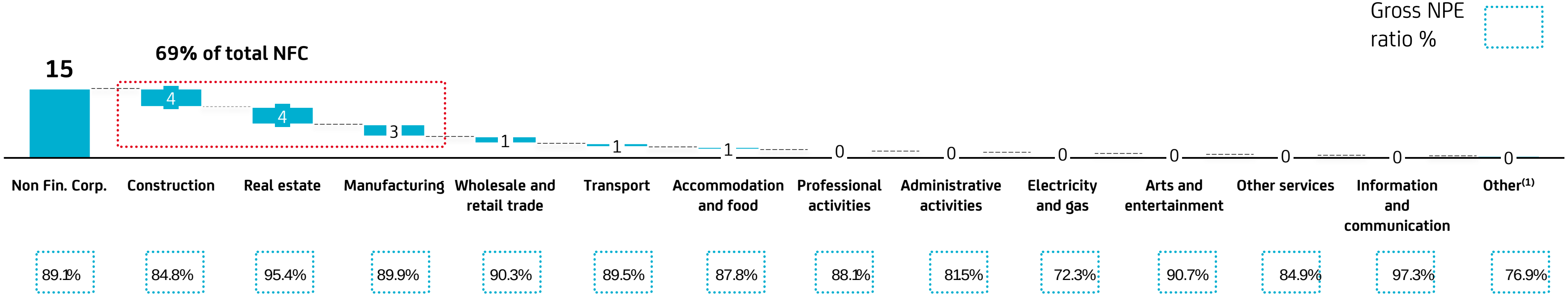
(1) Impact from models mainly in CB Italy with 7bps in 4Q18.

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

CB Italy 3Q18 – Gross loans breakdown by Nace Classification



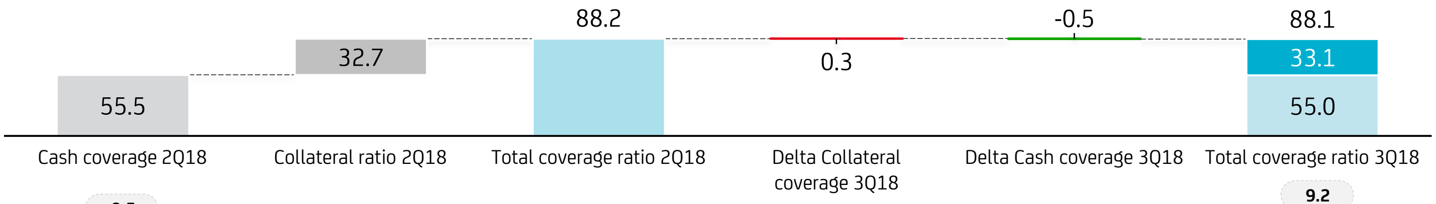
Non Core 3Q18 - Gross loans breakdown by Nace Classification



(1) Other includes other NACE code.

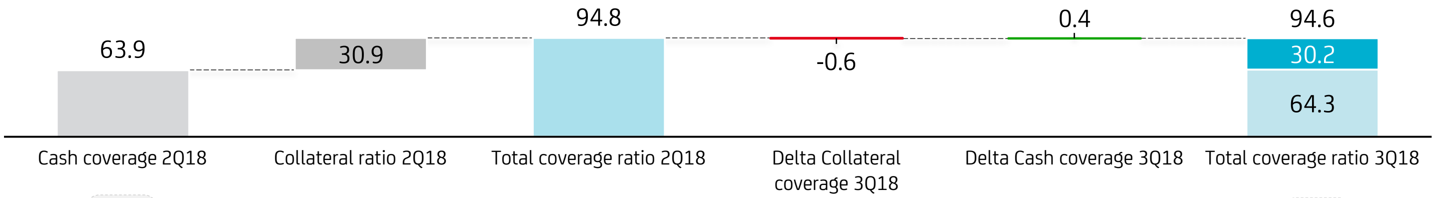
Asset quality – CB Italy and Non Core collateralisation level

CB Italy[1] 3Q18 NPE Cash + Collateral coverage ratio walk (%)



	2Q18	3Q18
NPE stock (€, bn)	**9.5**	**9.2**
o/w unsecured	32%	33%
o/w secured	68%	67%
o/w RE guarantees	53%	55%

Non Core[1] 3Q18 NPE Cash + Collateral coverage ratio walk (%)

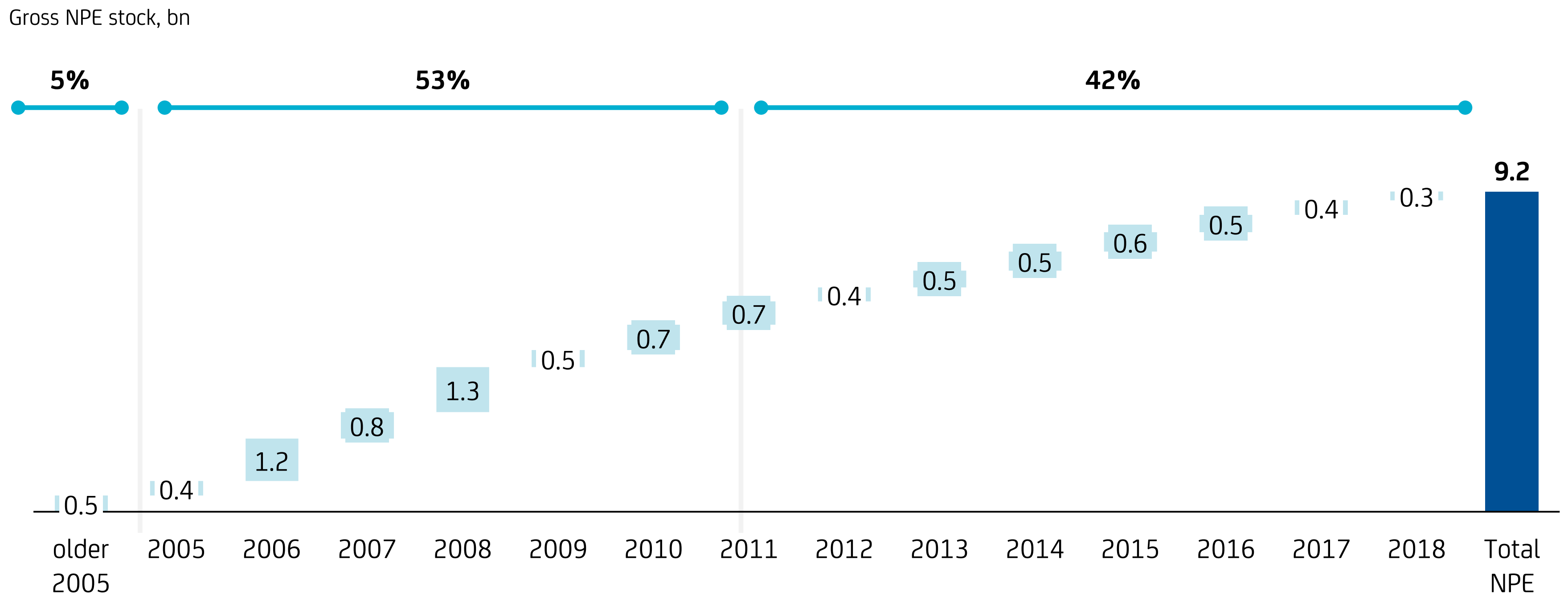


	2Q18	3Q18
NPE stock (€, bn)	**21.7**	**20.6**
o/w unsecured	20%	21%
o/w secured	80%	79%
o/w RE guarantees	62%	62%

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

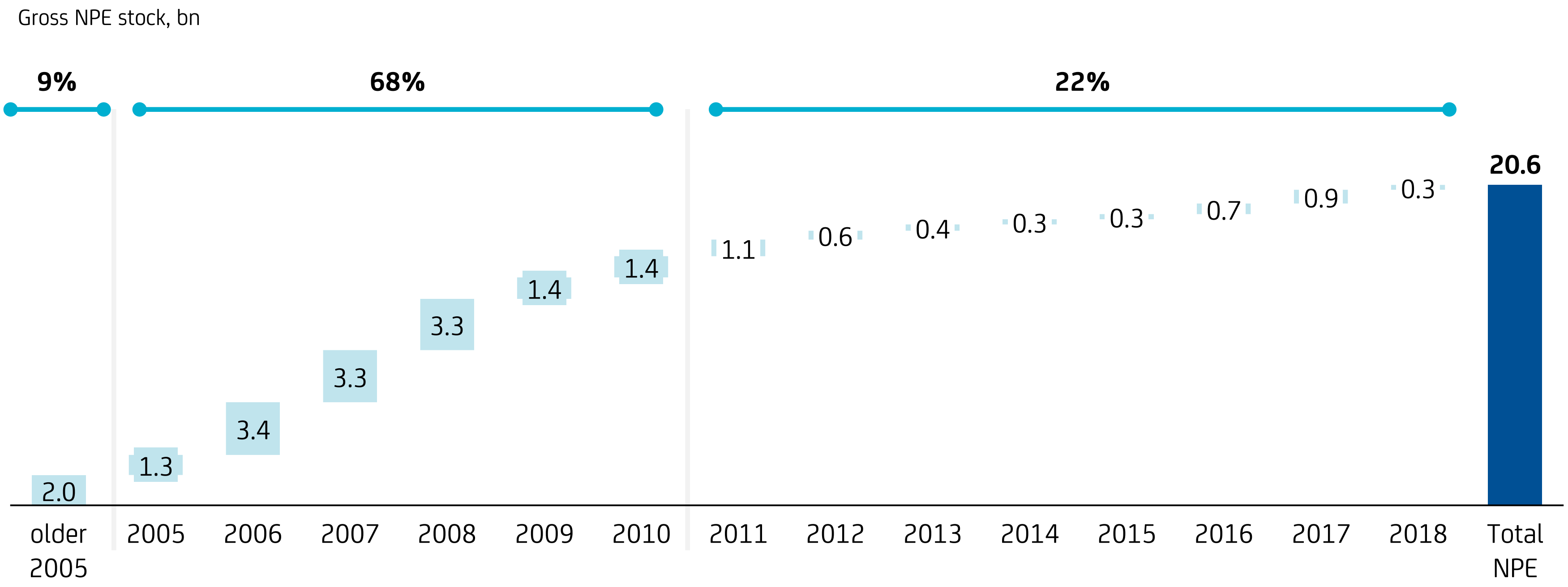
Asset quality – CB Italy gross NPEs breakdown by origination date

CB Italy NPEs stock by origination year as of 3Q18



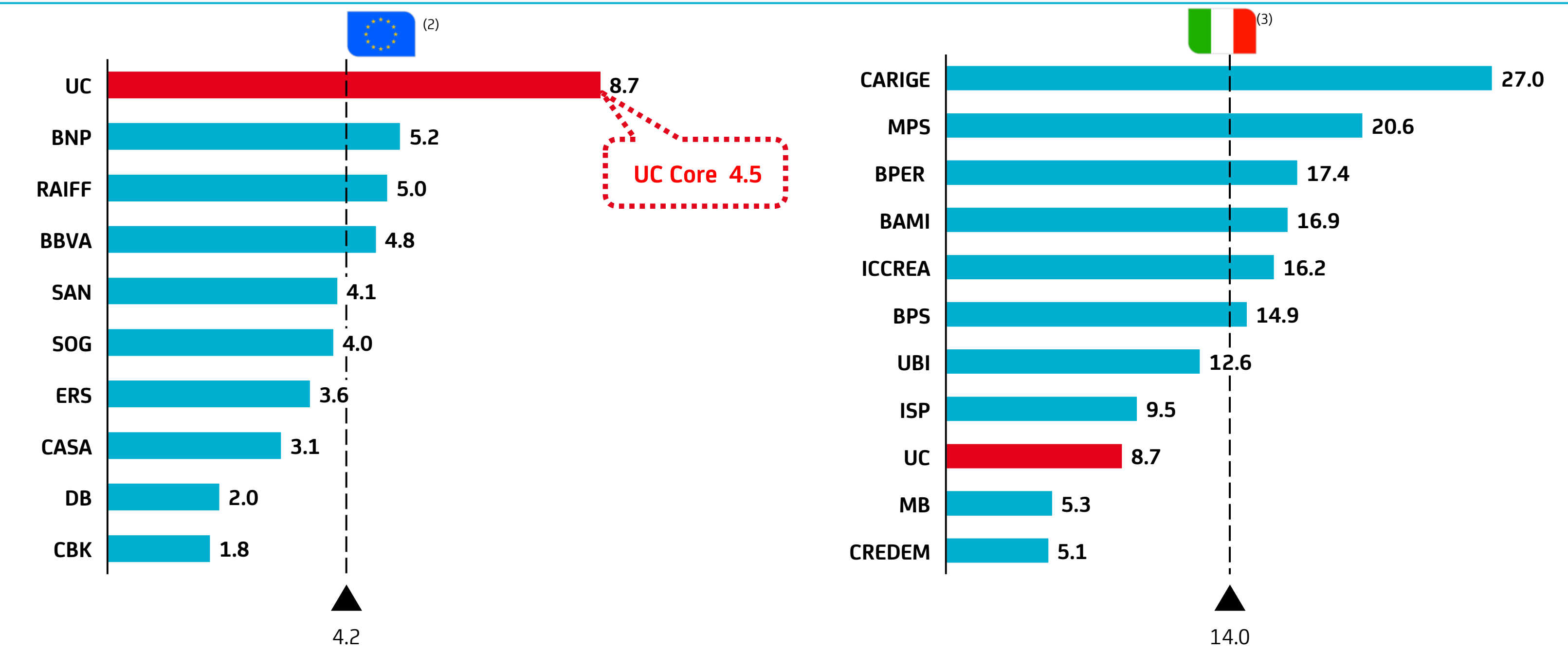
Asset quality – Non Core gross NPEs breakdown by origination date

Non Core NPEs stock by origination year as of 3Q18



EBA transparency – UniCredit Group's NPL ratio one of the best in Italy Core NPL ratio compares well with European peers

NPL Ratio(1), % (1H2018)



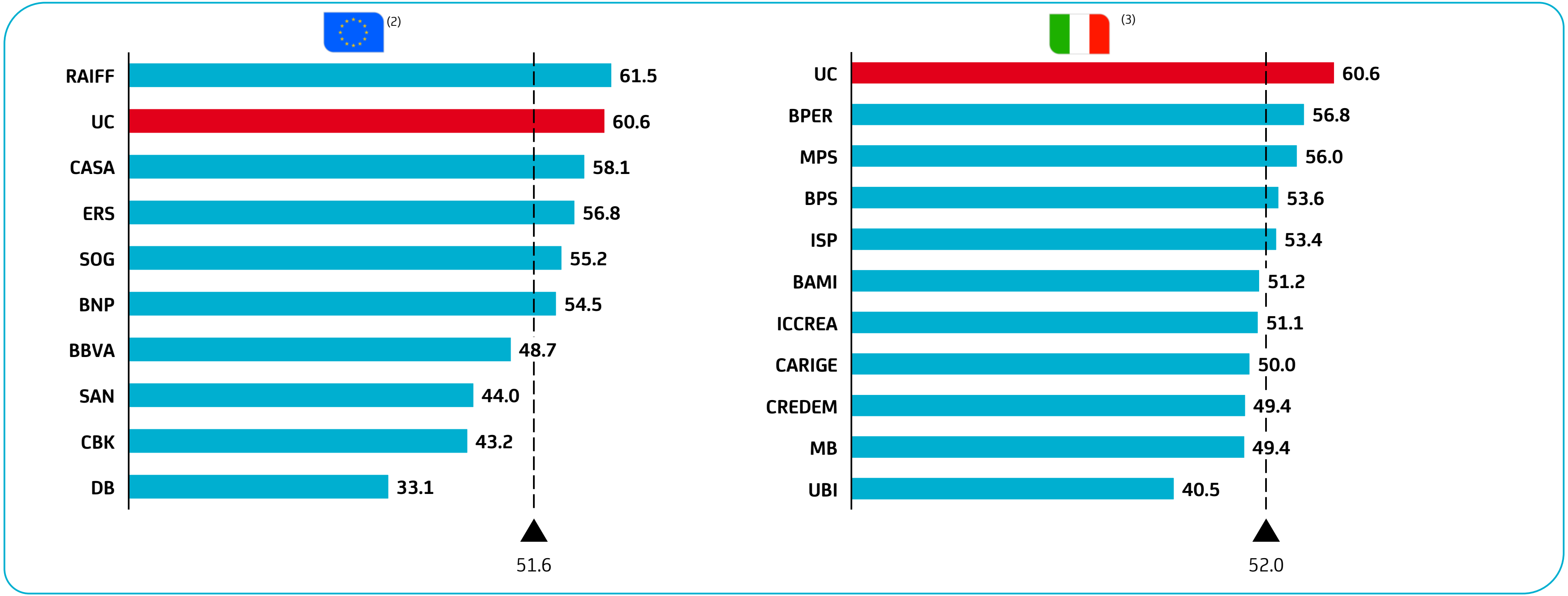
(1) Source: Data from 2018 EBA transparency exercise. Details are available on the following website https://eba.europa.eu/risk-analysis-and-data/eu-wide-transparency-exercise/2018/results

(2) Selection of non-Italian European peers from EBA sample: Erste Group Bank AG, Raiffeisen Bank International AG, BNP Paribas SA, Groupe Crédit Agricole, Société Générale SA, Commerzbank AG, Deutsche Bank AG, Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A.

(3) All Italian peers from EBA sample: Banca Carige SpA - Cassa di Risparmio di Genova e Imperia, Banca Monte dei Paschi di Siena SpA, BPER Banca S.p.A., Banca Popolare di Sondrio, Banco BPM Gruppo Bancario, Credito Emiliano Holding SpA, Iccrea Banca Spa Istituto Centrale del Credito Cooperativo, Intesa Sanpaolo SpA, Mediobanca - Banca di Credito Finanziario SpA, Unione di Banche Italiane SpA

EBA transparency - Coverage ratio second highest in the sample of Eurozone banks and the highest in Italy

Coverage Ratio(1) – specific provisions, % (1H2018)



(1) Source: Data from 2018 EBA transparency exercise. Details are available on the following website https://eba.europa.eu/risk-analysis-and-data/eu-wide-transparency-exercise/2018/results

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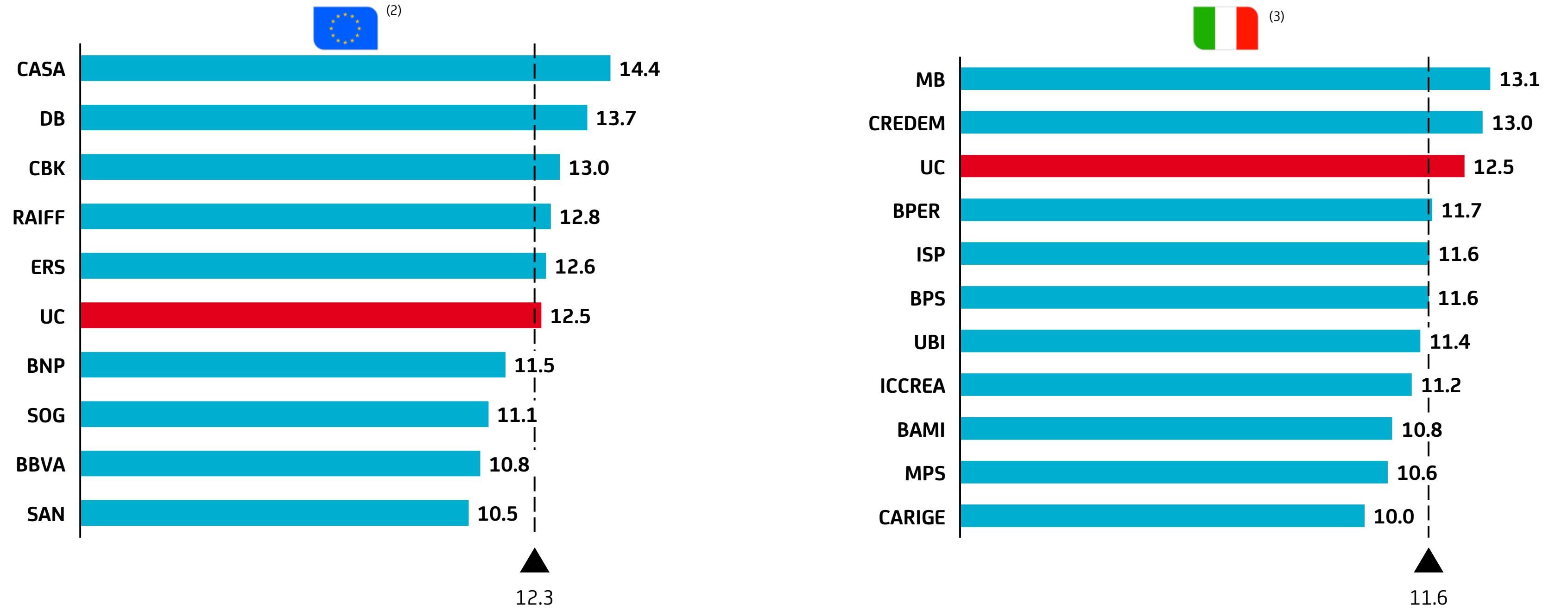
EBA transparency - UniCredit's CET1 ratio among the best compared to Eurozone and Italian peers from the EBA transparency exercise

CET1 ratio FL(1), % (1H2018)



(1) Source: Data from 2018 EBA transparency exercise. Details are available on the following website https://eba.europa.eu/risk-analysis-and-data/eu-wide-transparency-exercise/2018/results

(2) Selection of non-Italian European peers from EBA sample: Erste Group Bank AG, Raiffeisen Bank International AG, BNP Paribas SA, Groupe Crédit Agricole, Société Générale SA, Commerzbank AG, Deutsche Bank AG, Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A.

(3) All Italian peers from EBA sample: Banca Carige SpA - Cassa di Risparmio di Genova e Imperia, Banca Monte dei Paschi di Siena SpA, BPER Banca S.p.A., Banca Popolare di Sondrio, Banco BPM Gruppo Bancario, Credito Emiliano Holding SpA, Iccrea Banca Spa Istituto Centrale del Credito Cooperativo, Intesa Sanpaolo SpA, Mediobanca - Banca di Credito Finanziario SpA, Unione di Banche Italiane SpA

Glossary

Glossary[1] (1/6)

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 (2/6)

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 (3/6)

E2E	End-to-End
EBA	European Banking Authority
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

Glossary (4/6)

1H/1H	Current half year vs previous half year
9M/9M	Current nine months vs previous nine months
Migration rate	Representing the percentage of UTPs that turn into bad loans
MREL	Minimum Requirement for own funds and Eligible Liabilities
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 (customer loans) including the following: Bad Loans (“Sofferenze”), Unlikely to Pay ("Inadempienze Probabili") and Past Due ("Esposizioni scadute e/o sconfinanti deteriorate")
NPE ratio (UCG definition)	NPEs (customer loans) divided by total customer loans
NPL ratio (EBA definition)	NPLs (Bad loans, Unlikely to Pay and Past Due from customer loans and loans to banks) divided by total customer loans and loans to banks
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

Glossary (5/6)

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
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)
SNP	Senior Non Preferred
SPE	Single Point of Entry
SRF	Single Resolution Fund

Glossary (6/6)

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
Time Value	Difference between the sum of expected recoverable cash flows of NPEs and its net present value
TLAC	Total Loss-Absorbing Capacity
TRY	Turkish New Lira
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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