1Q19 Results

Milan, 9 May 2019

Banking that matters. | UniCredit

Agenda

UniCredit successfully concluded first of a number of comprehensive financial measures to prepare for new strategic plan

As stated in its press release on 8 May 2019, UniCredit announced that it had sold 17% of Fineco's issued share capital to institutional investors for gross proceeds of 1,014m. Fineco will be deconsolidated and the placement will lead to an increase in the Group's CET1 ratio of +21bps in 2Q19. The remaining stake of c. 18% will be classified as a financial asset

The placement is the first step in a comprehensive set of financial measures, to prepare for the wider 2020-2023 business strategy to be presented later this year. Specifically:

- Targeting to be at the upper end of the 200-250bps CET1 MDA buffer by year end 2019 through the disposal of certain assets, including those already executed (e.g. real estate in 1Q19, 17% of Fineco in 2Q19)
- Gradually align over time UniCredit’s domestic sovereign bond portfolio with the domestic bond holdings of its Italian and European peers on a relative basis
- Further acceleration of the Non Core rundown, which is expected to meaningfully beat the FY19 14.9bn target. 2021 Non Core runoff fully on track
- Evolution of Group structure to increase optionality and flexibility, in particular optimising the cost of funding under different potential macroeconomic scenarios

Details of these measures, as well as the accompanying new business strategy for 2020-2023, will be presented at the UniCredit Capital Markets Day on 3 December 2019 in London

Record quarterly results benefitting from exceptional items[(1)]
1Q19 CET1 ratio 12.25%

Record quarterly results benefitting from exceptional items[(1)]

- 1Q19 Group stated net profit of 1.4bn, up 24.7% Y/Y. Adjusted net profit of 1.1bn, up 1.5% Y/Y[(2)]
- 1Q19 Group adjusted RoTE at 9.4%, up 0.5p.p. Y/Y[(2)]. FY19 RoTE target >9% confirmed
- Good commercial dynamics in CEE partially offsetting slower start in Western Europe

Strong execution of Transform 2019 delivering consistent and reliable results

- 104% of FTE, 95% of branch reduction targets achieved, well ahead of plan
- 1Q19 costs at 2.6bn, down 4.2% Y/Y. FY19 costs of 10.4bn confirmed
- 1Q19 CoR at seasonally low 40bps. FY19 target of 55bps confirmed
- 1Q19 Non Core gross NPEs of 17.7bn, down 5.1bn Y/Y. 1Q19 Group gross NPE ratio of 7.6%, down 1.9p.p. Y/Y

Strong capital position and successful execution of mitigation actions

- 1Q19 CET1 ratio 12.25%. Fully loaded MDA buffer of 219bps
- 1Q19 CET1 ratio includes +7bps from real estate disposals and -10bps of regulatory headwinds
- 1Q19 TLAC subordination ratio 18.41%[(3)], buffer of 134bps[(3)]
- Executed 5.7bn of TLAC funding, subordinated funding plan *de facto* done
- 1Q19 tangible equity up 2.2% Q/Q to 48.8bn, TBVpS up 2.2% Q/Q to 21.9

(1) Disposal of real estate assets (+258m net impact in 1Q19) and release of provisions from US sanctions settlement (+320m net impact in 1Q19).
(2) Group and Group Core adjusted net profit and RoTE exclude IFRS9 FTA tax effect (+887m in 4Q18) and disposal of real estate (+258m net impact in 1Q19).
(3) Managerial figures under current regulatory assumptions.

Group – Adjusted 1Q19 net profit at 1.1bn up 1.5% Y/Y(1)

Group key figures(1)	1Q18	4Q18	1Q19	Δ % vs. 4Q18	Δ % vs. 1Q18
Total revenues, m	5,105	4,850	4,952	+2.1%	-3.0%
Operating costs, m	-2,728	-2,712	-2,614	-3.6%	-4.2%
Loan loss provisions, m	-496	-923	-468	-49.3%	-5.8%
Net profit, m	1,112	1,727	1,387	-19.7%	+24.7%
Adjusted net profit, m	1,112	840	1,129	+34.3%	+1.5%
Fully loaded CET1 ratio	13.06%	12.07%	12.25%	+0.2p.p.	-0.8p.p.
RWA transitional, bn	353.3	370.2	371.7	+0.4%	+5.2%
Loans, excluding repos, bn	414.9	433.6	432.1	-0.3%	+4.2%
Gross NPE, bn	44.6	38.2	37.6	-1.6%	-15.7%
Adjusted RoTE	8.9%	7.1%	9.4%	+2.2p.p.	+0.5p.p.
C/I	53.4%	55.9%	52.8%	-3.1p.p.	-0.7p.p.
Cost of risk, bps	45	79	40	-39	-5

(1) Group and Group Core adjusted net profit and RoTE exclude IFRS9 FTA tax effect (+887m in 4Q18) and disposal of real estate (+258m net impact in 1Q19).

Agenda

Transform 2019 achievements (1/2)

1 2 3 4 5 6 7 8 — Transform 2019 update

STRENGTHEN AND OPTIMISE CAPITAL	FY19 CET1 ratio guidance confirmed TLAC subordinated funding plan *de facto* done	• 1Q19 CET1 ratio 12.25%. Fully loaded MDA buffer of 219bps • CET1 ratio by year end 2019 between 12.0-12.5%(1) confirmed and MDA buffer now at the upper end of target range of 200-250bps • Real estate disposals confirmed, expected +0.2p.p. CET1 ratio impact mainly in 2019, of which +7bps successfully closed in 1Q19 • Fully compliant with TLAC subordination requirements. 1Q19 TLAC subordination ratio 18.41%(2), buffer at 134bps(2). TLAC subordinated funding plan for FY19 *de facto* done
IMPROVE ASSET QUALITY	Ongoing de-risking 2021 Non Core runoff fully on track	• 1Q19 Group gross NPE ratio improved to 7.6% (-1.9p.p. Y/Y) with Group gross NPEs down 7.0bn Y/Y and 0.6bn Q/Q • Group Core gross NPE ratio 4.1%, down 73bps Y/Y, close to the EBA average(3) • Non Core rundown is further accelerated to meaningfully beat the FY19 14.9bn gross NPE target
TRANSFORM OPERATING MODEL	Transformation well ahead of schedule FY19 costs confirmed	• 95% of 944 Transform 2019 branch closure target in Western Europe already achieved, with 20 branches closed in 1Q19 and 901 since December 2015 • 104% of 14,000 Transform 2019 net FTE reduction target achieved. FTEs down by 555 Q/Q • FY19 costs confirmed at 10.4bn

(1) Assuming BTP spreads remain at current levels.
(2) Managerial figures under current regulatory assumptions.
(3) Weighted average "NPL" ratio of EBA sample banks is 3.2%. Source: EBA risk dashboard (data as at 4Q18). UniCredit's definition of "NPE" ratio is more conservative than EBA. Comparable "NPL" ratio for UniCredit at 1Q19 would be 3.6%.

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 42.7%
- Italy, basic transactions(2) migrated to self-service channels reached 95.6%, higher than Transform 2019 target; remote sales(3) increased further by +11.1p.p. Y/Y, reaching 31.8% of total bank sales(4)

Support for real economy

- UniCredit and the EIB support the real economy with a 500 million credit line mainly dedicated to Italian SMEs, with emphasis on female entrepreneurship, innovation and climate projects
- UniCredit launches Patient Capital Initiative, an innovative institutional platform aimed at sourcing patient minority growth capital for Italian SMEs

CIB – Commercial Bank synergies

- Proven CIB - Commercial Bank cooperation led to another successful M&A transaction in Germany with UniCredit as sole financial advisor to HERMOS Group

Leading European Debt and Trade Finance house

- In 1Q19 UniCredit ranked #1 in EMEA Syndicated Loans denominated in EUR with 8% market share (vs. 5% 1Q18) and #1 in Italy, Germany and Austria(5)
- With 125 transactions executed in 1Q19, UniCredit was again the most active player in "EMEA All Bonds in EUR", an undisputed leadership since 2011(6), thanks to the fully plugged-in business model of CIB

ADOPT LEAN BUT STEERING CENTRE

Group CC streamlining

- The ratio of GCC costs to total costs is down to 3.2% in 1Q19. FY19 target of 3.8% confirmed
- The shareholders' meeting of UniCredit approved the proposed cash dividend of 0.27 per share for FY18, which was paid on 25 April 2019

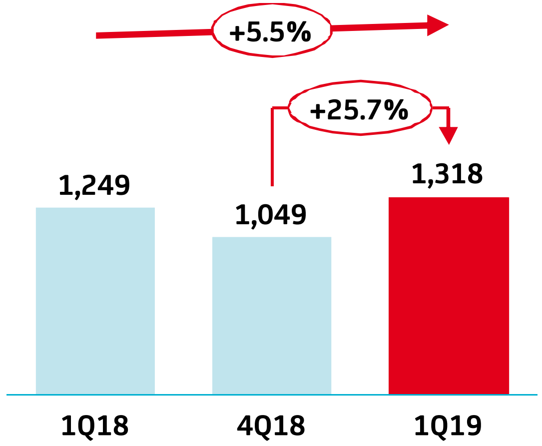
(1) Including Yapi at 100%. Ratio defined as number of retail mobile users as percentage of active customers.
(2) Includes cash withdrawals, cash deposits and transfers.
(3) Transactions concluded through ATM, online, mobile or contact centre.
(4) Percentage of remote sales calculated on total bank products that have a direct selling process.
(5) Source: Dealogic, as at 3 April 2019. Period: 1 January – 31 March 2019; rankings by volume, unless otherwise stated.
(6) Source: Dealogic UniCredit's #1 position in the cumulative time period 1 January 2011 – 31 December 2018 (with more than 2,600 deals in total).

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

Group Core – Adjusted 1Q19 RoTE 11.3% up 0.8p.p. Y/Y(1)

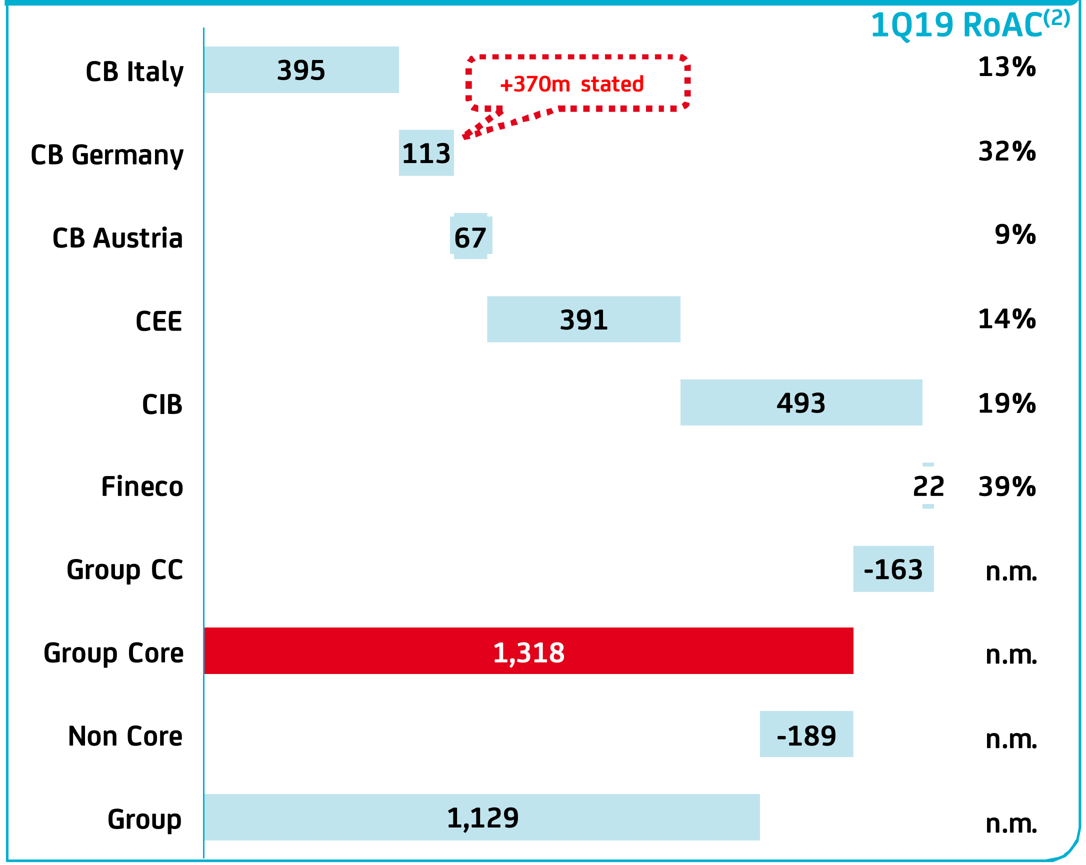
Group Core adjusted net profit(1), m



	1Q18	4Q18	1Q19
RoTE	10.5%	9.2%	11.3%

- Adjusted 1Q19 Group Core RoTE at 11.3%, up 0.8p.p. Y/Y(1)
- CIB, CB Italy and CEE main drivers
- FY19 Group Core RoTE target >10% confirmed

Adjusted net profit(1) by division 1Q19, m



(1) Group and Group Core adjusted net profit and RoTE exclude IFRS9 FTA tax effect (+887m in 4Q18) and disposal of real estate (+258m net impact in 1Q19).
(2) Stated 1Q19 RoAC. Normalised for non-recurring items (summarised in Annex on page 46), 1Q19 RoACs are: CB Italy 11.3%, CB Germany 6.2%, CB Austria 3.8% and CIB 12.3%.

Group Core – Adjusted 1Q19 net profit 1.3bn up 5.5% Y/Y(1) Adjusted RoTE at 11.3% up 0.8p.p. Y/Y(1)

Main drivers

- Adjusted net interest down 1.6% Q/Q(2) as higher loan volumes and rates were offset by higher funding costs, investment portfolio and treasury
- Fees down 4.9% Y/Y mainly due to investment fees (-12.8% Y/Y)
- 457,000 gross new clients in 1Q19
- Gross new loan production(3) at 21.7bn in 1Q19 (-2.1% Y/Y)
- Costs down 4.0% Y/Y thanks to continued strong focus on cost discipline. 1Q19 C/I ratio at 52.1%, down 0.7p.p. Y/Y
- LLPs down 1.7% Y/Y to a seasonally low 364m as the overall risk environment remains supportive
- Gross NPE ratio 4.1%(4), down 73bps Y/Y and well below FY19 4.7% target
- 1Q19 adjusted RoTE at 11.3%, up 0.8p.p. Y/Y(1)

Data in m	*1Q18*	*4Q18*	*1Q19*	*Δ % vs.4Q18*	*Δ % vs.1Q18*
Total revenues	5,110	4,900	4,971	+1.5%	-2.7%
o/w Net interest	*2,597*	*2,766*	*2,646*	*-4.3%*	*+1.9%*
o/w Fees	*1,756*	*1,679*	*1,670*	*-0.5%*	*-4.9%*
o/w Trading	*501*	*171*	*450*	*n.m.*	*-10.2%*
Operating costs	-2,695	-2,684	-2,589	-3.5%	-4.0%
Gross operating profit	2,415	2,216	2,383	+7.5%	-1.3%
LLPs	-371	-734	-364	-50.3%	-1.7%
Net operating profit	2,044	1,483	2,018	+36.1%	-1.3%
Net profit	1,249	1,936	1,576	-18.6%	+26.2%
Adjusted net profit(1)	1,249	1,049	1,318	+25.7%	+5.5%
Adjusted RoTE(1)	10.5%	9.2%	11.3%	+2.0p.p.	+0.8p.p.
C/I	52.7%	54.8%	52.1%	-2.7p.p.	-0.7p.p.
CoR (bps)	35	64	31	-33	-3
Gross NPE ratio	4.9%	4.1%	4.1%	+3bps	-73bps

(1) Group and Group Core adjusted net profit and RoTE exclude IFRS9 FTA tax effect (+887m in 4Q18) and disposal of real estate (+258m net impact in 1Q19).

(2) Adjusted for release of a tax provision in net interest in 4Q18 (+20m) in CB Germany and days effect (+56m).

(3) Managerial figures.

(4) Weighted average "NPL" ratio of EBA sample banks is 3.2%. Source: EBA risk dashboard (data as at 4Q18). UniCredit's definition of "NPE" ratio is more conservative than EBA. Comparable "NPL" ratio for UniCredit at 1Q19 would be 3.6%.

Group – Adjusted 1Q19 net profit 1.1bn up 1.5% Y/Y[1]

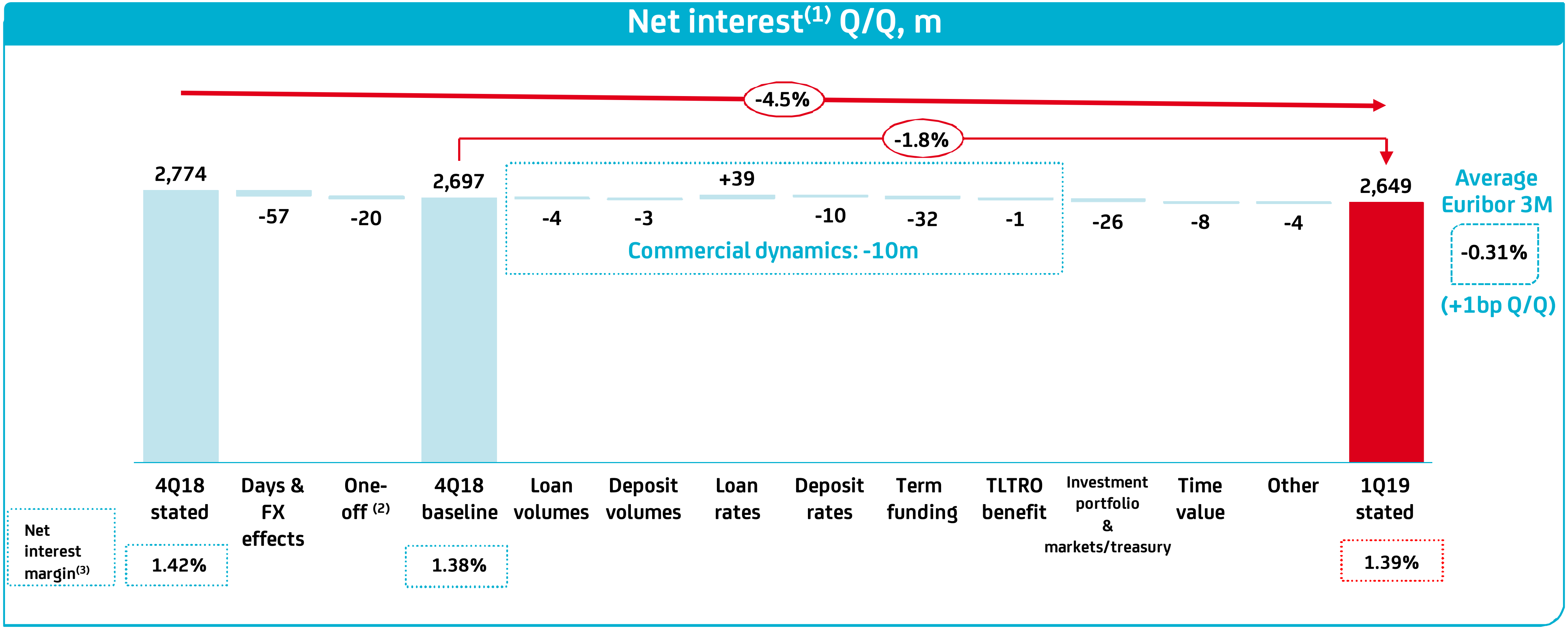
Main drivers

- Adjusted net interest down 1.7% Q/Q[2] mainly due to higher funding costs, investment portfolio and treasury
- Fees down 5.3% Y/Y mainly due to investment fees (-12.9% Y/Y)
- Costs at 2.6bn in 1Q19 down 4.2% Y/Y thanks to lower HR costs (-3.5% Y/Y) and Non HR costs (-5.2% Y/Y)
- LLPs down 5.8% Y/Y, leading to a seasonally low CoR of 40bps in 1Q19, including 0bps of models
- Other charges & provisions include +484m gross release of provisions for US sanctions[3] and -538m systemic charges[4], as more than half of the FY19 systemic charges are booked in 1Q19
- Profit from investments[5] in 1Q19 positively affected by disposal of real estate (+365m)
- Stated 1Q19 tax rate 29.4%
- 1Q19 Group adjusted net profit of 1.1bn, up 1.5% Y/Y[1]. Best first quarter in a decade for the second time running

Data in m	*1Q18*	*4Q18*	*1Q19*	*Δ % vs.4Q18*	*Δ % vs.1Q18*
Total revenues	5,105	4,850	4,952	+2.1%	-3.0%
o/w Net interest	*2,630*	*2,774*	*2,649*	*-4.5%*	*+0.7%*
o/w Fees	*1,747*	*1,657*	*1,655*	*-0.1%*	*-5.3%*
o/w Trading	*478*	*159*	*448*	*n.m.*	*-6.4%*
Operating costs	-2,728	-2,712	-2,614	-3.6%	-4.2%
Gross operating profit	2,376	2,138	2,338	+9.4%	-1.6%
LLPs	-496	-923	-468	-49.3%	-5.8%
Net operating profit	1,880	1,215	1,871	+53.9%	-0.5%
Other charges & provisions	-519	-371	-215	-42.1%	-58.6%
o/w Systemic charges	*-465*	*-60*	*-538*	*n.m.*	*+15.7%*
Profit (loss) from investments	17	-52	394	n.m.	n.m.
Profit before taxes	1,389	778	2,047	n.m.	+47.4%
Income taxes	-221	998	-601	n.m.	n.m.
Net profit from discontinued operations	-1	1	1	+79.9%	n.m.
Net profit	1,112	1,727	1,387	-19.7%	+24.7%
Adjusted net profit[1]	1,112	840	1,129	+34.3%	+1.5%

(1) Group and Group Core adjusted net profit and RoTE exclude IFRS9 FTA tax effect (+887m in 4Q18) and disposal of real estate (+258m net impact in 1Q19).
(2) Adjusted for release of a tax provision in net interest in 4Q18 (+20m) in CB Germany and days effect (+60m).
(3) 1Q19 net impact of release of provisions for US sanctions +320m, as there was a connected impact of -164m in the tax line.
(4) 1Q19 systemic charges details by type and division in Annex on page 50.
(5) 1Q19 net impact of disposal of real estate +258m, as there was a connected impact of -107m in the tax line.

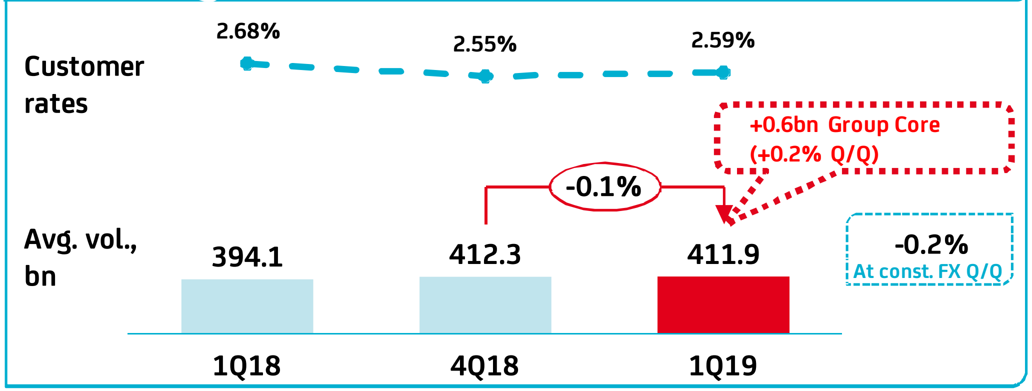
Group – 1Q19 net interest 2.6bn down 4.5% Q/Q due to one-offs, days effect and higher funding costs



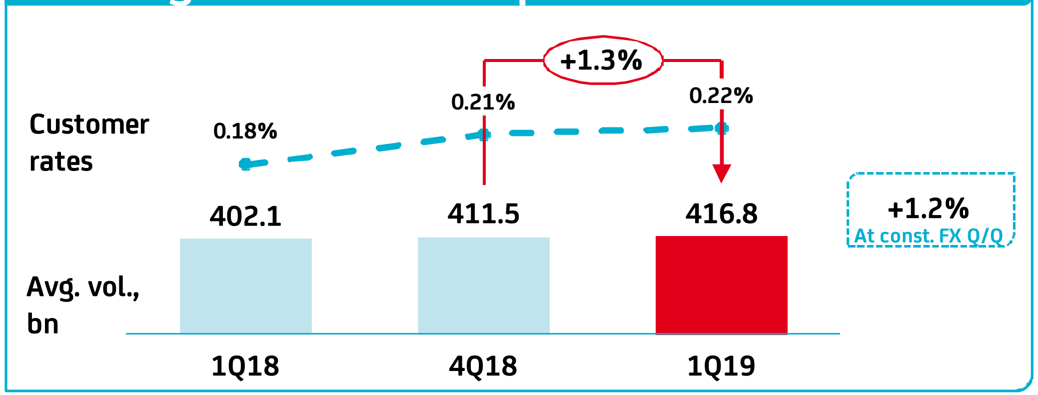
(1) Net contribution from hedging strategy of non-maturity deposits in 1Q19 at 374m, -6.7m Q/Q and -5.8m Y/Y.
(2) Release of a tax provision in net interest line in CB Germany (+20m) in 4Q18.
(3) Net interest margin calculated as interest income divided by interest earning assets minus interest expenses divided by interest bearing liabilities.

Group – Average Group Core loan volumes up 0.6bn Q/Q, customer rates up from trough in 4Q18

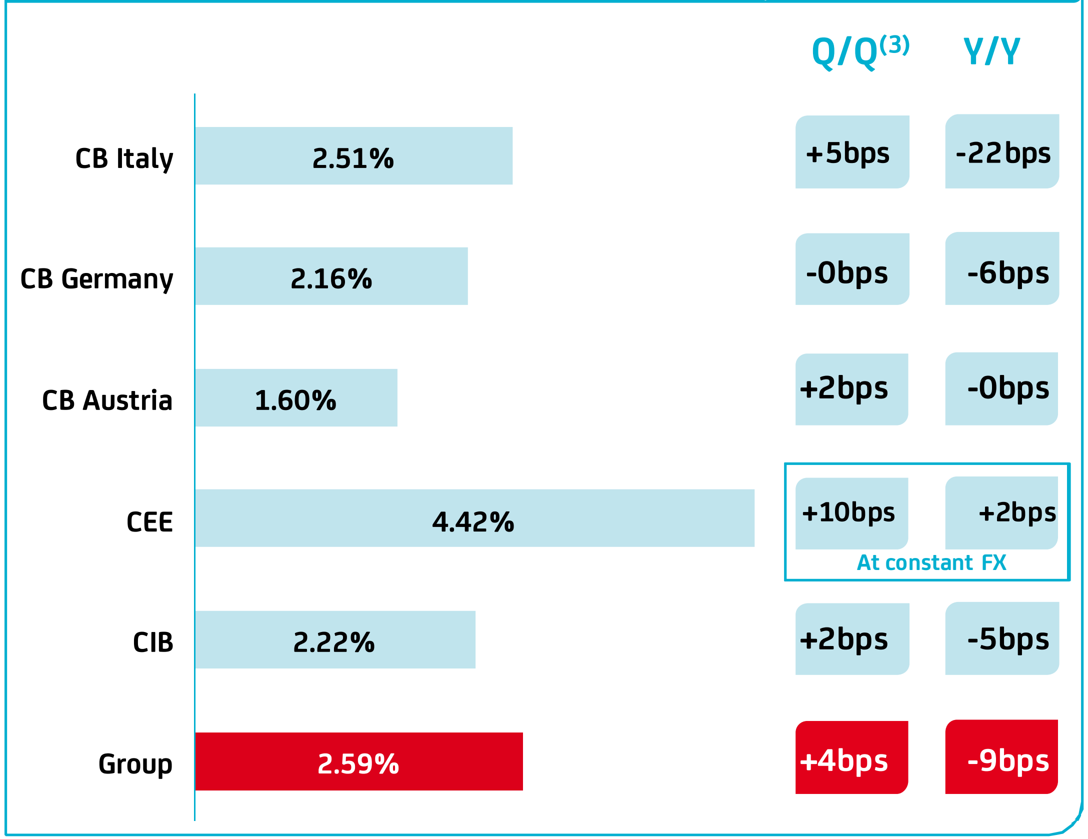
Avg. commercial loans[1] and rates[2]



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



Customer loan rates[2] 1Q19



(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) Customer rate Q/Q excluding one-offs : CB Italy +1bp (days effect), CB Germany -5bps (days effect and recoveries), CEE +5bps (recoveries) and CIB +6bps (back to bonis, including shipping).

Group – End-of-period Group Core customer loans down 0.9bn Q/Q due to factoring seasonality

Customer loans (end-of-period)(1) 1Q19, bn

	bn	Q/Q	Y/Y
CB Italy	143.4	-1.5%	+4.4%
CB Germany	86.1	+2.8%	+4.7%
CB Austria	44.3	-1.1%	+1.0%
CEE(2)	66.5	+0.4% (At constant FX)	+10.8% (At constant FX)
CIB	80.1	-1.5%	+7.1%
Fineco	2.9	+2.8%	+36.8%
Group CC	2.8	-15.8%	-2.5%
Group Core	426.1	-0.2%	+5.5%
Non Core	6.1	-8.2%	-44.4%
Group	432.1	-0.3%	+4.2%

Customer deposits (end-of-period)(1) 1Q19, bn

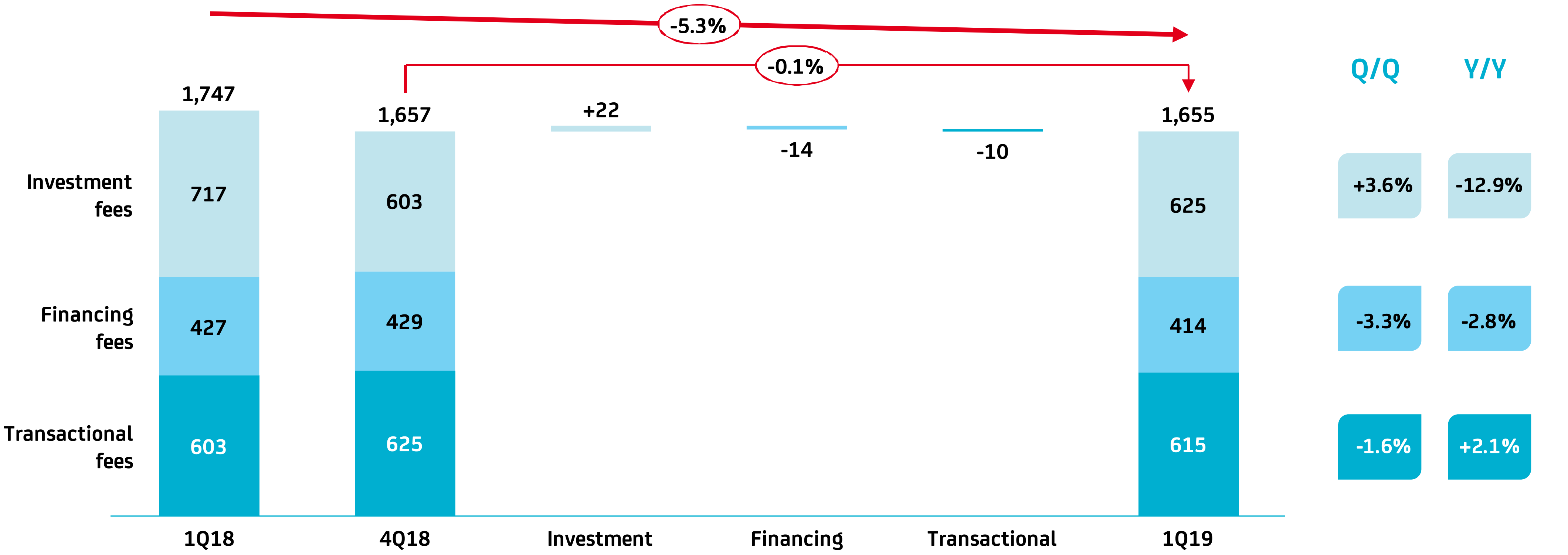
	bn	Q/Q	Y/Y
CB Italy	147.6	+1.0%	+3.6%
CB Germany	90.1	-1.8%	+1.2%
CB Austria	47.5	+0.2%	+1.0%
CEE	68.9	+3.2% (At constant FX)	+13.0% (At constant FX)
CIB	49.0	+8.2%	+5.0%
Fineco	23.1	+4.2%	+11.2%
Group CC	2.7	-10.4%	-12.2%
Group Core	428.9	+1.7%	+4.4%
Non Core	0.5	-8.6%	-41.4%
Group	429.3	+1.7%	+4.3%

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

(2) Customer loans at current FX: +1.7% Q/Q and +9.5% Y/Y .

Group – Fees down 5.3% Y/Y mainly due to investment fees down 12.9% Y/Y

Fees Q/Q, m

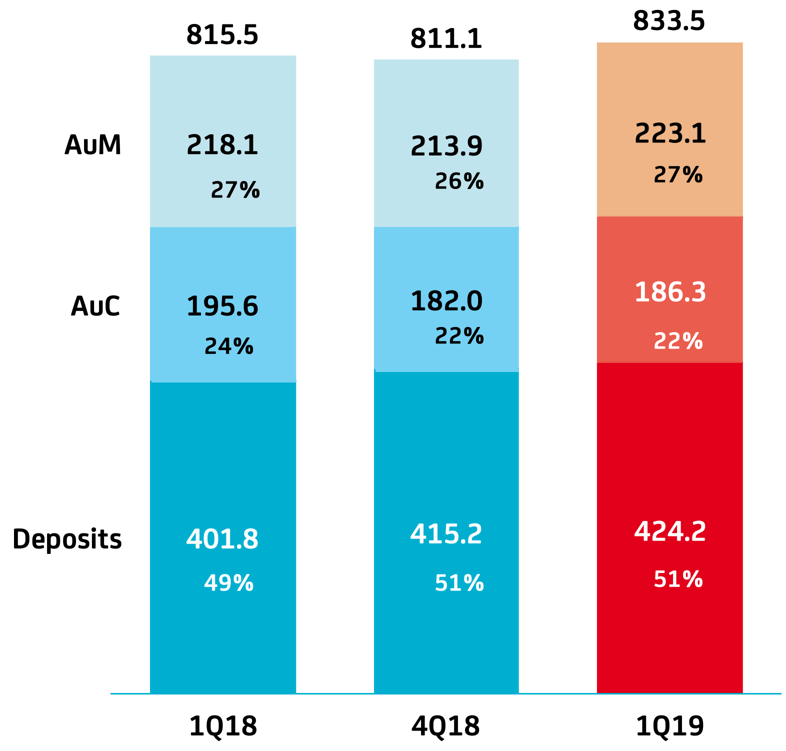


Group – TFAs up 2.8% Q/Q mainly thanks to market performance

Main drivers

- **TFAs** up 2.8% Q/Q to 833.5bn, mainly thanks to higher AuM:
  - **Assets under Management** at 223.1bn, up 4.3% Q/Q. Flat AuM net sales (-0.0bn 1Q19) compensated by positive market performance (+8.9bn 1Q19)
  - **Assets under Custody** at 186.3bn, up 2.3% Q/Q. Good performance from Commercial Banking Western Europe (1Q19 net sales +2.9bn, market performance +9.7bn) was offset by CEE and CIB (1Q19 net sales -8.7bn, market performance +1.1bn)
  - **Deposits** at 424.2bn, up 2.2% Q/Q mainly thanks to CEE (+9.8% Q/Q at constant FX)
- **TFAs** up 2.2% Y/Y mainly thanks to CEE (+16.8% Y/Y at constant FX) and CB Germany (+5.8% Y/Y). For the period, net TFA sales (+25.0bn) overcompensated market performance and FX effects (-7.0bn)

Group TFAs(1) 1Q19, bn

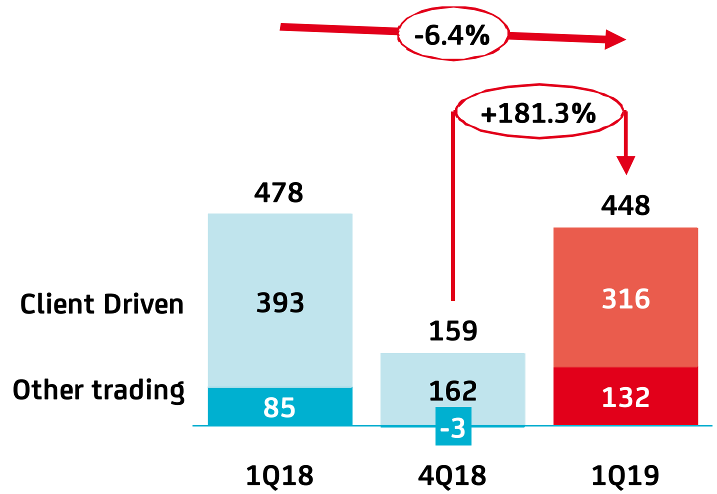


	Q/Q	Y/Y
TFAs	+22.4bn +2.8%	+18.0bn +2.2%
AuM	+9.2bn +4.3%	+5.0bn +2.3%
AuC	+4.3bn +2.3%	-9.4bn -4.8%
Deposits	+9.0bn +2.2%	+22.4bn +5.6%

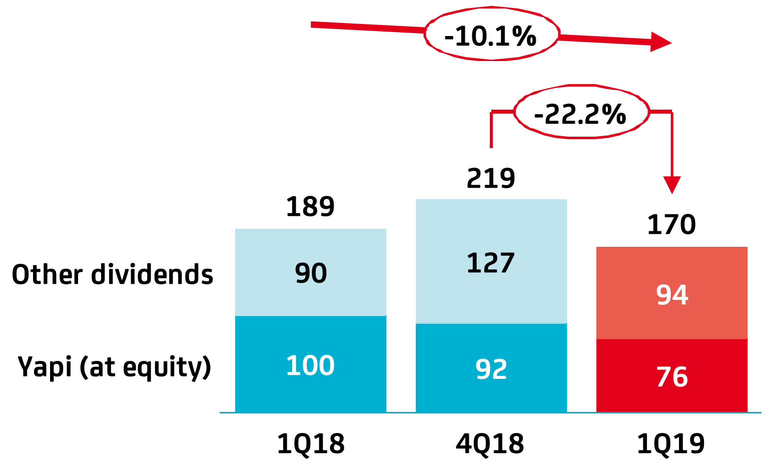
(1) Refers to Group commercial Total Financial Assets. Non-commercial elements, i.e. Group Corporate Centre, Non Core, Leasing/Factoring and Market Counterparts are excluded. Numbers are managerial figures.

Group – Adjusted trading income up 2.1% Y/Y(1) thanks to stronger underlying client activity

Trading income, m



Dividends(2), m



- Adjusted trading income up 2.1% Y/Y(1) thanks to stronger underlying client activity despite negative XVA(3)
- Client driven trading includes valuation adjustments (XVA(3)) equal to -103m in 1Q19 (-28m in 4Q18 and +70m in 1Q18)
- For the rest of year, expected average quarterly run rate of around 350m

- Yapi´s contribution down 2.0% Y/Y at constant FX, down 23.5% Y/Y at current FX due to depreciation of the Turkish Lira (TRY)
- 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 4.7% Y/Y mainly thanks to insurance JVs in Italy

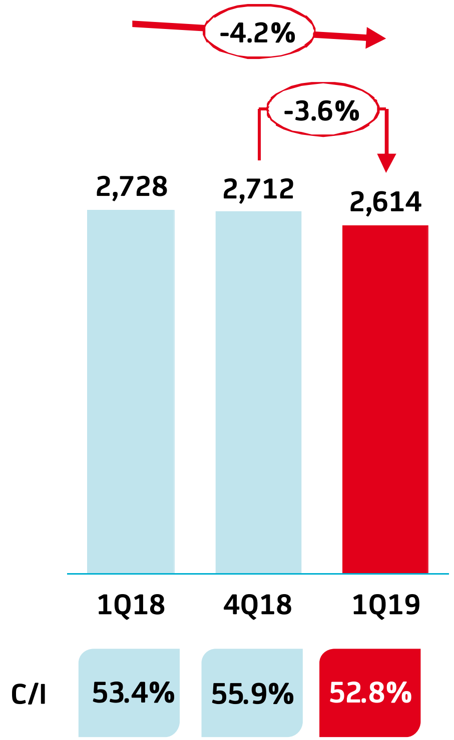
(1) Non-recurring net trading gains from participations in 1Q18 (+39m) in CIB.
(2) Include dividends and equity investments. Yapi is valued by the equity method and contributes to the dividend line of the Group P&L based on managerial view.
(3) Valuation adjustments (XVA) include: Collateral Valuation 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 March 2019.

Group – 1Q19 Group costs at 2.6bn down 4.2% Y/Y, down 3.6% Q/Q
FY19 costs confirmed at 10.4bn

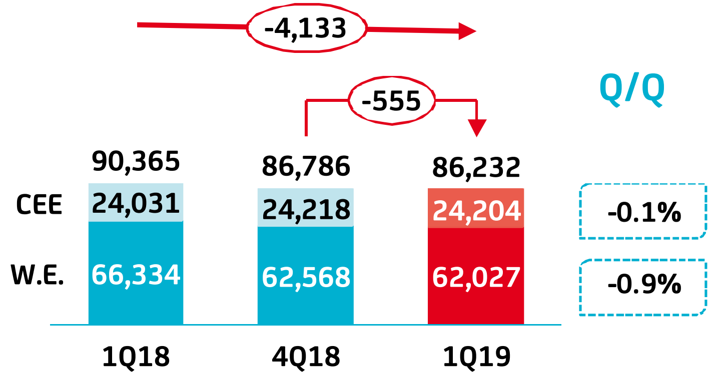
Main drivers

- Transform 2019 well ahead of plan:
  - 104% of FTE net reduction target achieved (14,000)
  - 95% of branch closures completed (901 out of 944)
- FTEs down 4,133 Y/Y, branches down 200 Y/Y
- 1Q19 C/I 52.8%, down 0.7p.p. Y/Y
- 1Q19 total costs at 2.6bn, down 4.2% Y/Y thanks to continued strong focus on cost discipline
- FY19 costs confirmed at 10.4bn

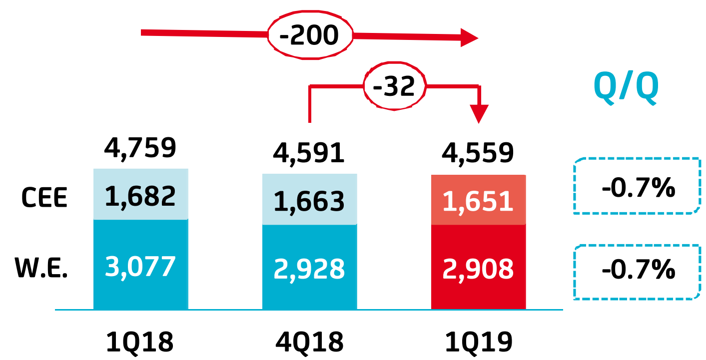
Costs, m



FTEs (eop)



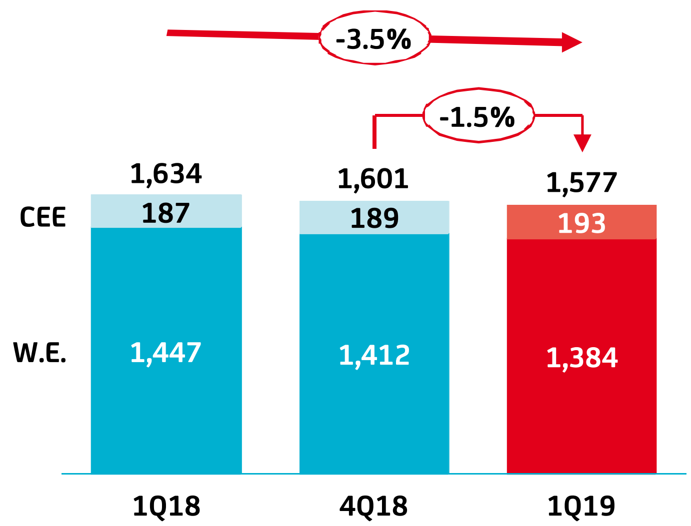
Branches(1)



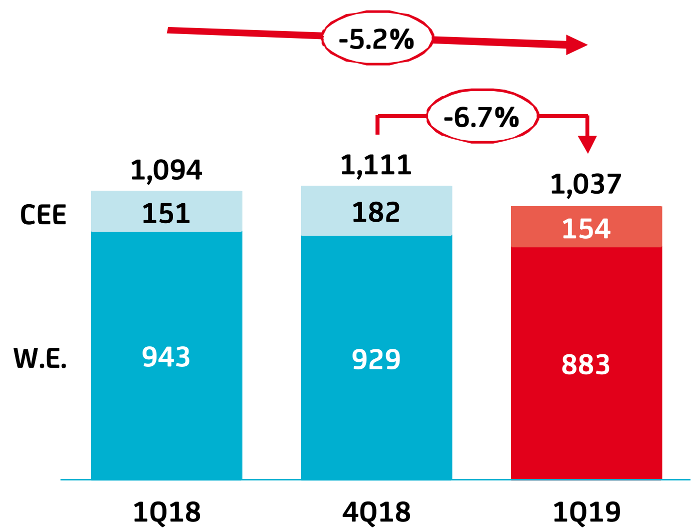
(1) Branch figures consistent with CMD 2016 perimeter.

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

HR costs, m



Non HR costs[1], m



- HR costs down 3.5% Y/Y, confirming continued cost reduction efforts supported by lower FTEs, down 4,133 Y/Y

- Non HR costs down 5.2% Y/Y mainly thanks to lower real estate expenses and sponsorships

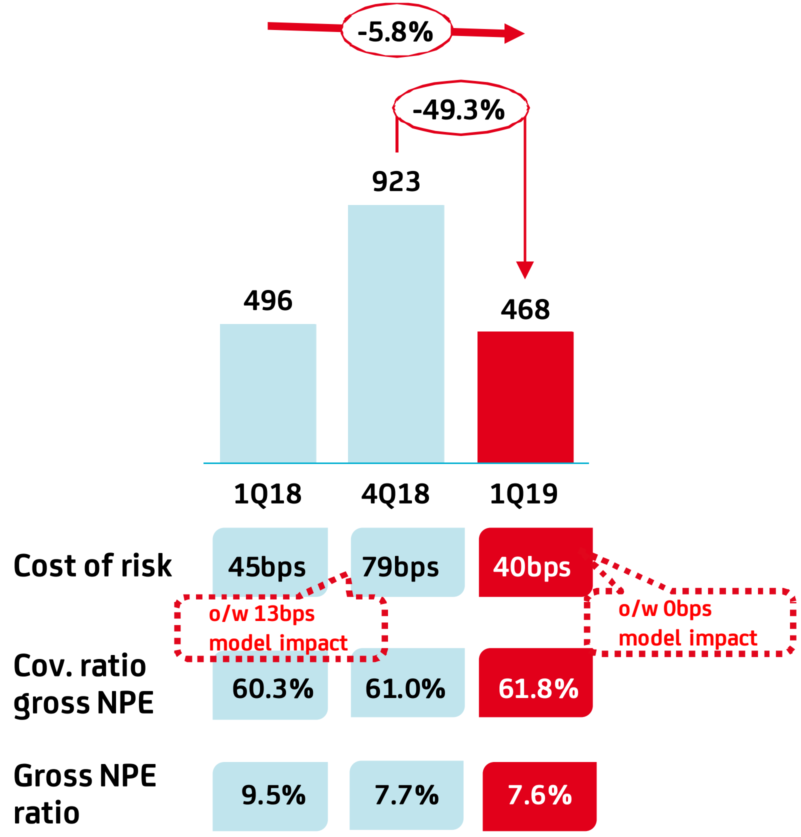
(1) Non HR costs include "other administrative expenses", "recovery of expenses" and "amortisation, depreciation and impairment losses on intangible and tangible assets".

Group – 1Q19 LLPs down 5.8% Y/Y
Gross NPE ratio 7.6% down 1.9p.p. Y/Y

Main drivers

- 1Q19 LLPs down 5.8% Y/Y, leading to a seasonally low CoR of 40bps, including 0bps of models. FY19 55bps CoR target confirmed, o/w 4bps due to model impact
- Group gross NPE ratio improved to 7.6% in 1Q19, down 1.9p.p. Y/Y. Coverage ratio at 61.8%, up 1.5p.p. Y/Y
- Group Core gross NPE ratio at 4.1%(1), down 73bps Y/Y, ahead of plan
- CoR across divisions in 1Q19:
  - CB Italy CoR at 57bps, down 7bps Y/Y. Model impact is expected to be primarily in 4Q19
  - CB Germany CoR still low at 10bps
  - CB Austria CoR at -7bps thanks to net write-backs. CoR expected to normalise in FY19. FY19 CoR will be below 16bps target
  - CEE CoR low at 61bps thanks to a still supportive risk environment. FY19 CoR will be below 102bps target
  - CIB CoR at a seasonally low 14bps

Loan loss provisions, m



(1) Weighted average "NPL" ratio of EBA sample banks is 3.2%. Source: EBA risk dashboard (data as at 4Q18). UniCredit's definition of "NPE" ratio is more conservative than EBA. Comparable "NPL" ratio for UniCredit at 1Q19 would be 3.6%.

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 0.6bn in 1Q19 up 2.3% Y/Y mainly thanks to lower costs

Main drivers

- Net interest down 0.5% Q/Q due to days effect. Customer rates are stabilising
- Gross new loan production[1] at 5.9bn in 1Q19 (-0.7% Y/Y), mainly driven by corporates and retail mortgages
- Fees down 3.8% Y/Y, mainly due to investment fees (-11.2% Y/Y) partially compensated by transactional fees (+6.3% Y/Y)
- 85,000 gross new clients in 1Q19 (-5.8% Y/Y)
- Costs down 6.6% Y/Y mainly driven by HR cost reduction (-7.2% Y/Y). 1Q19 C/I ratio at 54.1%, down 1.7p.p. Y/Y
- CoR at 57bps in 1Q19, down 7bps Y/Y. Model impact is expected to be primarily in 4Q19
- Gross NPE ratio 5.8%, down 86bps Y/Y
- Normalised[3] RoAC at 11.3% in 1Q19 impacted by net release of provisions for US sanctions. FY19 RoAC target around 11% confirmed

Data in m	*1Q18*	*4Q18*	*1Q19*	*Δ % vs.4Q18*	*Δ % vs.1Q18*
Total revenues	1,884	1,743	1,816	+4.2%	-3.6%
o/w Net interest	*901*	*863*	*859*	*-0.5%*	*-4.7%*
o/w Fees	*976*	*885*	*939*	*+6.1%*	*-3.8%*
Operating costs	-1,053	-1,023	-983	-3.9%	-6.6%
Gross operating profit	831	719	833	+15.7%	+0.2%
LLPs	-220	-298	-207	-30.5%	-5.6%
Net operating profit	611	421	625	+48.5%	+2.3%
Net profit	379	205	395	+92.9%	+4.1%
RoAC	14.2%	7.1%	13.3%	+6.2p.p.	-0.9p.p.
C/I	55.9%	58.7%	54.1%	-4.6p.p.	-1.7p.p.
CoR (bps)	64	83	57	-25	-7
Branches[2]	2,613	2,466	2,446	-0.8%	-6.4%
FTEs	31,811	29,652	29,377	-0.9%	-7.7%
Gross NPE ratio	6.7%	5.7%	5.8%	+12bps	-86bps

(1) Managerial figures.
(2) Branch figures consistent with CMD 2016 perimeter.
(3) Normalised for release of provisions for US sanctions (+60m) in 1Q19.

CB Germany – Net operating profit 0.2bn in 1Q19 down 3.5% Y/Y due to lower revenues, partially compensated by lower costs

Main drivers

- Adjusted net interest down 0.7% Q/Q[1] due to ongoing pressure on customer rates partly compensated by higher loan volumes
- Gross new loan production[2] at 3.6bn in 1Q19 (-18.4% Y/Y), mainly driven by corporates and mortgages
- Fees down 8.5% Y/Y due to investment fees (-8.3% Y/Y) and financing fees (-10.8% Y/Y)
- 21,000 gross new clients in 1Q19 (+31.1% Y/Y)
- Costs down 3.0% Y/Y, driven by lower HR (-3.1% Y/Y). 1Q19 C/I ratio at 70.9%, up 0.7p.p. Y/Y
- CoR still low at 10bps in 1Q19
- Net profit at 370m in 1Q19 positively affected by disposal of real estate (+258m) and net release of provisions for US sanctions (+41m)
- Normalised[4] RoAC at 6.2% in 1Q19 impacted by net release of provisions for US sanctions and disposal of real estate. FY19 RoAC target confirmed at 9.1%

Data in m	1Q18	4Q18	1Q19	Δ % vs.4Q18	Δ % vs.1Q18
Total revenues	625	630	600	-4.8%	-4.0%
o/w Net interest	*359*	*401*	*378*	*-5.6%*	*+5.4%*
o/w Fees	*210*	*181*	*192*	*+6.4%*	*-8.5%*
Operating costs	-438	-427	-425	-0.4%	-3.0%
Gross operating profit	186	203	174	-14.1%	-6.3%
LLPs	-27	-106	-21	-80.0%	-22.7%
Net operating profit	159	97	153	+57.9%	-3.5%
Net profit	83	176	370	n.m.	n.m.
RoAC	7.4%	14.9%	31.9%	+17.0p.p.	+24.5p.p.
C/I	70.2%	67.8%	70.9%	+3.1p.p.	+0.7p.p.
CoR (bps)	13	50	10	-40	-3
Branches[3]	341	339	339	+0.0%	-0.6%
FTEs	9,630	9,167	9,063	-1.1%	-5.9%
Gross NPE ratio	2.2%	1.8%	1.8%	-0bps	-37bps

(1) Adjusted for release of a tax provision in net interest line in 4Q18 (+20m).
(2) Managerial figures.
(3) Branch figures consistent with CMD 2016 perimeter.
(4) Normalised for release of provisions for US sanctions (+41m) and disposal of real estate (+258m) in 1Q19.

CB Austria – Net operating profit 0.1bn in 1Q19 down 29.4% Y/Y mainly due to lower LLP releases

Main drivers

- Net interest down 0.9% Q/Q due to lower loan volumes
- Gross new loan production[1] at 1.6bn in 1Q19 (-2.0% Y/Y), driven by corporates and housing loans
- Fees down 6.2% Y/Y mainly due to investment fees (-12.4% Y/Y) partly compensated by financing fees (+27.3% Y/Y)
- 12,000 gross new clients in 1Q19 (+0.2% Y/Y)
- Costs down 3.6% Y/Y thanks to lower Non HR (-8.1% Y/Y). 1Q19 C/I ratio at 72.3%, up 1.9p.p. Y/Y
- CoR at -7bps in 1Q19 thanks to net write-backs. CoR expected to normalise in FY19. FY19 CoR will be below 16bps target
- RoAC at a low 9.2% as systemic charges for FY19 are mostly booked in 1Q19 (-90m)[3]. Normalised[4] RoAC at 3.8% in 1Q19 impacted by net release of provisions for US sanctions. FY19 RoAC target confirmed at 13.3%

Data in m	*1Q18*	*4Q18*	*1Q19*	*Δ % vs.4Q18*	*Δ % vs.1Q18*
Total revenues	380	376	357	-5.1%	-6.2%
o/w Net interest	*169*	*172*	*170*	*-0.9%*	*+1.0%*
o/w Fees	*156*	*155*	*146*	*-5.9%*	*-6.2%*
Operating costs	-268	-261	-258	-1.3%	-3.6%
Gross operating profit	113	115	99	-13.9%	-12.3%
LLPs	38	-7	8	n.m.	-79.5%
Net operating profit	151	108	107	-1.3%	-29.4%
Net profit	48	97	67	-30.5%	+39.1%
RoAC	7.0%	14.2%	9.2%	-5.0p.p.	+2.2p.p.
C/I	70.4%	69.5%	72.3%	+2.8p.p.	+1.9p.p.
CoR (bps)	-34	6	-7	-13	+27
Branches[2]	123	123	123	+0.0%	+0.0%
FTEs	4,984	4,873	4,833	-0.8%	-3.0%
Gross NPE ratio	4.3%	3.9%	4.0%	+7bps	-32bps

(1) Managerial figures.
(2) Branch figures consistent with CMD 2016 perimeter.
(3) 1Q19 systemic charges details by type and division in Annex on page 50.
(4) Normalised for release of provisions for US sanctions (+39m) in 1Q19.

CEE – Net operating profit 0.6bn in 1Q19 up 4.6% Y/Y driven by strong commercial dynamics

Main drivers

- Net interest down 5.3% Q/Q at constant FX mainly due to days effect
- Gross new loan production[2] at 3.7bn in 1Q19 (-15.1% Y/Y at constant FX)
- Fees up 6.0% Y/Y at constant FX mainly thanks to financing fees (+14.3% Y/Y) and transactional fees (+3.2% Y/Y)
- Dividends down 2.5% Y/Y at constant FX due to lower Yapi contribution (-2.0% Y/Y)
- 309,000 gross new clients in 1Q19[1] (+1.3% Y/Y)
- Costs up 1.7% Y/Y at constant FX due to competitive labour market, but below inflation. 1Q19 C/I ratio at 35.1%, up 0.1p.p. Y/Y
- CoR low at 61bps thanks to a still supportive risk environment. FY19 CoR will be below 102bps target
- Successful de-risking, gross NPE ratio down 131bps Y/Y to 6.4% in 1Q19. Coverage ratio at 67.1% (+1.3p.p. Y/Y)
- RoAC at 14.1% in 1Q19. FY19 RoAC target confirmed at 13.4%

Data in m [1]	*1Q18*	*4Q18*	*1Q19*	*Δ % vs.4Q18*	*Δ % vs.1Q18*
Total revenues	1,095	1,109	1,090	-2.6%	+3.0%
o/w Net interest	*650*	*714*	*678*	*-5.3%*	*+6.4%*
o/w Fees	*210*	*229*	*219*	*-4.7%*	*+6.0%*
o/w Dividends	*106*	*96*	*82*	*-16.5%*	*-2.5%*
Operating costs	-383	-415	-383	-7.9%	+1.7%
Gross operating profit	712	695	707	+0.5%	+3.8%
LLPs	-105	-160	-100	-35.9%	-0.8%
Net operating profit	607	535	606	+10.8%	+4.6%
Net profit	413	407	391	-5.6%	+1.1%
RoAC	14.9%	15.0%	14.1%	-0.8p.p.	-0.8p.p.
C/I	35.0%	37.4%	35.1%	-2.3p.p.	+0.1p.p.
CoR (bps)	69	98	61	-38	-9
Branches	1,682	1,663	1,651	-0.7%	-1.8%
FTEs	24,031	24,218	24,204	-0.1%	+0.7%
Gross NPE ratio	7.7%	6.4%	6.4%	+2bps	-131bps

(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 0.6bn in 1Q19 down 10.2% Y/Y mainly due to lower XVA in trading

Main drivers

- Net interest down 5.9% Q/Q due to one-offs in 4Q18
- Fees down 30.8% Y/Y due to lower structured finance volumes and higher sales of certificates
- Trading strongly rebounded in the quarter on greater underlying client activity
- 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). Overall client driven revenues at 69%(2) in 1Q19
- Confirmed cost discipline, costs down 2.3% Y/Y. 1Q19 C/I ratio at 38.1%, up 2.0p.p. Y/Y
- CoR at a seasonally low 14bps
- Normalised(3) RoAC at 12.3% in 1Q19 impacted by net release of provisions for US sanctions. FY19 RoAC target confirmed at 11.7%

Data in m	*1Q18*	*4Q18*	*1Q19*	*Δ % vs.4Q18*	*Δ % vs.1Q18*
Total revenues	1,106	931	1,025	+10.1%	-7.4%
o/w Net interest	*563*	*582*	*548*	*-5.9%*	*-2.8%*
o/w Fees	*163*	*157*	*113*	*-28.1%*	*-30.8%*
o/w Trading	*336*	*93*	*329*	*n.m.*	*-2.0%*
Operating costs	-400	-413	-391	-5.3%	-2.3%
Gross operating profit	707	518	634	+22.3%	-10.3%
LLPs	-49	-157	-43	-72.6%	-11.9%
Net operating profit	658	362	591	+63.5%	-10.2%
Net profit	382	237	493	n.m.	+29.0%
RoAC	15.9%	9.2%	19.4%	+10.2p.p.	+3.5p.p.
C/I	36.1%	44.3%	38.1%	-6.2p.p.	+2.0p.p.
CoR (bps)	19	53	14	-39	-5
FTEs	3,248	3,286	3,262	-0.7%	+0.4%
Gross NPE ratio	2.9%	2.5%	2.5%	+3bps	-41bps

(1) Source: Dealogic, as at 3 April 2019. Period: 1 January – 31 March 2019; rankings by volume, unless otherwise stated.
(2) Of total CIB revenues.
(3) Normalised for release of provisions for US sanctions (+180m) in 1Q19.

Fineco – Net operating profit 91m in 1Q19 up 0.4% Y/Y thanks to better fees

Main drivers

- Revenues up 1.5% Y/Y thanks to higher fees (+8.3% Y/Y) offset by lower trading income (-32.6% Y/Y)
- Loan volumes[1] at 2.9bn in 1Q19, up 36.8% Y/Y and 2.8% Q/Q mainly driven by Lombard loans
- AuM volumes up 7.3% Y/Y. Management fees up 13.7% Y/Y
- 30,600 gross new clients in 1Q19 (+2.3% Y/Y)
- Costs up 2.6% Y/Y to support business expansion. 1Q19 C/I ratio at 41.5%, up 0.4p.p. Y/Y
- Net profit at 22m in 1Q19, up 4.5% Y/Y
- RoAC at 39.0% in 1Q19

Data in m	*1Q18*	*4Q18*	*1Q19*	*Δ % vs.4Q18*	*Δ % vs.1Q18*
Total revenues	155	160	157	-1.7%	+1.5%
o/w Net interest	*69*	*71*	*70*	*-1.0%*	*+2.1%*
o/w Fees	*71*	*82*	*77*	*-5.4%*	*+8.3%*
Operating costs	-64	-61	-65	+6.3%	+2.6%
Gross operating profit	91	99	92	-6.7%	+0.8%
LLPs	-1	-2	-1	-45.2%	+34.1%
Net operating profit	91	96	91	-5.8%	+0.4%
Minorities	-38	-41	-40	-2.0%	+5.8%
Net profit[2]	21	22	22	-1.6%	+4.5%
RoAC	56.5%	39.5%	39.0%	-0.6p.p.	-17.5p.p.
C/I	41.0%	38.3%	41.5%	+3.1p.p.	+0.4p.p.
AuM	33,536	33,485	35,988	+7.5%	+7.3%
AuM/TFA	49.3%	48.3%	48.6%	+0.3p.p.	-0.7p.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 155m in 1Q19 down 33.2% Y/Y thanks to better revenues

Main drivers

- Revenues down Q/Q mainly due to impact of funding costs
- Lean but Steering Corporate Centre transformation on track with a reduction of 1,103 FTEs Y/Y (HR costs down 8.1% Y/Y). Since December 2015, FTEs down 21.0% (-3,743 FTEs)
- Operating costs down 7.0% Y/Y
- The ratio of GCC costs to total costs is down to 3.2% in 1Q19. FY19 target of 3.8% confirmed

Data in m	1Q18	4Q18	1Q19	Δ % vs.4Q18	Δ % vs.1Q18
Total revenues	-135	-49	-73	+47.4%	-46.3%
Operating costs	-90	-83	-83	+0.3%	-7.0%
Gross operating loss/profit	-225	-132	-156	+17.8%	-30.7%
LLPs	-7	-4	1	n.m.	n.m.
Net operating loss/profit	-232	-136	-155	+14.0%	-33.2%
Other Charges & Provisions	-50	-113	-78	-30.7%	+56.6%
o/w Systemic Charges	*-51*	*-28*	*-80*	*n.m.*	*+56.1%*
Profit (loss) from investments	3	23	13	-42.4%	n.m.
Profit before taxes	-267	-213	-221	+4.0%	-17.1%
Income taxes[1]	190	1,007	60	-94.0%	-68.3%
Net loss/profit	-78	792	-163	n.m.	n.m.
FTEs	15,150	14,121	14,046	-0.5%	-7.3%
Costs GCC/ Tot. costs	3.3%	3.1%	3.2%	+0.1p.p.	-0.1p.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 +120m in 4Q18.

Non Core – 2021 runoff fully on track

Main drivers

- In 1Q19 gross NPEs reduced by 0.8bn Q/Q to 17.7bn mainly driven by disposals and write-offs
- Non Core rundown is further accelerated to meaningfully beat the FY19 14.9bn gross NPE target
- Revenues down 14m Y/Y due to lower contribution from time value
- LLPs at 103m in 1Q19 down 17.8% Y/Y, with coverage ratio improving to 65.8% (+2.9p.p. Y/Y)
- Net loss of 189m in 1Q19

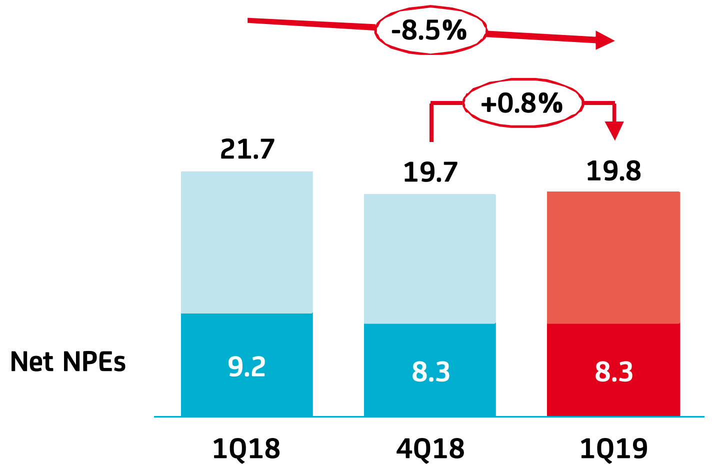
Data in m	1Q18	4Q18	1Q19	Δ % vs.4Q18	Δ % vs.1Q18
Total revenues	-5	-49	-19	-61.5%	n.m.
Operating costs	-33	-29	-25	-12.1%	-23.2%
Gross operating loss	-38	-78	-44	-43.4%	+16.3%
LLPs	-126	-189	-103	-45.3%	-17.8%
Net operating loss	-164	-267	-148	-44.7%	-9.9%
Net loss	-137	-208	-189	-9.3%	+38.2%
Gross customer loans	25,507	18,517	17,750	-4.1%	-30.4%
o/w NPEs	*22,885*	*18,513*	*17,746*	*-4.1%*	*-22.5%*
o/w Performing (1)	*2,622*	*4*	*4*	*-14.1%*	*-99.9%*
NPE coverage ratio	62.9%	64.3%	65.8%	+1.5p.p.	+2.9p.p.
Net NPEs	8,491	6,608	6,065	-8.2%	-28.6%
RWA	16,957	12,221	11,695	-4.3%	-31.0%

(1) 4Q18 and 1Q19 incorrectly flagged for technical reasons. Will disappear in 2Q19.

Agenda

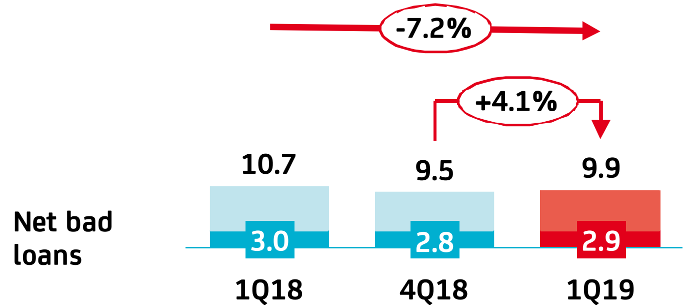
Group Core – Gross NPE ratio 4.1% down 73bps Y/Y
Coverage ratio 58.1% up 0.6p.p. Y/Y

Non performing exposures[1], bn



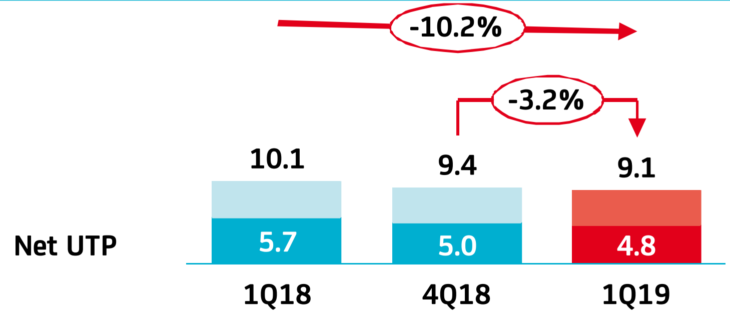
	1Q18	4Q18	1Q19
Gross NPE ratio	4.9%	4.1%	4.1%
Net NPE ratio	2.1%	1.8%	1.8%
Coverage ratio	57.5%	57.8%	58.1%

o.w. Gross bad loans, bn



	1Q18	4Q18	1Q19
Coverage ratio	72.3%	70.8%	70.6%

o.w. Gross unlikely to pay, bn

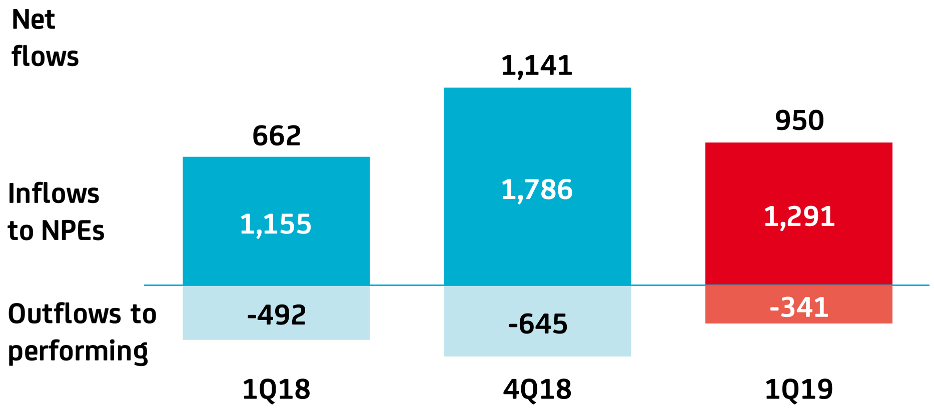


	1Q18	4Q18	1Q19
Coverage ratio	43.8%	47.0%	47.2%

(1) Gross NPEs including gross bad loans, gross unlikely to pay and gross past due. Gross past due at 868m in 1Q19 (+8.3% Q/Q and -4.2% Y/Y).

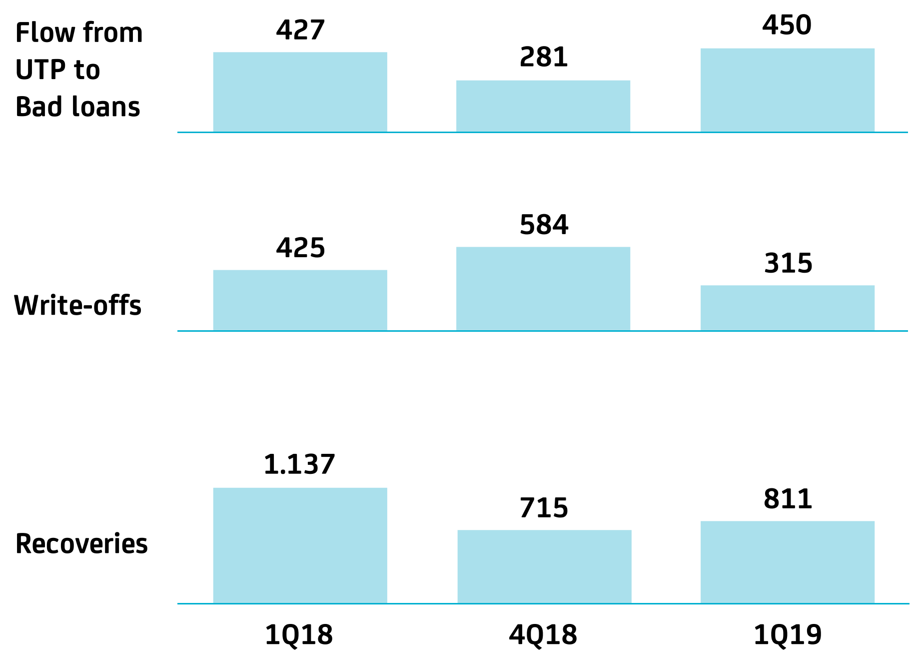
Group Core – Default rate stable at 1.1%

Group Core – net flows to NPEs, m



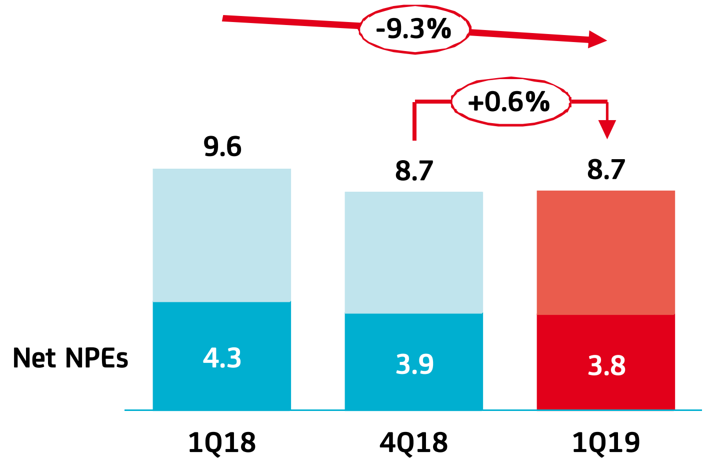
	1Q18	4Q18	1Q19
Default rate	1.1%	1.7%	1.1%
Cure rate	8.8%	11.6%	6.9%
Migration rate	16.2%	10.6%	19.3%

Group Core – Loan evolution drivers, m



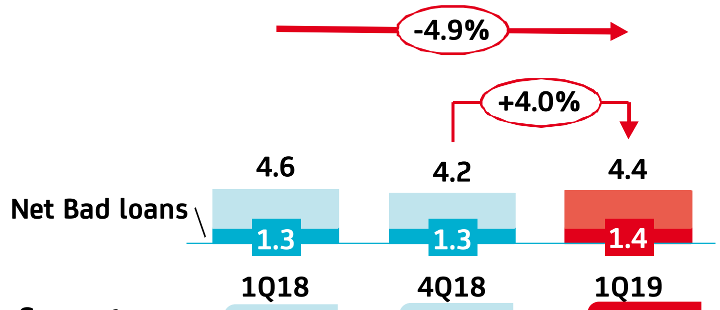
CB Italy – Gross NPE ratio 5.8% down 86bps Y/Y
Coverage ratio 56.3% up 1.3p.p. Y/Y

Non performing exposures[1], bn



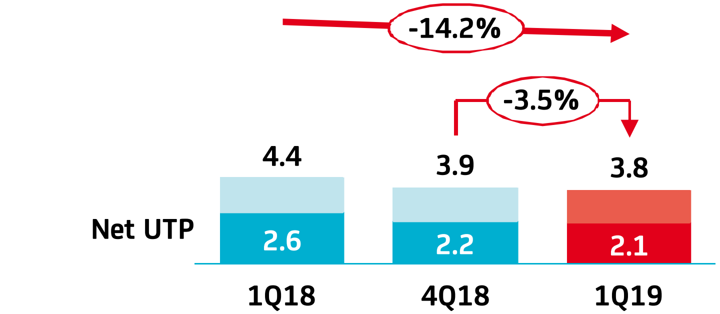
	1Q18	4Q18	1Q19
Gross NPE ratio	6.7%	5.7%	5.8%
Net NPE ratio	3.2%	2.7%	2.7%
Coverage ratio	55.0%	55.5%	56.3%

o.w. Gross bad loans, bn



	1Q18	4Q18	1Q19
Coverage ratio	71.9%	69.3%	69.3%

o.w. Gross unlikely to pay, bn

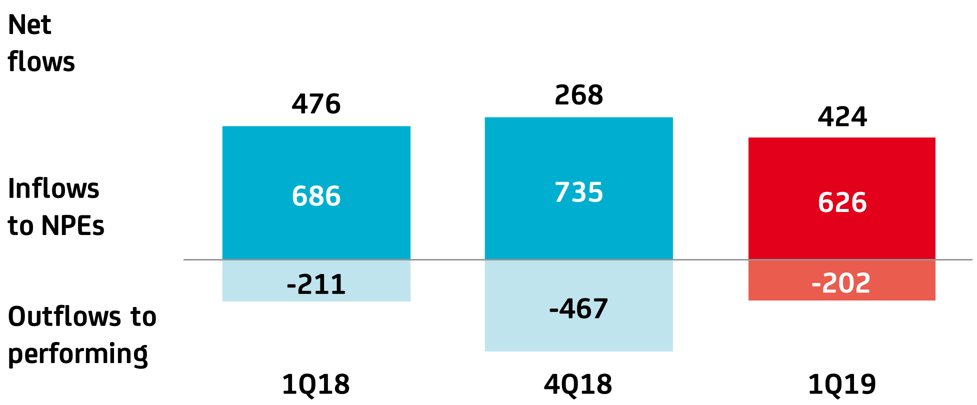


	1Q18	4Q18	1Q19
Coverage ratio	40.4%	44.4%	45.1%

(1) Gross NPEs including gross bad loans, gross unlikely to pay and gross past due. Gross past due at 548m in 1Q19 (+4.2% Q/Q and -7.5% Y/Y).

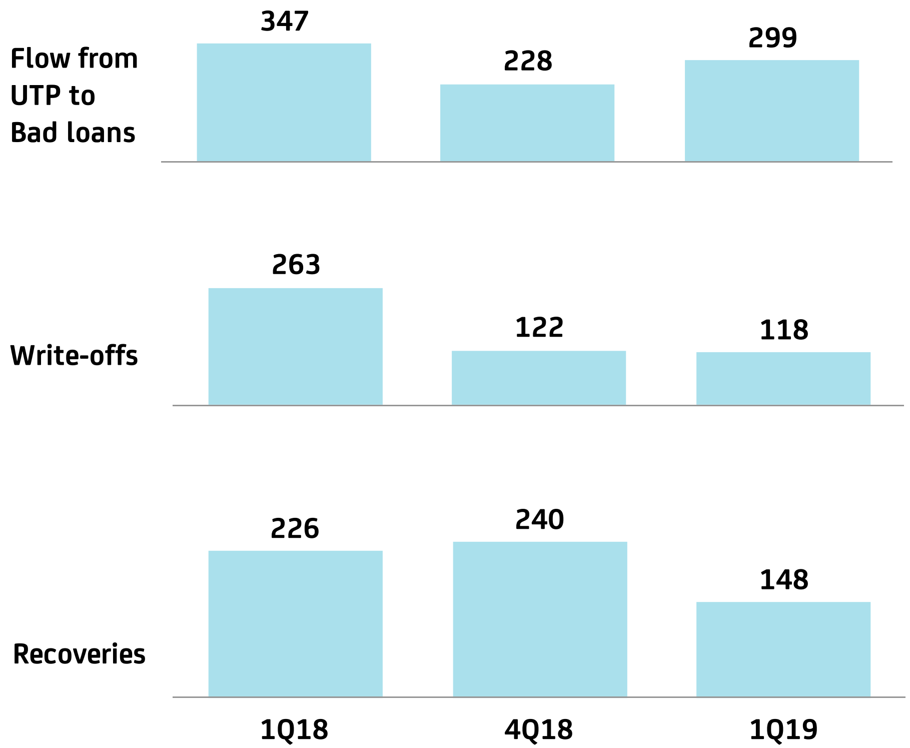
CB Italy – Default rate at 1.7% in 1Q19, down 30bps Y/Y

CB Italy – net flows to NPEs, m



	1Q18	4Q18	1Q19
Default rate	2.1%	2.2%	1.7%
Cure rate	8.8%	19.5%	9.3%
Migration rate	30.4%	20.0%	30.5%

CB Italy – Loan evolution drivers, m

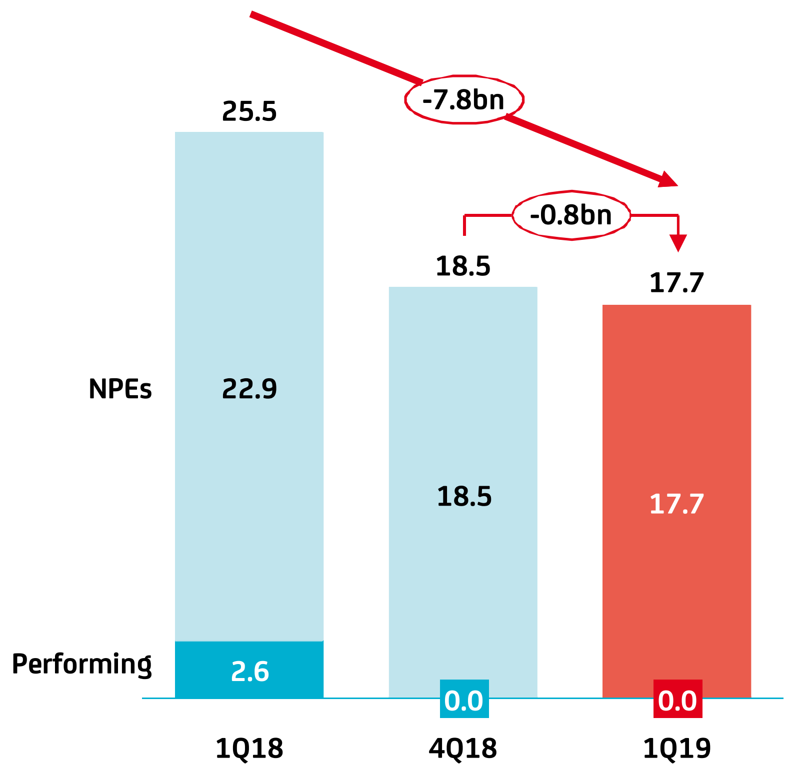


Non Core – Gross loans reduced by 7.8bn Y/Y

Actions of Non Core rundown, bn

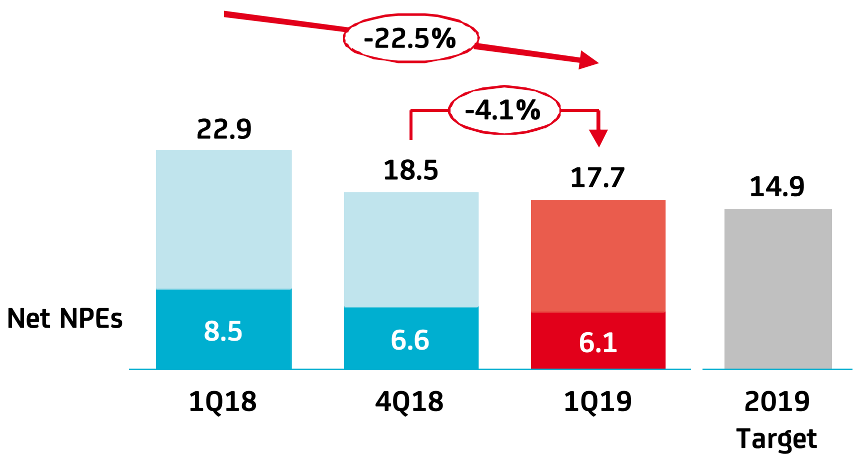
	1Q19
Disposals	0.3
Recoveries	0.2
Write-offs	0.2
Back to Core	0.1
Repayments	-
Other	-
Total	0.8

Gross loans, bn



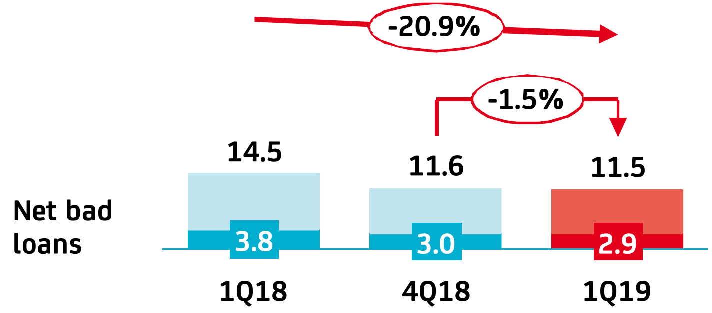
Non Core – Gross NPEs at 17.7bn, down 22.5% Y/Y and 4.1% Q/Q Coverage ratio 65.8%, up 2.9p.p. Y/Y

Non performing exposures[1], bn



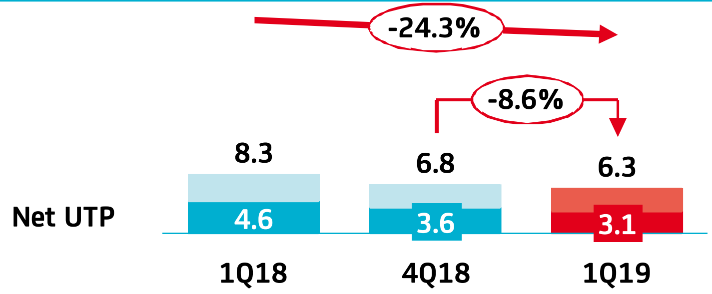
	1Q18	4Q18	1Q19	2019 Target
Gross NPE ratio	89.7%	100.0%	100.0%	100%
Net NPE ratio	77.8%	99.9%	99.9%	100%
Coverage ratio	62.9%	64.3%	65.8%	>57%

o.w. Gross bad loans, bn



	1Q18	4Q18	1Q19
Coverage ratio	73.6%	74.2%	74.7%

o.w. Gross unlikely to pay, bn



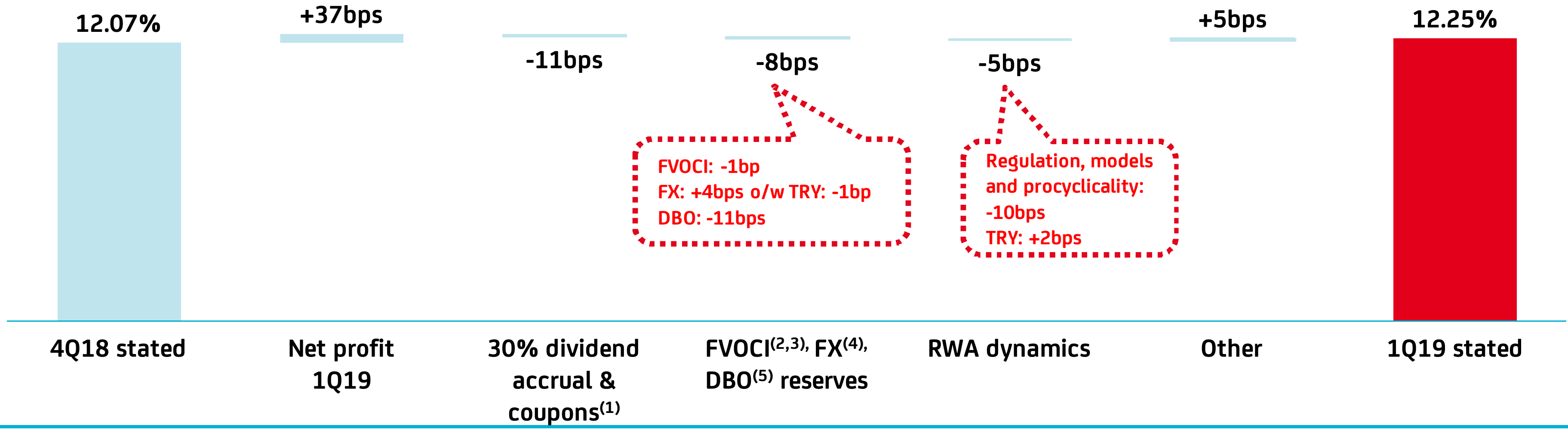
	1Q18	4Q18	1Q19
Coverage ratio	44.5%	47.7%	49.7%

(1) Gross NPEs including gross bad loans, gross unlikely to pay and gross past due. Gross past due at 32m in 1Q19 (-16.5% Q/Q and -75.4% Y/Y).

Agenda

Group – CET1 ratio at 12.25% as net earnings generation compensated the negative impact from DBO

Fully loaded Common Equity Tier 1 ratio, %

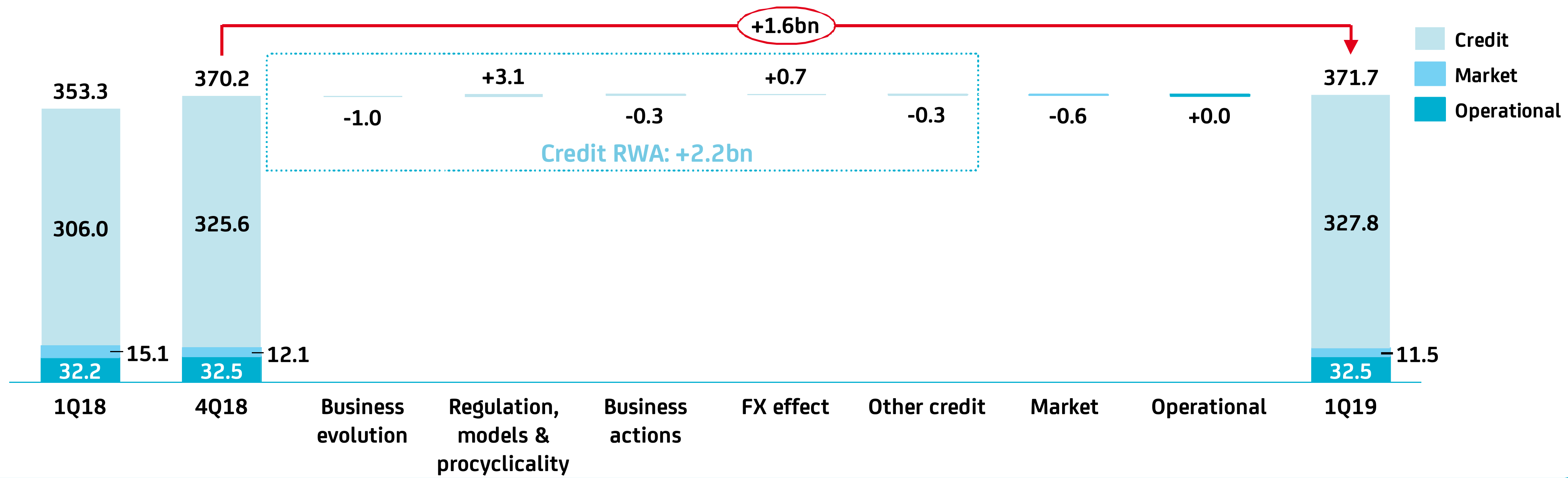


- 1Q19 CET1 ratio 12.25% up 18bps Q/Q, as net earnings generation compensated the negative impact from DBO
- Real estate disposals confirmed, expected +0.2p.p. CET1 ratio impact mainly in 2019, of which +7bps successfully closed in 1Q19
- CET1 ratio by year end 2019 between 12.0-12.5%[6] confirmed and MDA buffer now at the upper end of target range of 200-250bps. Trough expected in 2Q19, above 12%

(1) Payment of coupons on AT1 instruments (34m pre tax in 1Q19, 372m expected for FY19) and CASHES (31m pre and post tax in 1Q19, 125m expected for FY19). Dividends accrued on adjusted net profit.
(2) In 1Q19 CET1 ratio impact from FVOCI -1bp, o/w +1bp thanks to BTP.
(3) BTP sensitivity: +10bps parallel shift of BTP asset swap spreads has a -2.9bps pre and -2.1bps post tax impact on the fully loaded CET1 ratio as at 31 March 2019.
(4) In 1Q19 TRY depreciation had a total net impact almost neutral on CET1 ratio, o/w -1bp from capital shown in "FX" and +2bps from RWA shown in "RWA dynamics".
(5) DBO sensitivity: 10bps decrease in discount rate has a -4bps pre and -3bps post tax impact on the fully loaded CET1 ratio as at 31 March 2019.
(6) Assuming BTP spreads remain at current levels.

Group – RWA up 1.6bn Q/Q due to additional regulation, models and procyclicality

RWA transitional[1] Q/Q, bn

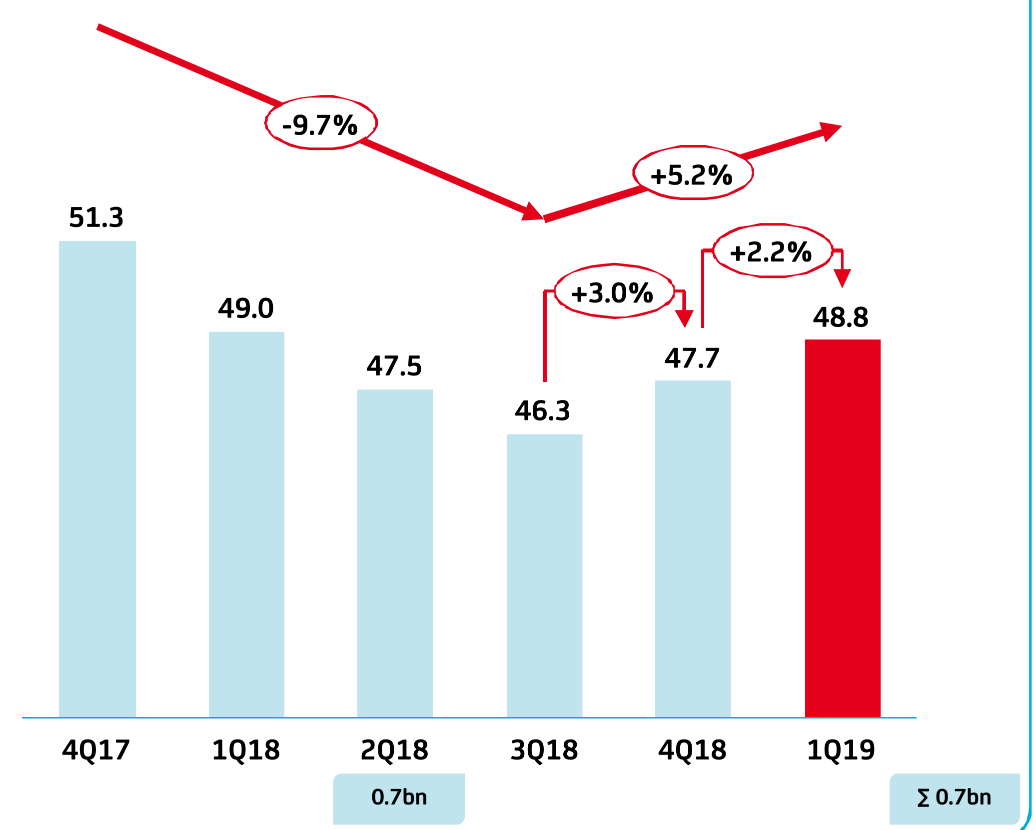


- Credit RWA up 2.2bn Q/Q mainly due to additional regulation, models & procyclicality
- Market RWA down 0.6bn Q/Q
- Operational RWA flat Q/Q

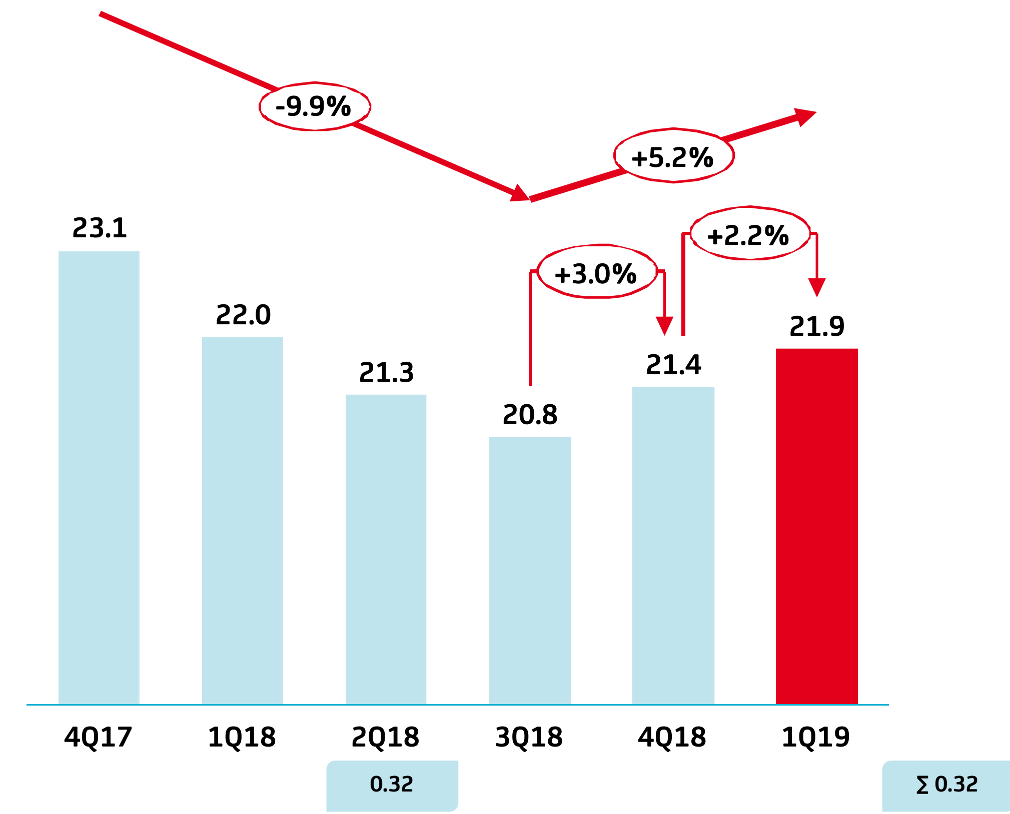
(1) Business evolution: changes related to customer driven activities (mainly loans); Regulation: changes (eg. CRR or CRD) determining variations of RWA; Procyclicality: change in macroeconomy or client's credit worthiness; Models: methodological changes to existing or new models; Business actions: initiatives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

Group – 1Q19 tangible equity 48.8bn up 5.2% 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 excluding treasury shares.

Dividends/ DPS.

Group – TLAC subordination ratio 18.41%, 134bps buffer

UniCredit SpA 2019 TLAC Funding Plan

	Target FY 2019	€/bn	Plan 2019	o/w to be issued[1]
TLAC Requirement >19.6%	**20.1-20.6%**			
Senior Preferred exemption	**2.5%**		2.5	2.5
Subordination req. >17.1%	**17.6-18.1%**			
Senior Non Preferred & Other[2]			3.2	0.6
Tier 2	**2.0%**		2.3	0.2
AT1	**1.5%**		1.0	0
CET1 ratio (Trans.)	**12.0-12.5%**	***Total***	**9.0**	**3.3**
RWA	**406bn**	***o/w subordinated***	***6.5***	***0.8***

TLAC buffer target 50-100bps

CET1 MDA buffer target 200-250bps

- 2019 TLAC funding plan 9.0bn, o/w 5.7bn already issued, only 0.8bn of subordinated instruments to be issued[1]
- Fully compliant with TLAC subordination requirements of >17.1%. 1Q19 TLAC subordination ratio 18.41%[3], buffer at 134bps[3]. Target buffer 50-100bps
- Pillar I MREL subordination requirement already achieved[3]

(1) As at 2 May 2019.
(2) Non computable portion of subordinated instruments.
(3) Managerial figures under current regulatory assumptions.

Agenda

Strong 1Q19 performance puts UniCredit well on track for the last stretch of Transform 2019 marathon

Core bank performing well, benefitting from release of provisions for US sanctions

- 1Q19 adjusted RoTE at 11.3%, up 0.8p.p. Y/Y[(1)]
- 1Q19 net operating profit 2.0bn, down 1.3% Y/Y
- 1Q19 gross NPE ratio 4.1%, down 73bps Y/Y, well below FY19 4.7% target

Transform 2019 well ahead of schedule

- Achieved 104% of FTE and 95% of branch reduction targets. Both targets expected to be exceeded in 2019
- 1Q19 costs at 2.6bn, down 4.2% Y/Y. FY19 10.4bn target confirmed
- 1Q19 Non Core gross NPEs 17.7bn, down 5.1bn Y/Y
- 2021 Non Core runoff fully on track. Non Core rundown further accelerated to meaningfully beat FY19 14.9bn gross NPE target

Outlook FY19

- FY19 revenues 19.8bn confirmed
- FY19 CoR 55bps, net profit 4.7bn, RoTE >9% and Core RoTE >10% confirmed
- CET1 ratio by year end 2019 between 12.0-12.5%[(2)] confirmed and MDA buffer now at the upper end of target range of 200-250bps. Trough expected in 2Q19, above 12%
- Tangible equity to continue to grow throughout FY19

(1) Group and Group Core adjusted net profit and RoTE exclude IFRS9 FTA tax effect (+887m in 4Q18) and disposal of real estate (+258m net impact in 1Q19).
(2) Assuming BTP spreads remain at current levels.

Agenda

Group – 2018 and 2019 non-recurring items

2018

		Net Profit, m	Division
1Q	Net trading gains from participations	+39	CIB
4Q	Release of tax provision	+147	CB Germany
4Q	IFRS9 FTA tax effect	+887	GCC

2019

		Net Profit, m	Division
1Q	Disposal of real estate	+258	CB Germany
1Q	Release of provisions for US sanctions	+60	CB Italy
		+41	CB Germany
		+39	CB Austria
		+180	CIB

Used to calculate Group and Group Core adjusted net profit and RoTE

Used to calculate normalised RoAC for divisions

Divisional monitoring KPIs for Group, Group Core and Non Core

	Group		Group Core		Non Core[3]	
	1Q19	FY19	1Q19	FY19	1Q19	FY19
Revenues, bn	5.0	19.8	5.0		0.0	0.0
Cost, bn	-2.6	-10.4	-2.6		0.0	-0.1
Cost/Income, %	52.8	52-53	52.1		n.m.	n.m.
LLPs, bn	-0.5	-2.6	-0.4		-0.1	-0.6
Cost of Risk, bps	40	55	31	43	n.m.	n.m.
Net profit, bn	1.4	4.7	1.6		-0.2	-0.5
RWA, bn	371.7	406	360.0		11.7	18.0
RoTE[1], %	9.4%	>9	11.3%	>10		
FL CET1 ratio, %	12.25%	12.0-12.5				
Loans[2], bn	432.1	444	426.1			
Deposits[2], bn	429.3	404	428.9			
Gross loans, bn	497.4	505	479.7	490	17.7	14.9
Gross NPE, bn	37.6	37.9	19.8	23.0	17.7	14.9
Net NPE, bn	14.4	16.6	8.3	10.2	6.1	6.4
Gross NPE ratio, %	7.6	7.5	4.1	4.7	100.0	100
Net NPE ratio, %	3.0	3.5	1.8	2.2	99.9	100
NPE coverage, %	61.8	>54	58.1	>51	65.8	>57
UTP coverage, %	48.2	>38	47.2	>39	49.7	>38
Bad loans coverage, %	72.8	>63	70.6	>64	74.7	>63

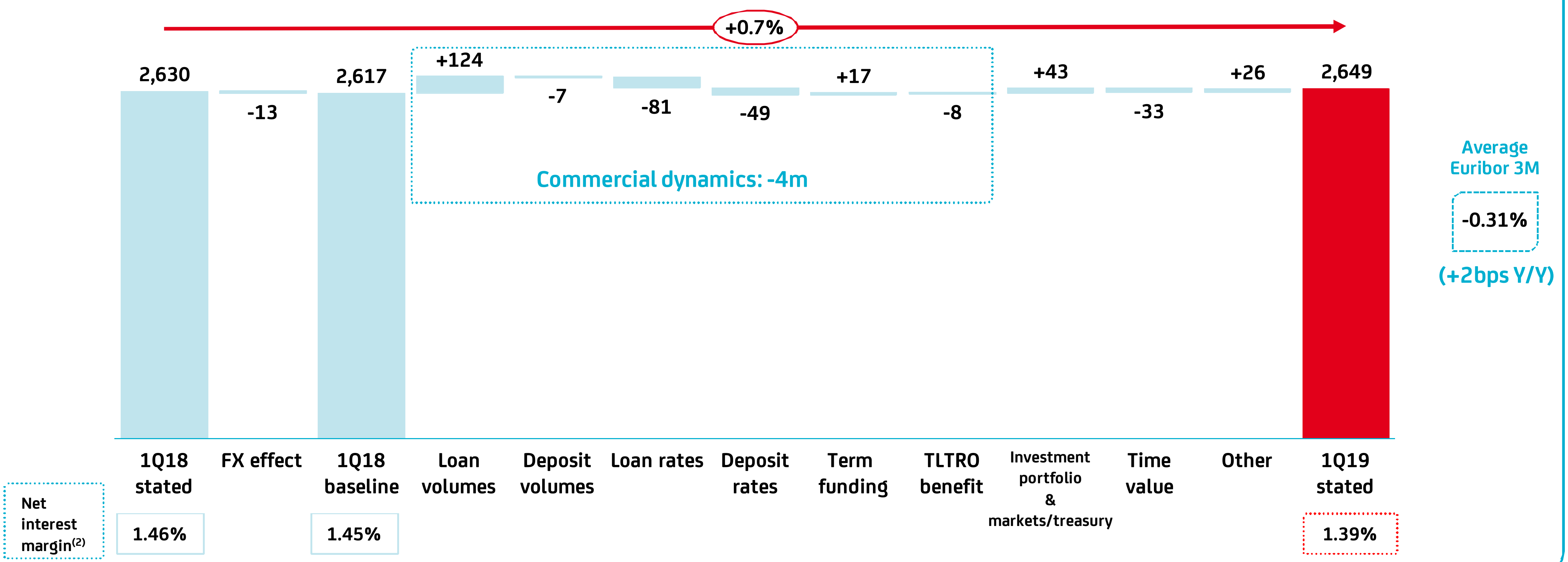
(1) Group and Group Core adjusted net profit and RoTE exclude disposal of real estate (+258m net impact in 1Q19).

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

(3) Non Core updated targets FY19: RWA, gross loans and gross NPE.

Group – Net interest at 2.6bn in 1Q19, up 0.7% Y/Y thanks to higher investment portfolio and treasury

Net interest[1] Y/Y, m



(1) Net contribution from hedging strategy of non-maturity deposits in 1Q19 at 374m, -6.7m Q/Q and -5.8m Y/Y.

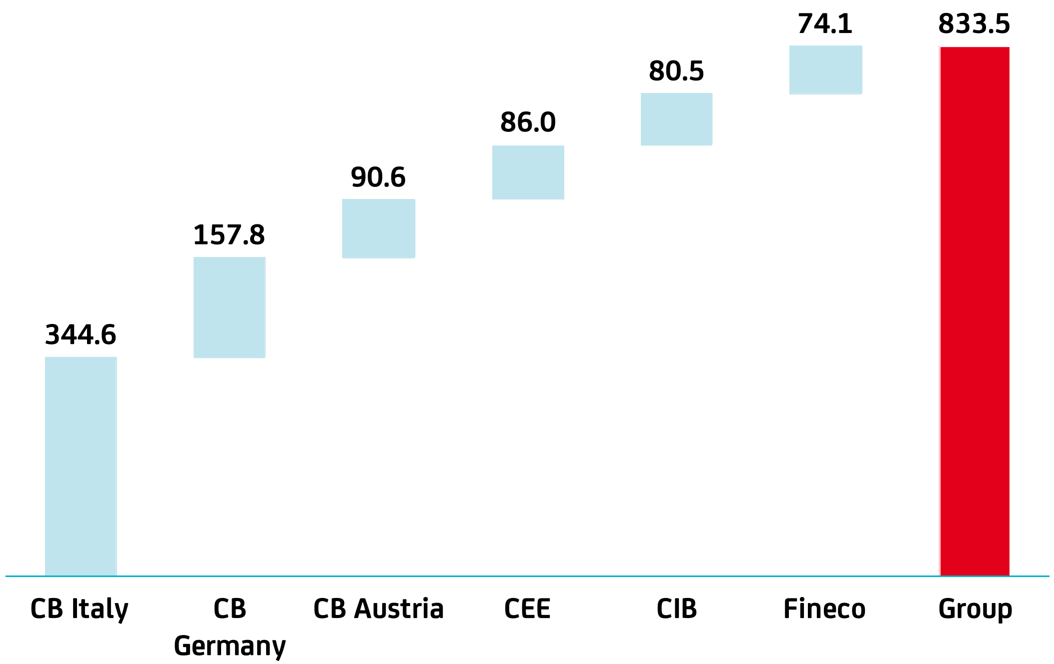
(2) Net interest margin calculated as interest income divided by interest earning assets minus interest expenses divided by interest bearing liabilities.

TFAs – Divisional breakdown

Main drivers

- Group TFAs up by 18.0 bn (+2.2% Y/Y) to 833.5bn in 1Q19:
  - CB Italy: TFAs up by 0.2bn (+0.1% Y/Y) to 344.6bn, thanks to higher deposit (+3.5% Y/Y) offset by lower AuM (-1.9% Y/Y)
  - CB Germany: TFAs up by 8.6bn (+5.8% Y/Y) to 157.8bn. AuM (+13.3% Y/Y) performed very well
  - CB Austria: TFAs up by 2.7bn (+3.1.% Y/Y) to 90.6bn, thanks to higher AuM (+5.0% Y/Y)
  - CEE: TFAs up by 16.8% Y/Y at constant FX supported by higher deposits (+20.3% Y/Y at constant FX)
  - CIB: TFAs down by 10.9bn (-11.9% Y/Y) to 80.5bn mainly due to lower AuC (-23.5% Y/Y)
  - Fineco: TFAs up by 6.0bn (+8.8% Y/Y) to 74.1bn, mainly thanks to higher AuM (+7.3% Y/Y)

1Q19 TFAs[1] divisional breakdown, bn

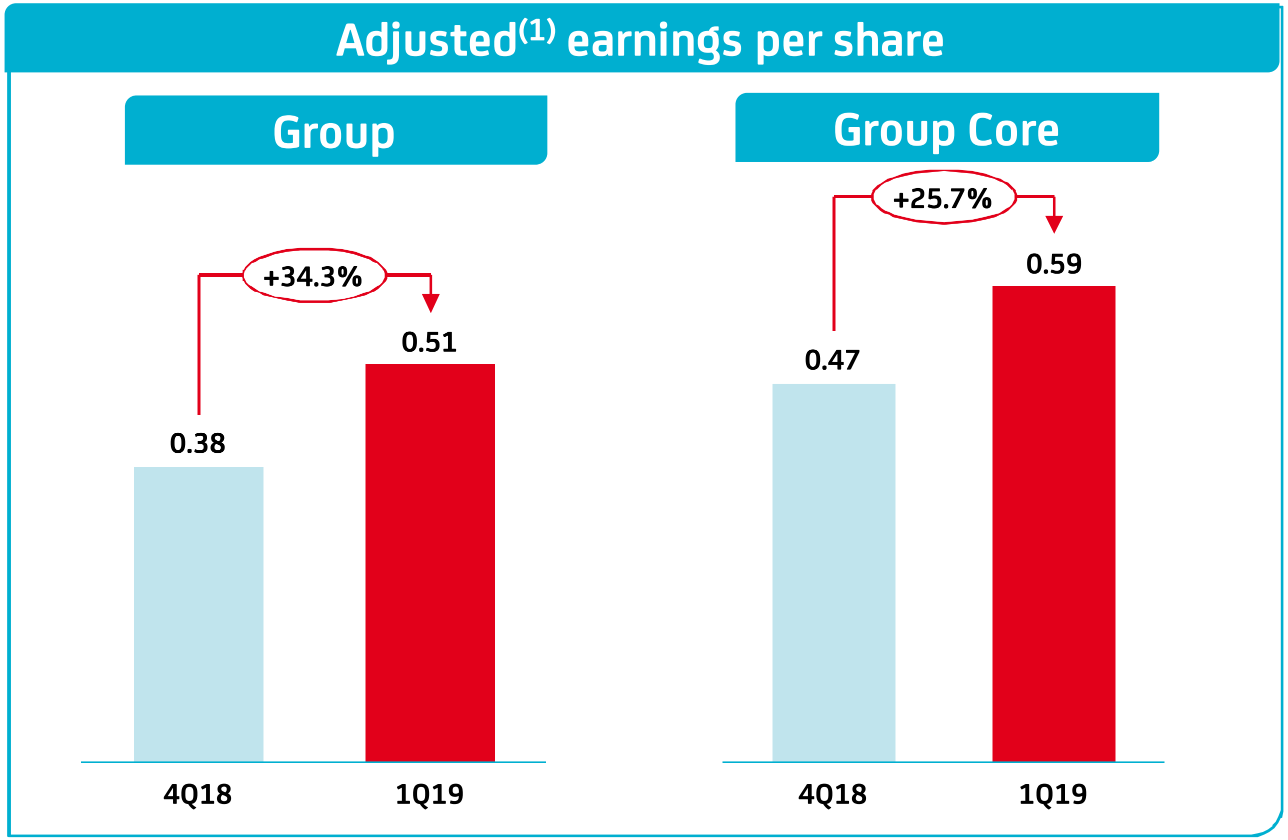


(1) Refers to Group Commercial Total Financial Assets. Non-commercial elements, i.e. Group Corporate Centre, Non-Core, Leasing/Factoring and Market Counterparts, are excluded. Numbers are managerial figures.

Systemic charges – Breakdown by type and division

1Q19, m	Systemic Charges	o/w SRF	o/w DGS	o/w Bank levies
CB Italy	**57**	57	0	0
CB Germany	**40**	32	7	0
CB Austria	**90**	31	18	41
CEE	**133**	79	36	18
CIB	**124**	111	2	11
Fineco	**0**	0	0	0
GCC	**80**	43	9	28
Non Core	**15**	14	0	1
Group	**538**	367	72	99

Group – Adjusted(1) 1Q19 Core earnings per share at 0.59



(1) Group and Group Core adjusted net profit exclude IFRS9 FTA tax effect (+887m in 4Q18) and disposal of real estate (+258m net impact in 1Q19); average number of shares excluding treasury equal to 2,230m in 4Q18 and 1Q19.

Yapi – Net operating profit 116m in 1Q19 up 1.8% Y/Y at constant FX

Main drivers[1]

- Net interest down 26.0% Q/Q at constant FX due to lower income from inflation-linked bonds
- Fees up 30.4% Y/Y at constant FX, driven by all fee types
- Costs up 18.8% Y/Y at constant FX, driven by inflation
- CoR at 271bps in 1Q19, up 182bps Y/Y driven by higher NPL inflows
- Net operating profit 116m in 1Q19, up 1.8% Y/Y at constant FX thanks to higher net interest and fees more than compensating higher LLPs
- FX loans to total loans at 45.5% in 1Q19
- RoAC at 10.5% in 1Q19

Data in m	*1Q18*	*4Q18*	*1Q19*	*Δ % vs.4Q18*	*Δ % vs.1Q18*
Total revenues	287	362	314	-14.3%	+41.6%
o/w Net interest	*215*	*278*	*209*	*-26.0%*	*+26.0%*
o/w Fees	*74*	*59*	*74*	*+22.1%*	*+30.4%*
Operating costs	-99	-93	-91	-4.5%	+18.8%
Gross operating profit	188	269	223	*-17.8%*	*+53.6%*
LLPs	-42	-174	-107	-37.4%	n.m.
Net operating profit	146	94	116	+16.5%	+1.8%
Net profit	100	92	76	-18.2%	-2.0%
RoAC	12.2%	12.7%	10.5%	-2.2p.p.	-1.8p.p.
C/I	34.6%	25.6%	29.1%	+3.4p.p.	-5.6p.p.
CoR (bps)	89	444	271	-173	+182
FX loans/Total loans	42.4%	45.4%	45.5%	+12bps	+305bps
Gross NPE ratio[2]	5.5%	7.3%	8.3%	+98bps	+278bps

(1) Managerial view representing proportional contribution of Yapi to P&L (UniCredit Group participates with 40.95% through the Joint Venture). 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 56m in 1Q19 down 49.8% Y/Y at constant FX

Main drivers[1]

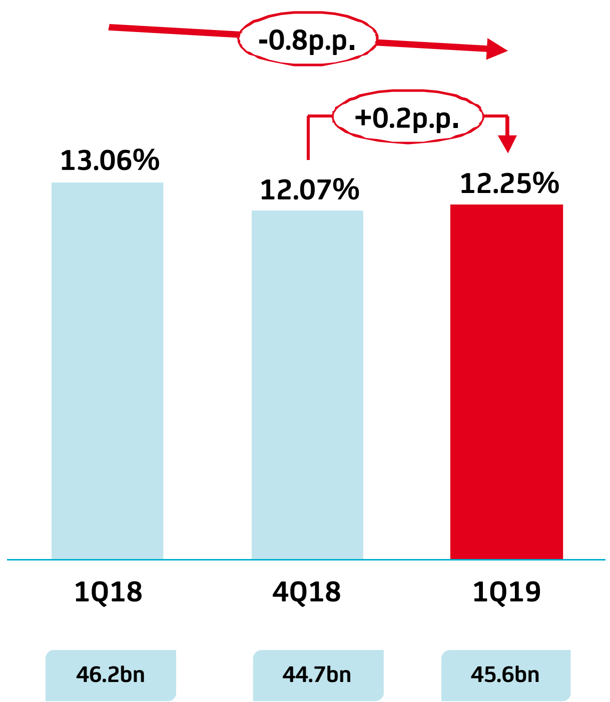
- Net interest up 0.6% Q/Q at constant FX mainly thanks to higher loan volumes
- Fees up 10.7% Y/Y at constant FX, mainly thanks to financing fees (+38.8% Y/Y)
- Trading down 33m Y/Y driven by technical effects from hedging
- Costs up 6.1% Y/Y at constant FX, driven by inflation
- CoR at 177bps in 1Q19, up 72bps Y/Y driven by conservative loan classification and increased coverage
- Net operating profit 56m in 1Q19, down 49.8% Y/Y at constant FX due to lower revenues and higher LLPs
- RoAC at 9.7% in 1Q19

Data in m	*1Q18*	*4Q18*	*1Q19*	*Δ % vs.4Q18*	*Δ % vs.1Q18*
Total revenues	207	159	166	+2.7%	-14.3%
o/w Net interest	*148*	*138*	*140*	*+0.6%*	*+1.6%*
o/w Fees	*28*	*30*	*28*	*-5.4%*	*+10.7%*
Operating costs	-62	-59	-61	+2.7%	+6.1%
Gross operating profit	145	100	105	*+2.7%*	*-22.9%*
LLPs	-25	-23	-48	n.m	n.m.
Net operating profit	120	77	56	-27.8%	-49.8%
Net profit	91	50	44	-15.0%	-48.7%
RoAC	20.9%	12.2%	9.7%	-2.6p.p.	-11.2p.p.
C/I	29.8%	36.9%	36.8%	-0.1p.p.	+7.0p.p.
CoR (bps)	105	90	177	+87	+72
FTEs	4,139	4,119	4,170	+1.2%	+0.7%
Gross NPE ratio	7.5%	7.1%	7.5%	+37bps	-3bps

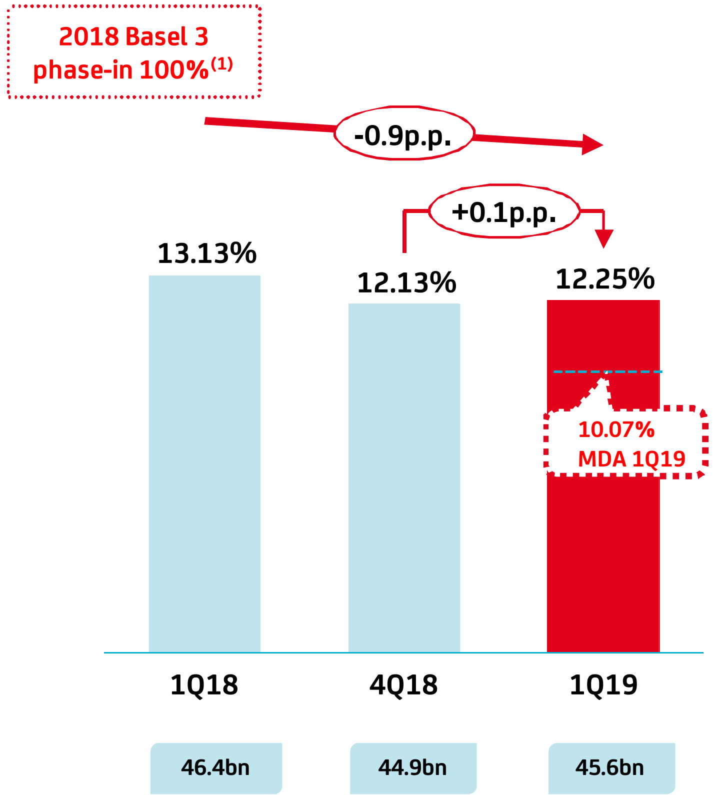
(1) Stated numbers at current FX. Variations Q/Q and Y/Y at constant FX (RoAC, C/I, gross NPE ratio and CoR variations at current FX).

Group – CET1 capital fully loaded and CET1 transitional

CET1 fully loaded



CET1 transitional

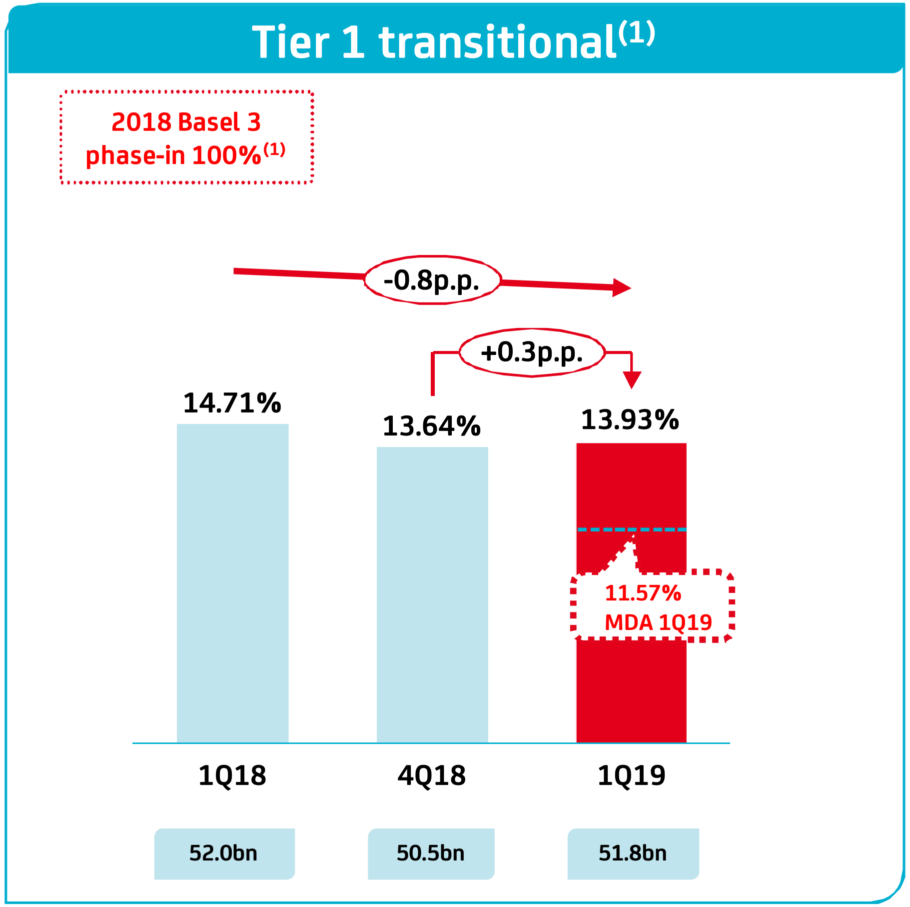


(1) Phase-in of net liability related to Defined Benefit Obligation at 80% in 2018.

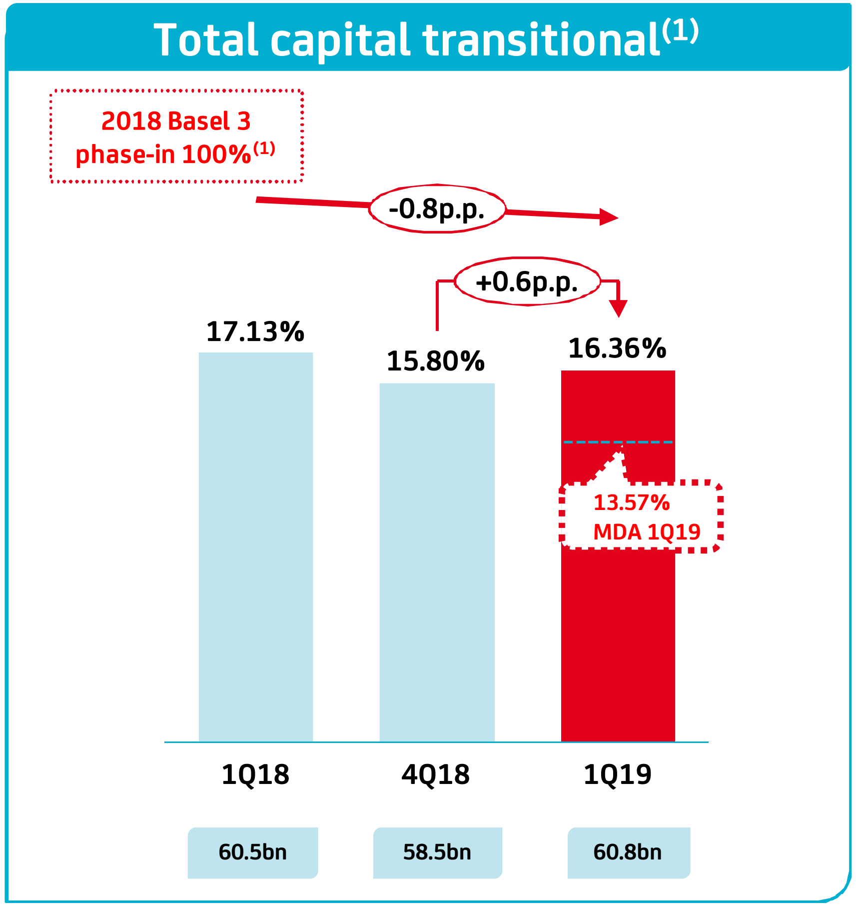
Absolute amount for CET1 fully loaded and CET1 transitional.

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

Tier 1 transitional(1)



Total capital transitional(1)

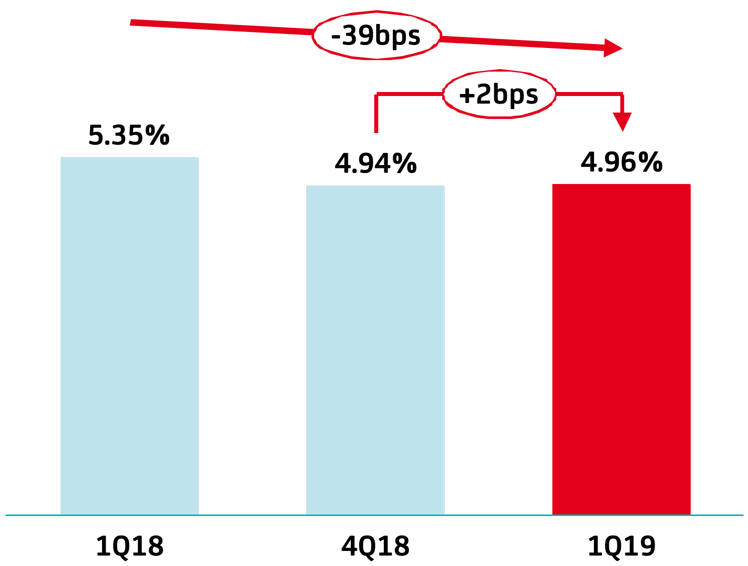


(1) Phase-in of net liability related to Defined Benefit Obligation at 80% in 2018.

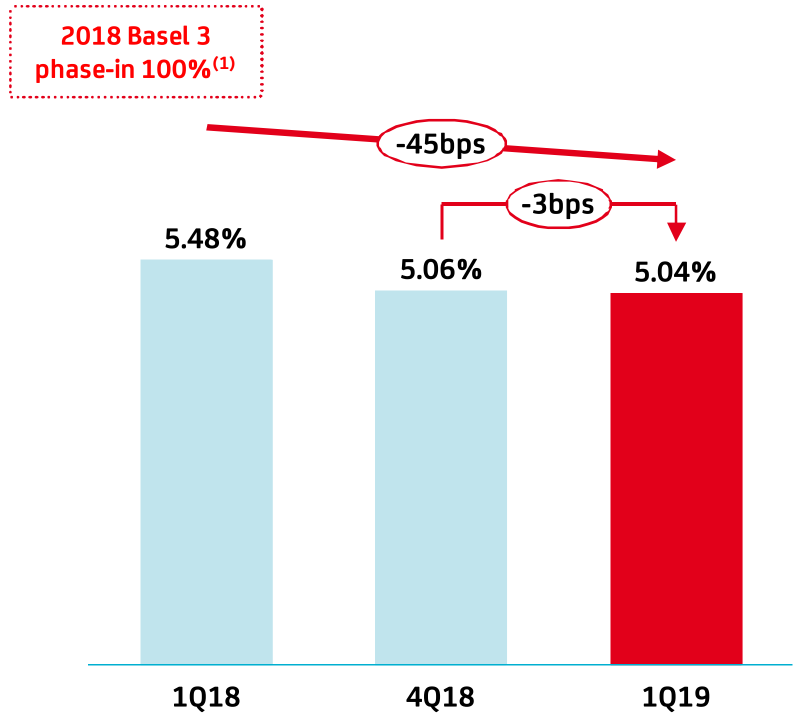
Absolute amount for Tier1 capital transitional and total capital transitional.

Group – Leverage ratio fully loaded at 4.96%

Basel 3 leverage ratio fully loaded



Basel 3 leverage ratio transitional(1)



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

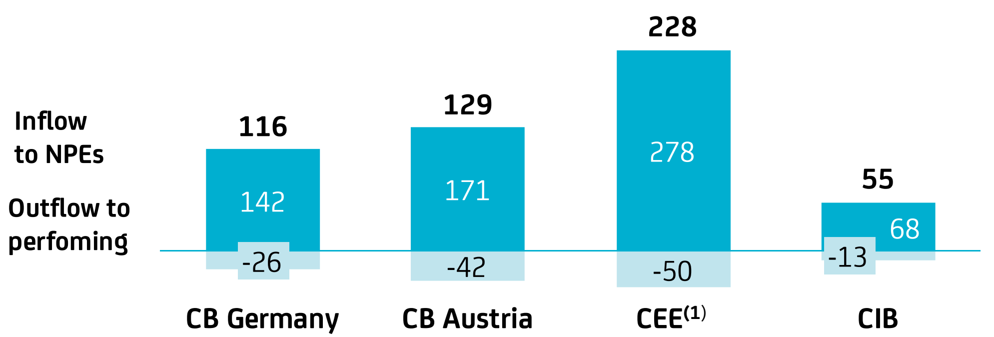
Asset quality by division

1Q19	Group	Group Core	CB Italy	CB Germany	CB Austria	CEE	CIB	Non Core
Gross loans, bn	**497.4**	479.7	149.6	87.3	46.4	70.2	124.5	17.7
Gross NPE, bn	**37.6**	19.8	8.7	1.6	1.9	4.5	3.1	17.7
Net NPE, bn	**14.4**	8.3	3.8	0.8	0.9	1.5	1.3	6.1
Gross NPE ratio,%	**7.6**	4.1	5.8	1.8	4.0	6.4	2.5	100.0
Net NPE ratio,%	**3.0**	1.8	2.7	0.9	1.9	2.2	1.1	99.9
NPE coverage,%	**61.8**	58.1	56.3	49.1	53.8	67.1	57.4	65.8
Bad loans coverage,%	**72.8**	70.6	69.3	50.3	84.4	86.1	69.6	74.7
UTP coverage,%	**48.2**	47.2	45.1	33.0	27.4	58.6	46.4	49.7

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

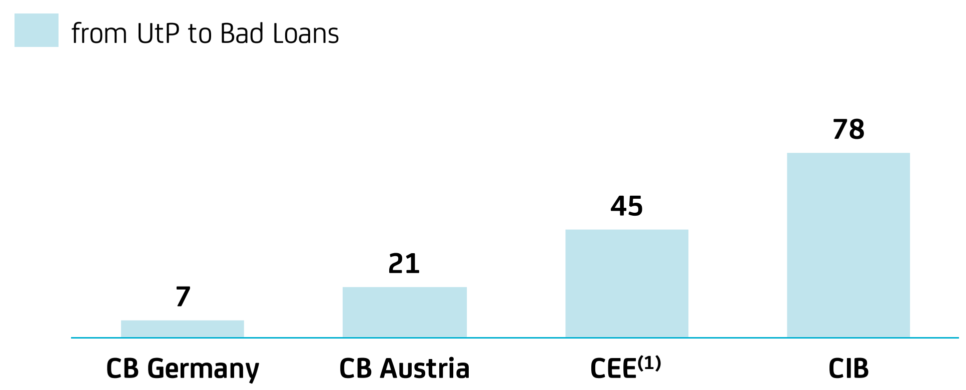
Net flows to NPEs, recoveries and write-offs – 1Q19, m

	CB Germany	CB Austria	CEE(1)	CIB
Recoveries	159	128	145	203
Write-off	14	18	146	8



	CB Germany	CB Austria	CEE(1)	CIB
Default rate	0.7%	1.5%	1.7%	0.2%
Cure rate	6.5%	9.0%	4.6%	1.7%

Migrations from Unlikely to Pay to Bad Loans – 1Q19, m

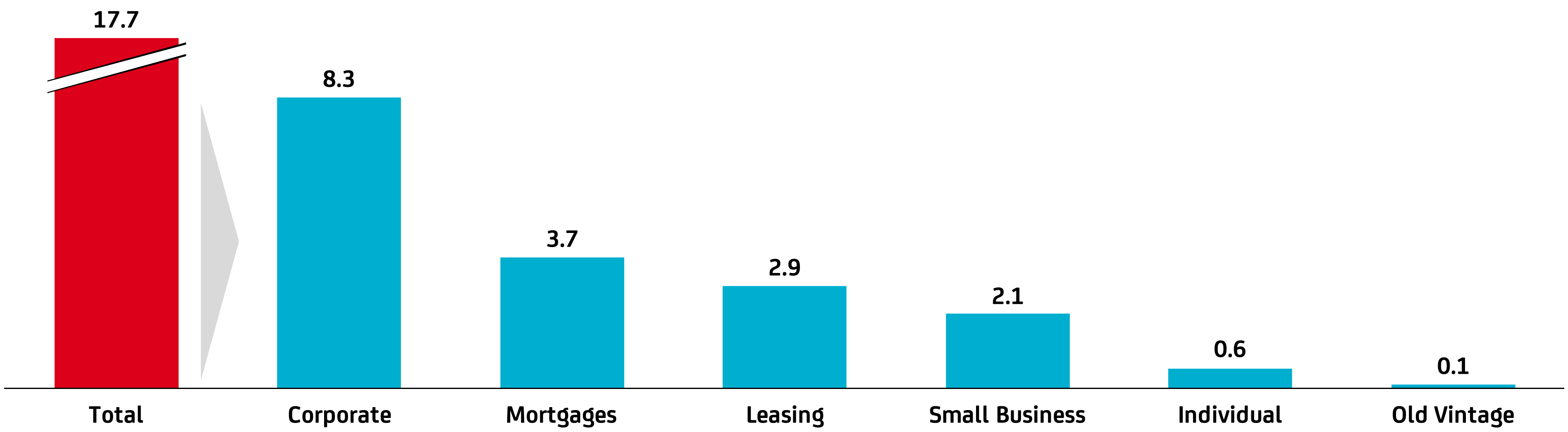


	CB Germany	CB Austria	CEE(1)	CIB
Migration rate	24.8%	8.8%	7.0%	18.0%

(1) Including Profit Center Milan.

Asset quality – Non Core gross NPEs breakdown by asset class

1Q19 Non Core gross NPEs, bn



Asset quality – Forborne exposures by region

Forborne loans[1], bn

GROUP

	1Q18	4Q18	1Q19
Total	21.9	19.7	19.1
NPEs	15.9	14.2	13.7
Performing Exposure	5.9	5.5	5.4
Coverage ratio	36.5%	39.5%	40.3%

ITALY

	1Q18	4Q18	1Q19
Total	14.9	13.5	13.2
NPEs	11.1	10.0	9.7
Performing Exposure	3.8	3.5	3.5
Coverage ratio	37.1%	40.1%	41.1%

AUSTRIA

	1Q18	4Q18	1Q19
Total	1.0	0.9	0.8
NPEs	0.7	0.6	0.5
Performing exposure	0.3	0.3	0.3
Coverage ratio	34.7%	33.4%	33.6%

GERMANY

	1Q18	4Q18	1Q19
Total	2.7	2.2	2.0
NPEs	2.2	1.6	1.6
Performing Exposure	0.6	0.5	0.4
Coverage ratio	34.7%	41.3%	42.5%

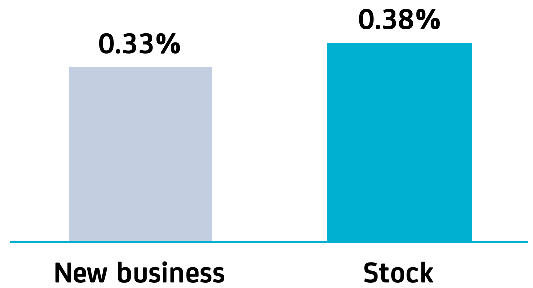
CEE

	1Q18	4Q18	1Q19
Total	3.2	3.1	3.1
NPEs	1.9	1.9	1.8
Performing exposure	1.3	1.2	1.2
Coverage ratio	36.2%	37.1%	37.2%

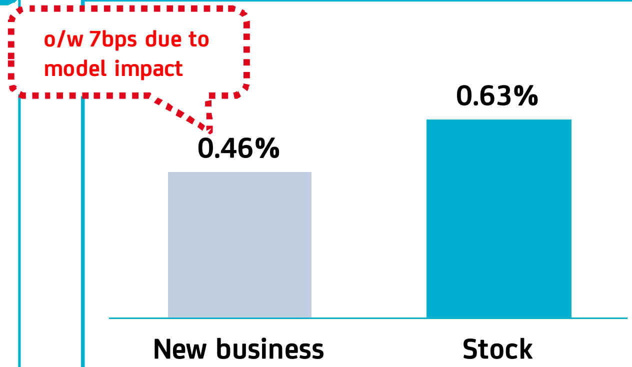
(1) Regulatory reporting data.

Asset quality – 1Q19 Group EL stock at 38bps with new business contribution at 33bps

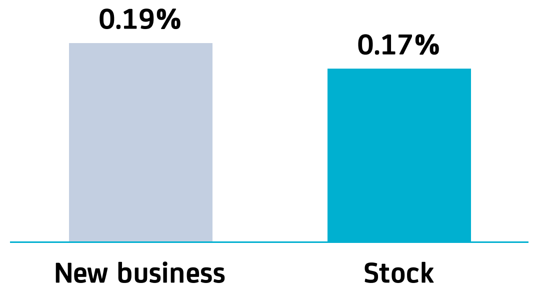
Group



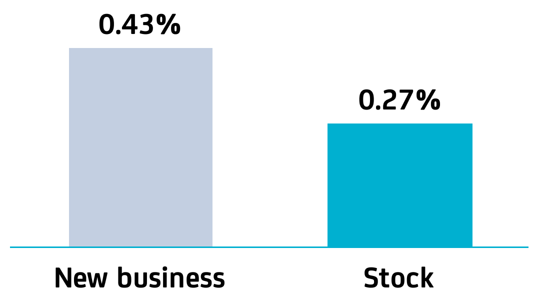
CB Italy



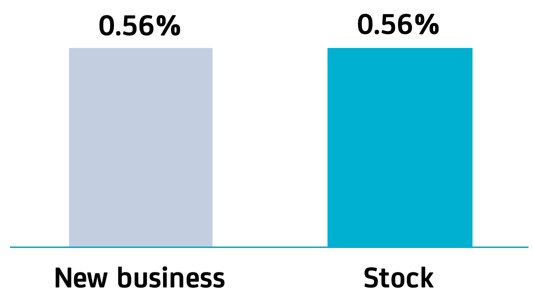
CB Germany



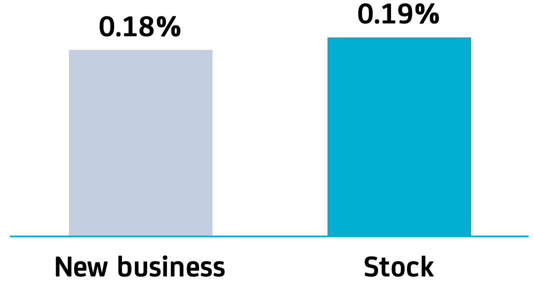
CB Austria(1)



CEE



CIB



(1) Data have been calculated with an adjusted methodology that reflected updated LGD on Mortgages portfolio.

How we generate economic, social and environment value

Ethics and Respect: Do the right thing! for all our decisions and behaviours

Environmental

Sustainable energy sector

€7.8bn	Renewable energy projects portfolio[1]
€13bn	Green and sustainable bond[2]

UniCredit for environment

573 tons	Paper saved through Firma mia in Italy
-49%	Reduction on Green House Gas emissions since 2008

Social

Social Impact Banking

€64.6m #1,661	Microcredit loans & Impact Financing deal
#270 / 25,300	Schools involved/ Students participating in financial education

People development

4.1k	Employees involved in flexible work solutions
33	Training hours per capita

Governance

- Clear and transparent governance on ESG topics ensured through commitment and full involvement of UniCredit BoD and Top management
- Newly established Corporate Governance, Nomination and Sustainability Committee (CGN&SC) to reinforce presidium on ESG topics

Ethics and Respect: Do the right thing!

Two values and a guiding principle applied in our day-to-day activities to be an employer and a counterparty of choice

Source: 2018 UniCredit integrated report. Data as of FY2018.

(1) Expressed in terms of Exposure at Default.

(2) Issuances for which UniCredit acted as joint bookrunner or joint arranger.

IFRS16 – Line adjustments from leasing accounting changes (1/2)

***IFRS16** (effective from 1 Jan. 2019) introduces a single lessee accounting model and requires a lessee, for all leases, with a term of more than 12 months, to recognise a **right-of-use asset** representing its right to use the underlying leased asset and a **lease liability** representing its obligation to make lease payments. Subsequent to initial recognition, a lessee recognises **depreciation** of the right-of-use asset and **interest expenses** on the lease liability*[(1)].

Changes	Description	Impact	Net effect[(2)]
P&L	The lease payments (previously shown only in **OAE**) split into: • **Net interest**: interest expense to be recognised with reference to the lease liability • **Depreciation**: depreciation of the right of use asset over the term of the lease contract • **Expenses recovery**: cancellation of sublease to third parties	Revenues ↓ *o/w Net interest* ↓ NHR costs ↓ *o/w OAE* ↓ *o/w Depreciation* ↑ *o/w Exp. recovery* ↓	**0**
Balance sheet	The Group adopts the "Modified retrospective" approach[(3)]: the right of use asset is equal to the lease liability calculated by discounting future lease payments starting from the date of initial application at the incremental borrowing rate existing as at 1 January 2019	Right of use asset[(4)] ↑	**+2.5bn**
		Lease liability[(4)] ↑	**+2.5bn**
Regulatory	Right of use asset is treated as "other fixed assets" (risk weight 100%), consequently 1Q19 CET1 ratio is negatively affected due to the increase of RWA	RWA ↑	**+2.5bn**
		CET1 ratio ↓	**-8bps**

No impact on net profit and RoTE

(1) Source: The International Financial Reporting Standards Foundation (IFRS). UniCredit group adopts IFRS16 for leases of tangible assets. (2) Values as at 1Q19: right of use asset, lease liability, RWA and CET1 ratio. (3) Alternative "Fully retrospective" approach: under this approach, the cumulative effect of initially applying IFRS 16 is recognized as an adjustment to equity at 1 January 2018 for a lessee that adopts IFRS 16 on the effective date and has a 31 December year-end. Comparative figures for the year ended 31 December 2018 are also restated to reflect the adoption of IFRS 16.
(4) In reclassified balance sheet, right of use asset shown in "Property, plant & equipment", lease liability in "Other financial liabilities".

IFRS16 – Line adjustments from leasing accounting changes (2/2)

Data in m

P&L	1Q18 Stated	1Q18 IFRS16	1Q18 Restated[1]	1Q19	FY18 Stated	FY18 IFRS16	FY18 Restated
Revenues	5,110	-5	5,105	4,952	19,723	-21	19,702
o/w Net interest	*2,636*	*-5*	*2,630*	*2,649*	*10,856*	*-21*	*10,835*
NHR costs	-1,099	+5	-1,094	-1,037	-4,275	+21	-4,254
o/w OAE	*-1,065*	*+81*	*-984*	*-919*	*-4,157*	*+323*	*-3,833*
o/w Depreciation	*-197*	*-75*	*-272*	*-282*	*-804*	*-299*	*-1,102*
o/w Expenses recovery	*163*	*-1*	*162*	*165*	*685*	*-4*	*681*
Net profit	1,112	-	1,112	1,387	3,892	-	3,892

(1) Figures restated for IFRS16 impact and other minor alignment to reclassification rules.

US sanctions – Impact on net profit, RoTE and RoAC for 2018-2019 by quarter

Stated net profit, m	1Q18		2Q18		3Q18		4Q18		FY18		1Q19	
	incl. US sanctions	excl. US sanctions	incl. US sanctions	excl. US sanctions	incl. US sanctions	excl. US sanctions	incl. US sanctions	excl. US sanctions	incl. US sanctions	excl. US sanctions	incl. US sanctions	excl. US sanctions
Group	1,112	1,112	1,024	1,415	29	409	1,727	1,741	3,892	4,678	1,387	1,067
Group Core	1,249	1,249	1,304	1,695	204	585	1,936	1,950	4,693	5,478	1,576	1,256
CB Italy	379	379	366	398	368	370	205	205	1,318	1,353	395	335
CB Germany	83	83	66	175	57	176	176	180	381	613	370	330
CB Austria	48	48	158	158	119	129	97	97	422	432	67	28
CIB	382	382	181	430	97	346	237	246	896	1,405	493	313

RoTE[1], RoAC[1], %	1Q18		2Q18		3Q18		4Q18		FY18		1Q19	
	incl. US sanctions	excl. US sanctions	incl. US sanctions	excl. US sanctions	incl. US sanctions	excl. US sanctions	incl. US sanctions	excl. US sanctions	incl. US sanctions	excl. US sanctions	incl. US sanctions	excl. US sanctions
Group[2]	8.9	8.9	8.5	11.7	7.5	10.7	7.1	7.3	8.0	9.6	9.4	6.7
Group Core[2]	10.5	10.5	11.3	14.7	9.3	12.7	9.2	9.4	10.1	11.8	11.3	8.5
CB Italy	14.2	14.2	13.5	14.7	13.3	13.4	7.1	7.1	11.9	12.3	13.3	11.3
CB Germany	7.4	7.4	5.8	15.8	4.9	15.6	14.9	15.2	8.3	13.5	31.9	28.4
CB Austria	7.0	7.0	23.7	23.7	17.9	19.4	14.2	14.2	15.6	16.0	9.2	3.8
CIB	15.9	15.9	7.3	17.4	3.8	13.5	9.2	9.6	9.0	14.0	19.4	12.3

Group close to 9%, Group Core close to 11%, if normalised for systemic charges

(1) Adjusted RoTE for Group and Group Core, stated RoAC for divisions.
(2) Group and Group Core adjusted RoTE exclude impairment of Yapi (-846m in 3Q18), IFRS9 FTA tax effect (+887m in 4Q18) and disposal of real estate (+258m in 1Q19).

Glossary

Glossary[1] (1/6)

AT1	Additional Tier 1 Capital
AuC	Assets under Custody
AuM	Assets under Management (including Asset under Advisory)
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 2016 perimeter, i.e. retail only excluded minor premises, corporate and private banking (Yapi at 100%)
BTP	This represents the whole Italian sovereign bond portfolio (BTPs, BOTs, et al)
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
DBO	Defined Benefit Obligation
DGS	Deposit Guarantee Scheme

Glossary (3/6)

Default rate	Percentage of gross loans migrating from performing to NPEs over a given period (annualised) divided by the initial amount of gross loans
E2E	End-to-End
EBA	European Banking Authority
EIB	European Investment Bank
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

Glossary (4/6)

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
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)
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
Non HR costs	Other administrative expenses (including indirect costs) net of expense recoveries, plus depreciation and amortisation
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")

Glossary (5/6)

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)
OAE	Other Administrative Expenses
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

Glossary (6/6)

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
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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