One Bank, One UniCredit
Transform 2019

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London, 13th December 2016

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One Bank, One UniCredit
Transform 2019

A simple Pan European Commercial Bank, delivering unique Western, Central and Eastern European network to its extensive client franchise

Taking decisive action on legacy issues, transforming the Bank and building on existing competitive advantages to capture opportunities and to achieve future recurring profitability

Transform 2019 – proactive actions to maximize value creation

- Active de-risking of balance sheet resulting in boosted coverage levels to address asset quality
- Enhanced risk discipline to further improve quality of future origination
- Cost discipline and efficiency measures to significantly reduce cost income ratio and transform business processes
- Lean but steering Corporate Center to drive Group-wide performance and ensure accountability
- Significantly strengthened capital position in line with best in class G-SIFIs

Making UniCredit a most attractive Pan European Bank

UniCredit key targets

	2019	Delta vs. 2015
Net cost savings[1]		-€1.7bn
Cost/income	<52%	>9.5p.p.
Cost of risk	49bps	-40bps
Gross NPE stock	€44.3bn	-€33.5bn
Net NPE stock	€20.2bn	-€18.1bn
RoTE	>9%	>5p.p.
CET1 ratio[2]	>12.5%	>2.1p.p.

Capital increase: €13bn

1. Net of wage increase annual recurring savings 2. CET1 ratio is fully loaded throughout document.

Note: all 2015 figures restated assuming new Group perimeter, except for CET1 ratio; new Group perimeter: variations related to disposals of Immo Holding, Ukraine, 30% Fineco, Pekao and Pioneer; plan assumes cash dividend with a 20% payout; numbers might not add due to rounding reasons throughout the whole document..

Transform 2019 – anticipating the need for banks to evolve

Regulatory environment

- Growing regulatory pressure driving simplification of business models
- Commercial Banking expected to be less affected by ongoing regulatory initiatives

Low growth and interest rates

- Limited GDP growth in Western Europe whilst higher in CEE
- “Lower for longer” interest rates and low-yield environment

Changing client behaviours

- Increasing use of remote channels
- Alternative new offerings to clients creating optionalities

UniCredit ready to seize opportunities of evolving banking environment

UniCredit: a Pan European Commercial Bank with inherent competitive advantages

Commercial Banking model delivering **unique Western, Central and Eastern European** network to extensive Retail and Corporate client franchise	**25 million** clients[1] **79%** revenues from Commercial Banking[2]
"One Bank" business model replicated across full network, driving synergies and streamlined operations	Commercial Banks with leadership position[3] in **12** out of **14** countries[4]
CIB plugged into Commercial Banking, enabling cross-selling and synergies across business lines and countries	**€2.8bn** joint CIB-Commercial Banking revenues[5]
Low risk profile business model benefiting from diversification and a more stable national/regulatory environment	**94%** revenues in EU **52%** outside Italy

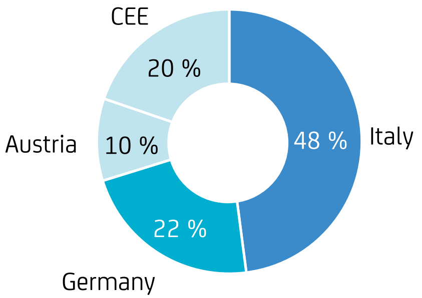
1. Data as of 9M2016, includes 100% clients in Turkey 2. CBK Italy, CBK Germany, CBK Austria, CEE. 3. Data as of 9M2016, ranking between #1 and #5 of market share in terms of total assets according to local accounting standard 4. Italy, Germany, Austria, Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bosnia and Herz., Serbia, Russia, Romania, Bulgaria, Turkey 5. Data as of 2015 Includes revenues on GTB, ECM, DCM, M&A, Markets products from Commercial Banking clients and structured financing products from Corporate clients
Note: all 2015 and 9M2016 figures restated assuming new Group perimeter. Revenues data as of 9M2016 Sources: for total assets, central bank statistics, if available, or local company reports

Strong competitive advantage across countries and products

Strong local Commercial Bank

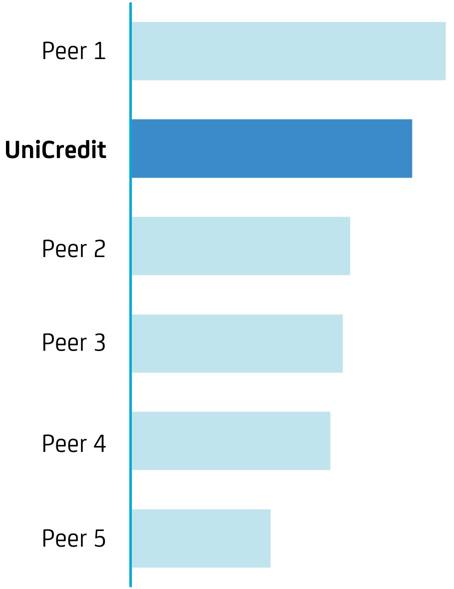
	# clients, m[1]	*Rank by assets in Europe*[2]
Italy	**8.8**	2
Germany	**1.6**	3
Austria	**1.7**	1
CEE	**12.8**	1

Revenues by geography[4]



"Go to" bank for European "Mittelstand" Corporates

Loans to corporate in EU zone, €bn[3]



Best in class CIB products provider

EMEA ranking[4]

Syndicated loans EUR	1
Sponsor-driven acquisition finance	1
Covered bonds	1
Trade finance[5]	2
Syndicated loans all currencies	3
Bonds in EUR[6]	3

1. Data as of 9M2016, includes 100% clients on Turkey 2. Data as of 9M2016, for Austria domestic assets as of end of 2015 on local GAAP (source OeNB), for Germany only private banks; CEE compared to Erste, KBC, Intesa Sanpaolo, OTP, RBI, Societe Generale 3. Data as of 9M2016; peers includes: BNP Paribas, Deutsche Bank, Intesa Sanpaolo, Santander, Société Générale 4. Data from league tables as of 9M2016 5. Source Euromoney, globally in EMEA 6. Excluding self mandated Sources: for total assets, central bank statistics, if available, or local company reports; dealogic, Euromoney

One Bank, One UniCredit
The five pillars

ONE BANK

ONE

UniCredit

5 STRATEGIC PILLARS

STRENGTHEN AND OPTIMIZE CAPITAL	IMPROVE ASSET QUALITY	TRANSFORM OPERATING MODEL	MAXIMIZE COMMERCIAL BANK VALUE	ADOPT LEAN BUT STEERING CENTER

Address capital and legacy issue…

		9M2016	2019
STRENGTHEN AND OPTIMIZE CAPITAL	• Bold actions taken: Pioneer, Pekao and 30% of Fineco • €13bn rights issue fully underwritten by volume[1] • Conservative plan delivering organic capital generation	**10.8%** CET1 ratio[2]	>**12.5%** CET1 ratio
IMPROVE ASSET QUALITY	• Addressed Italian legacy issues, through de-risking of €17.7bn portfolio and proactive bad loans management • Detailed review of portfolio resulting in strengthened coverage ratio • Tightened risk discipline to further improve credit portfolio risk profile	**€8.1bn** one-off LLP[3] **254bps**[4] CoR	**49bps** CoR

1. Pre-underwriting commitment, in line with market practice for similar transactions, of a consortium of primary financial institutions 2. Stated amount, 12.5% restated 3. Based on current assessment and subject to final terms of FINO transaction 4. Including one-off LLP, if excluding LLP in 9M2016 cost of risk equal to 77bps
Note: 9M2016 figures restated assuming new Group perimeter; plan assumes cash dividend with a 20% payout

...further transforming and building on competitive advantages

TRANSFORM OPERATING MODEL

- Operating model transformation to a sustainable lower cost structure
- Further improve customer focus, service and products
- IT investments to support business transformation
- Digitalization as enabler

€1.7bn net annual recurring cost savings as of 2019

944 branches reduction in Western Europe[1] by 2019

€1.6bn[2] IT investment cash out over plan period

MAXIMIZE COMMERCIAL BANK VALUE

- Capitalize on Retail client relationships potential
- Leverage on "go to" bank status for Corporate clients in Western Europe[1]
- Further strengthen leadership[4] position in CEE
- Enhance cross-selling across business lines and countries

€80bn increase to reach **€856bn** TFA in 2019

Additional **€363m** joint CIB-Commercial Banking revenues[3]

ADOPT LEAN BUT STEERING CENTER

- Strong steering Group Corporate Center; KPIs to drive performance and ensure accountability
- Leaner support functions and transparent cost allocation

Weight of Group Corporate Center of total costs from **5.1%** to **2.9%** by 2019

1. Italy, Germany and Austria 2. Excluding regulatory, cumulated effect 2017-2019 3. Includes revenues on GTB, ECM, DCM, M&A, Markets products from Commercial Banking clients and structured financing products from Corporate clients 4. Rank #1 for market share by assets as of 9M2016
Note: deltas are vs. 2015 restated figures

Strengthen and optimize capital

Uses of capital[1]		
Credit portfolios adjustment	224bps	€8.1bn one-off LLP[2]
Additional network transformation and restructuring	46bps	€1.7bn integration costs post-tax
Other charges[4]	30bps	
Capital dynamics 2017-2019	41bps	
Strengthen capital position >12.5% CET1 ratio	168bps	

Sources of capital		
Announced disposals[3]	164bps	
Rights issue	345bps	€13bn capital increase

€12.2bn[5] one-offs in 4Q2016 which address legacy issues

1. Capital impacts calculated assuming €362bn RWA as of 9M2016 restated; 2. Based on current assessment and subject to final terms of FINO transaction
3. Pekao, Pioneer, Ukraine, 20% Fineco (10% Fineco disposal already factored in the baseline) 4. Includes write down on Group participations, other provisions and net gain on card processing activities
5. Of which €1.5bn capital neutral; current estimate subject to final approval, actual results may vary Note: plan assumes cash dividend with a 20% payout

Strengthen and optimize capital
Transaction rationale

	FINECO THE NEW BANK	Bank Pekao	PIONEER Investments®
Key transaction terms	• July 12th, 10% ABB at 6% discount • October 12th, 20% ABB at 5% discount	• Sale of 32.8% signed on December 8th • Sale of remaining participation 7.3% via mandatory convertible certificates	• Sale of Pioneer operations to Amundi signed on December 11th • Long term strategic distribution agreement
Transaction rationale	• Trades at attractive multiples vs. Group • Want to maintain control • Create synergies mostly through best practice sharing • Let company develop independently	• Local regulation limits de facto synergies within Group • Trades at attractive multiple vs. Group • Commercial agreement: no changes for clients	• Not best owner of a mid-sized Asset Manager • High multiples to capture future growth • Can benefit from a wider range of high quality products • Distribution fees allow full benefit of increased network sale

Strengthen and optimize capital
€13bn rights issue fully underwritten by volume[1]

Offering structure	• €13bn • Issue of new ordinary shares with pre-emptive rights to current shareholders • Savings shares holders entitled to subscribe to new ordinary shares
Pricing	• Final terms of issue to be agreed at time of launch, subject to market conditions
Underwriting	• Rights issue fully underwritten by volume by a consortium of primary financial institutions[1]
Indicative timing	EGM 12/01/2017 to approve transaction Launch expected in 1Q2017 subject to market conditions

1. Pre-underwriting commitment, in line with market practice for similar transactions, of a consortium of primary financial institutions

Strengthen and optimize capital
Ticking the boxes

	9M2016[1]	2019	
MDA[2] buffer	100bps	>200bps	✓
CET1 ratio[3]	10.8%	>12.5%	✓
Leverage ratio[3]	4.5%	5.6%	✓

1. Stated figures (perimeter prior to disposals), CET1 ratio fully loaded restated is 12.5% 2. Maximum distributable amount; based on CET1 ratio transitional for 9M2016; assuming constant Pillar2 Requirement in 2019 as for 2017 SREP requirements 3. Fully loaded
Note: plan assumes cash dividend with a 20% payout

Improve asset quality
Italy Non Core legacy driving high NPE ratio

Group and divisions 9M2016

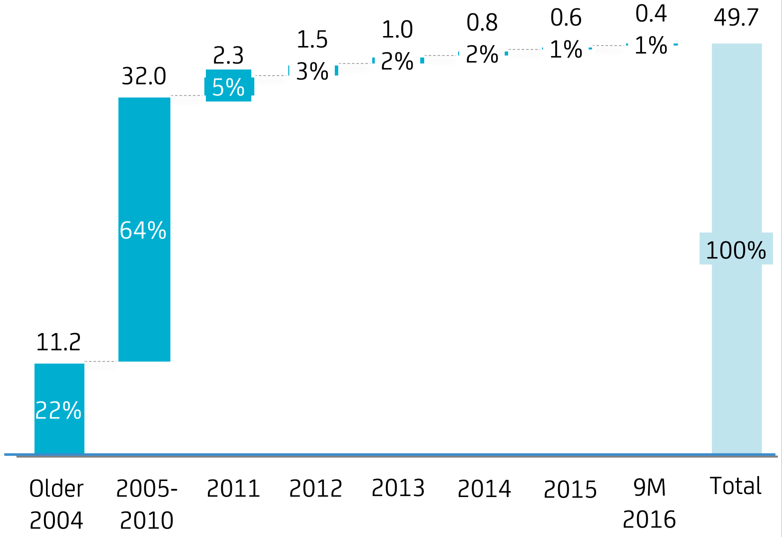
	Non Core	Group	Group Core (excluding Non Core)	EBA sample average[3]	CBK Italy	CBK Germany	CBK Austria	CIB	CEE
Gross loans, €bn	56.4	493.9	437.5[2]		141.7	82.5	50.4	103.9	64.0
Gross NPE[1] ratio, %	88.1%	15.1%	5.7%	5.4%	6.3%	2.9%	5.0%	4.5%	10.3%
NPE coverage, %	53.6%	52.2%	49.5%		44.2%	45.7%	63.5%	42.4%	58.4%

1. NPE: Non Performing Exposures, classified in the following risk classes: Bad Loans, Unlikely to Pay (UTP) and Past Due (PD) 2. Including CBK Italy, CBK Germany, CBK Austria, CIB, CEE, Fineco, Group consolidation adjustments 3. Data as of June 2016 Note: all 9M2016 figures restated assuming new Group perimeter.

Improve asset quality
A pre-crisis legacy issue – Italy

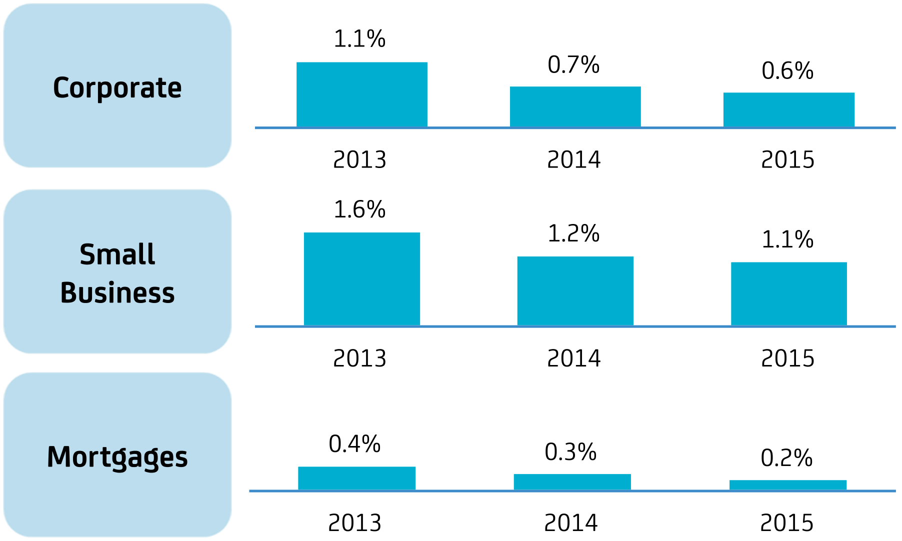
A pre-crisis legacy....

Italian Non Core Gross NPE stock by origination year, 9M2016, €bn, %



...while risk profile of Core bank origination is very sound and improving

First 12 months Default Rate on New Loans, %



Improve asset quality

€8.1bn one-off LLP targeting €8.1bn net Non Core exposure in 2019

Provisions, disposal and decisive actions on Non Core

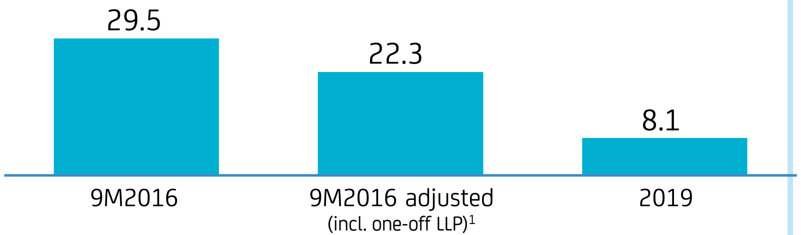
- Proactive review of NPE evaluation: €8.1bn one-off LLP[1] in 2016, of which €7.2bn on Non Core
- Disposal of €17.7bn bad loans (FINO transaction) via a securitization vehicle, aligning risk/reward with third party partners and mark-to-market
- New coverage enables Non Core run down acceleration – positioned to sell
- Additional decisive actions on workout and UTP portfolio
- €8.1bn Non Core net exposure in 2019

Non Core evolution

	9M2016	9M2016 adjusted (incl. one-off LLP)[1]	2019
Gross loans, €bn	56.4	56.4	19.2
o/w gross NPE, €bn	49.7	49.7	19.2

-37.2

Net loans, €bn



	9M2016	9M2016 adjusted (incl. one-off LLP)[1]	2019
NPE coverage, %	53.6%	68.2%	>57%
UTP[2] coverage, %	33.4%	42.8%	>38%
Bad loans cov., %	60.6%	77.1%	>63%

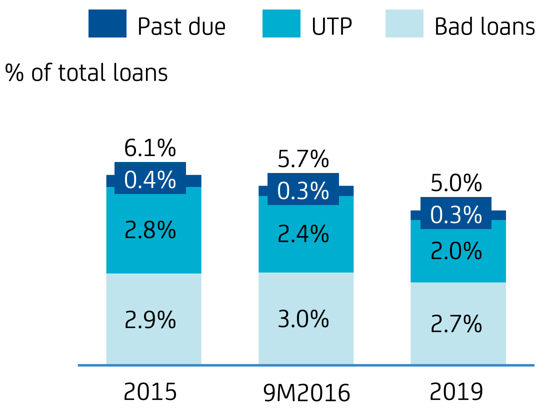
1. Based on current assessment and subject to final terms of FINO transaction 2. Unlikely to pay

Note: all 9M2016 figures restated assuming new Group perimeter; figures adjusted including one-off LLP on restated perimeter

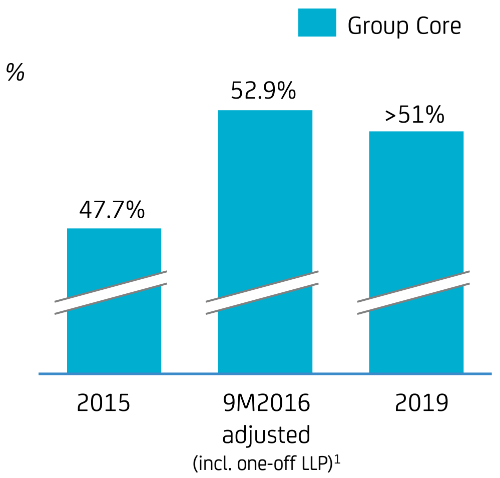
Improve asset quality

Further improve Group Core banking risk profile

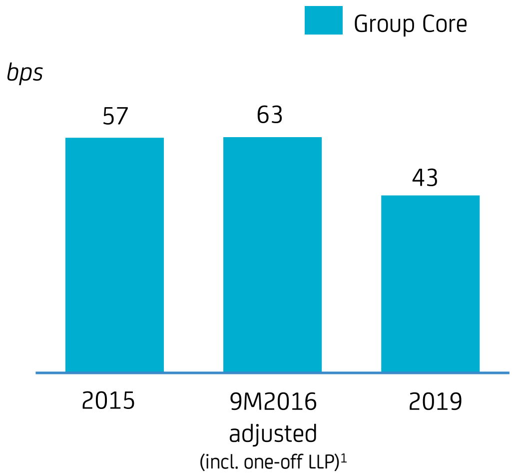
Group Core Gross NPE ratio



NPE coverage



Cost of risk



Gross loans, €bn	423.8	437.5	506.7

UTP coverage, %	35.6%	38.5%	>39%
Bad loans coverage, %	62.0%	67.3%	>64%

1. Based on current assessment and subject to final terms of FINO transaction

Note: all 2015 and 9M2016 figures restated assuming new Group perimeter; figures adjusted including one-off LLP on restated perimeter

Transform operating model

Key actions		2019
Towards lower sustainable cost structure	• Redesign end-to-end processes • Leverage global operations footprint through "One Ops Factory" • Lower "run the bank" costs	**€1.7bn** net annual recurring savings as of 2019
Further improve customer focus, service and products	• Better customer experience – e.g. time to service delivery • Focus on client facing activities • Standardization of products	**14m** digital clients[1] as of 2019
Investments to support business transformation	• Technological revamp of core systems • Digitalization initiatives – e.g. digital agenda, global e-banking	**€1.6bn[2]** IT investment cash out over plan period

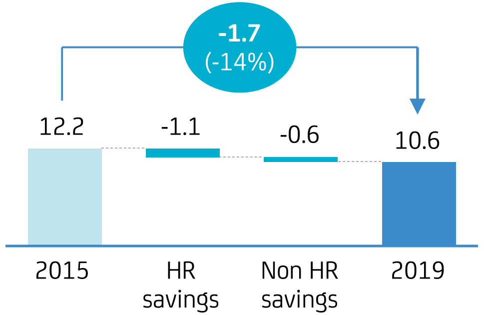
Digitalization as enabler to support transformation

1. Total online active users, including 100% of Turkey client base 2. Excluding regulatory, cumulated effect 2017-2019

Transform operating model
Significant and continuous cost reduction

Cost savings

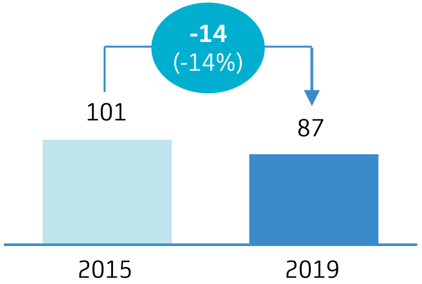
Group costs, €bn



- 34% of total cost savings achieved by 2017, and 77% by 2018
- Additional €900m annual cost reduction vs. previous plan

FTE reduction

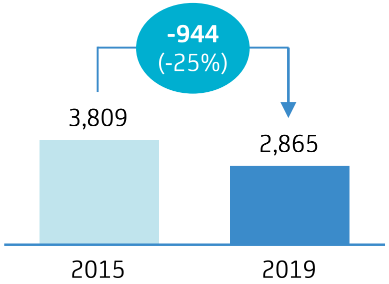
Group FTE, '000



- 6,850 FTE net redundancies by 2017 representing 48% of total, further 5,750 reaching 89% by 2018
- Additional 6,500 FTE net redundancies vs. previous plan, with €1.8bn pre-tax[1] integration costs

Branch reduction in Western Europe[2]

Branches in Western Europe



- 644 branch closures by 2017 representing 68% of total, further 200 reaching 90% by 2018
- Additional 600 branch closures vs. previous plan

1. €1.7bn post-tax 2. Retail branches

Note: All above effects are the combined expected of previously planned actions from 2014-2018 plan and expected results of the 2016-2019 plan. All 2015 figures restated assuming new the Group perimeter. Numbers might not add due to rounding reason.

Maximize Commercial Bank value
4 priorities for Commercial Banking and CIB business

Western Europe Commercial Banking evolution

- Recognized restructuring track record
- Capitalize on Retail client relationship potential
- Leverage Corporate client "go to" status

Further strengthen leadership in CEE

- Strengthen market leadership[1] through organic growth
- Innovation and digitalization to support transformation
- Continuous strict risk discipline

Efficient CIB fully plugged into Commercial Banking

- Confirm market leading[2] position
- Leverage on Group synergies
- Continuous cost discipline and simplification

Enhance cross-selling across business lines and countries

- Corporate-Private/Retail synergies
- CIB-Commercial Banking cooperation
- International client support

1. Rank #1 for market share by assets as of 9M2016
2. Intended as ranking between #1 and #3 in 8 league tables in 9M2016

Maximize Commercial Bank value
Recognized restructuring track record in Western Europe

Restructuring programs in Germany, Austria and Italy, driving efficiency and streamlining

Germany: additional actions leveraging on a successful optimization program

- -41% (-234) Retail branch closures in 2013-2015
- -16% FTE net redundancies in 2013-2015
- Stable Top Affluent[1] clients despite branch closures

2019[4]

- €300m cost savings
- -21% FTE redundancies

Austria: on track, focusing on premium advisory and streamlining of organization

- -31% (-78) Retail branch closures in 2013-2015
- -9% FTE net redundancies in 2013-2105
- -40% headquarter organizational units[2] in 2015-9M2016

2019[4]

- €320m cost savings
- -29% (-50) branch closures
- -19% FTE with exit plan fully secured[5]

Italy: rightsizing of network and branches

- -6% (-222) Retail branch closures in 2013-2015 (-24% in 2008-2015)
- -2% FTE net redundancies in 2013-2015 (-9% in 2010-2015)
- 88% share of remote transactions[3] as of 2015

2019[4]

- €650m cost savings
- -27% (-883) branch closures
- -21% FTE net redundancies

1. Retail clients with TFA ≥ €75,000 or with broad portfolio of products 2. Organizational units in the Corporate Center 3. Includes cash withdrawals, cash deposits and transfers
4. vs. 2015 5. FTE net redundancies fully secured through dedicated exit plan, redundancies will be realized by 2019
Note: For Germany, Austria and Italy considered only Commercial Banking perimeter; deltas are calculated using end of period

Maximize Commercial Bank value
Unique network in CEE supporting value creation

Key actions		2019[2]
Strengthen leadership[1] thanks to organic growth	• Focus on organic growth, including selective portfolio acquisition	**+2.6%** revenue growth CAGR[3]
Innovation and digitalization	• Further strengthen leadership[1] position through further innovation and digital transformation	**+2.6m** net new customers[4]
Ingrained cost savings culture and continuous risk discipline	• Maintain lean cost structure • Enhanced NPE management and control of cost of risk	Cost/income stable at **37.1%** **8.0%** Gross NPE ratio **(-3.8p.p.)**

1. Rank #1 for market share by assets as of 9M2016 2. vs. 2015 3. Current FX rate, at constant FX rate CAGR 3.4% 4. Including 100% clients in Turkey
Note: all 2015 figures restated assuming new Group perimeter

Maximize Commercial Bank value
Simple efficient CIB fully plugged into Commercial Banking

Confirm and improve market leadership

- Expand leadership in GTB[1] and Debt Finance
- Deliver capital markets and risk hedging solutions to our clients
- Leverage international network

Leverage on Group synergies

- Fully capture existing cross-selling opportunities
- Focus on Commercial Banking joint ventures

Continuous cost discipline and simplification

- Ongoing cost containment initiatives
- Streamline and fine-tune businesses and operating platform

2019[2]

- From **73%**[3] to **84%** Client-driven revenues[4] of total CIB revenues
- **€201m (-3.0% CAGR)** costs reduction

1. Rank #1 Trade Finance Bank in CEE and Austria (Euromoney 2016) 2. vs. 2015 3. Data as of 9M2016 4. CIB revenues excluding Treasury

Note: all 2015 figures restated assuming new Group perimeter

Maximize Commercial Bank value
Group-wide cross-selling initiatives

Corporate – Private/Retail synergies

- Cross-acquisition of clients
- Single point-of-contact for individual and company needs, targeting entrepreneurs

CIB – Commercial Banking cooperation

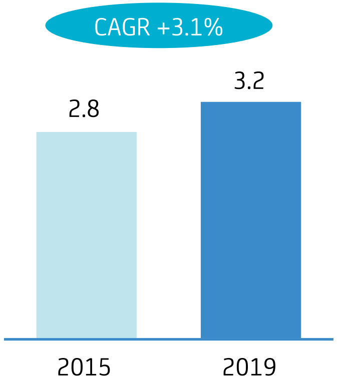
- New governance and incentive system
- Joint targeting and monitoring

International client support

- "Cut and paste" international centers fully dedicated to support clients
- Systematic client mapping

Joint CIB-Commercial Banking revenues[1]

€bn



Group-wide best practice sharing platform

1. includes revenues on GTB, ECM, DCM, M&A, Markets products from Commercial Banking clients and structured financing products from Corporate clients
Note: all 2015 figures restated assuming new Group perimeter

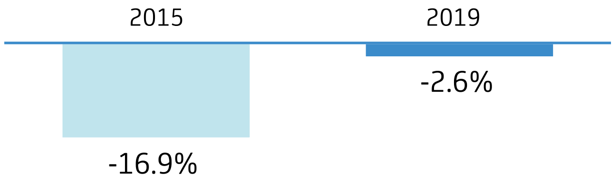
Adopt lean but steering Center
Lower weight of Center and support functions but stronger steering

Key actions

- Strong steering Center[1] through KPIs cascaded down to divisions
- One General Manager responsible for Group business activities
- One Executive Management Committee
- Transparent cost allocation to divisions to drive accountability
- Rightsizing of support functions centrally and locally

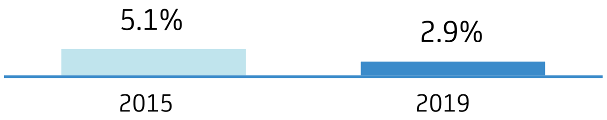
Reduction of weight of Group Corporate Center on GOP[2]

Weight of Group Corporate Center on total GOP, %



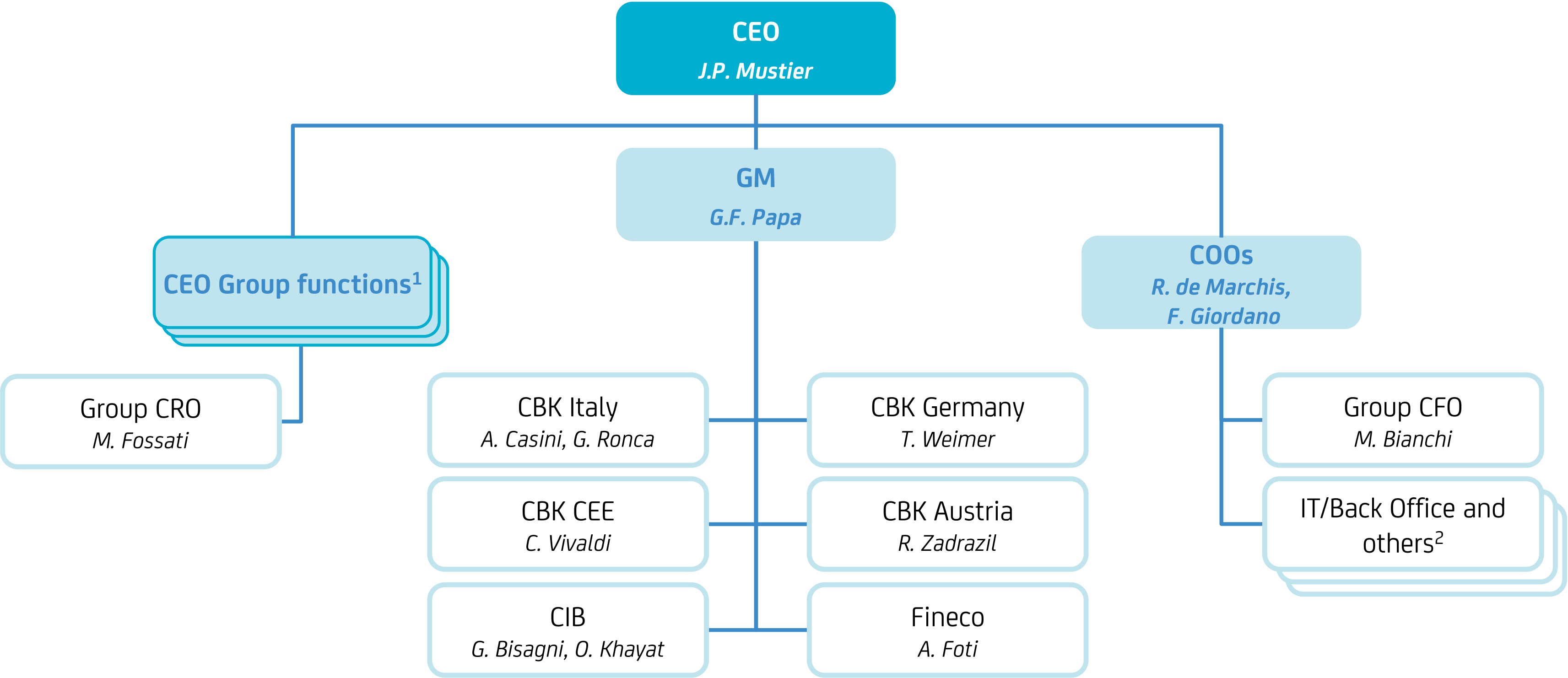
Reduction of weight of Group Corporate Center of total costs

Weight of Group Corporate Center on total costs, %



1. Group Corporate Center 2. GOP stands for Gross Operating Profit
Note: all 2015 figures restated assuming new Group perimeter

Adopt lean but steering Center
A simplified organization and a strong management team



1. Human Resources; Strategy and M&A; Group Identity & Communication; Legal; Compliance; Staff; Group Institutional & Regulatory Affairs
2. Real Estate, Supply Chain, Group Data Officer, Group Internal Control System, Chief Security Officer, Chief Information Officer, Legal operations

Adopt lean but steering Center

KPIs aligned with Risk Appetite Framework underpinning incentives

Risk Appetite Framework (RAF)

Managerial KPIs

Targets communicated to markets

Incentive schemes

Cascading down to divisions

Adopt lean but steering Center

KPIs to steer the Group at all levels of organization

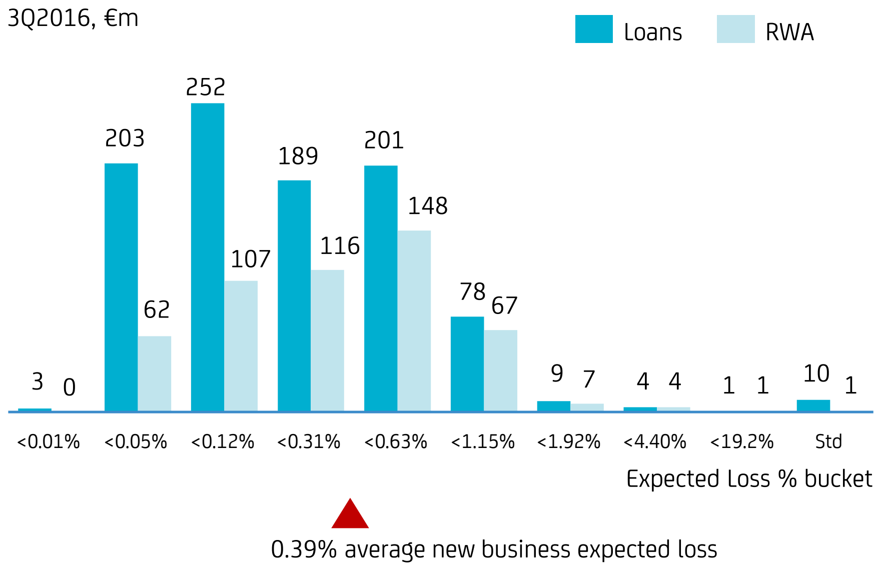
	KPIs	Rationale
Value creation	ROAC	Business profitability including all P&L items
Risk & capital governance	CET1 ratio fully loaded	Focus on capital strength
	New business EL[1]	Quality of new business
	Performing stock EL[1]	Risk dynamics of performing credit portfolio
	Δ Gross NPE yoy	Development of non-performing credit portfolio
	Loan and deposit volumes	Liquidity position
Industrial drivers and clients	Δ Opex vs. target	Cost-efficiency developments vs. targets
	Cross-selling	Cross-selling effectiveness across business lines and countries
	Net new clients	New client origination, differentiating between active and dormant clients

KPIs cascaded down to divisions

1. EL stands for Expected Loss

Adopt lean but steering Center
KPIs in practice: example on new business expected loss

Loans and RWA of new business by EL bucket example Commercial Banking Italy - Corporate



KPI in practice

- New business expected loss target as driver for credit risk strategy and guidelines on new lending
- Expected loss target as goal -into incentive scheme- for all level of organization, from Division Heads to Relationship Managers[1]
- Target achievement and corrective actions discussed in performance review with General Manager and CEO
- Expected loss evolution communicated to markets on half year base

1. New business expected loss for Head of Division and Head of Region; average PD on new business for Area Manager, Branch Manager, Relationship Managers

Conservative plan assumptions leading to tangible 2019 targets

Conservative plan assumptions[1]

GDP growth expected low across Eurozone

- +1.3% y/y growth (vs. 1.4% consensus)

CEE growth at a more sustained pace than Western Europe

- +2.2% y/y growth (vs. 2.1% consensus)

Interest rates forecast to remain in negative territory

- -5bps euribor 3M 2019
- 90bps swap 10y 2019

Targets

	2015	9M2016 adj	2017	2019
Revenues 2015-2019 CAGR				**+0.6%**
Cost	**€12.2bn**		**€11.7bn**	**€10.6bn**
Cost of risk	**89bps**	**254bps[2]**	**65bps**	**49bps**
Net income	**€1.5bn**			**€4.7bn**
RoTE	**4%**			**>9%**
CET1 ratio	**10.4%[3]**	**10.8%[3]**	**12.0%**	**>12.5%**
RWA	€361bn	€362bn[4]	€389bn	€404bn
NPE coverage	50.8%	63.0%	>54%	>54%
UTP coverage	34.2%	40.8%	>38%	>38%
Bad loans coverage	60.6%	74.5%	>65%	>63%

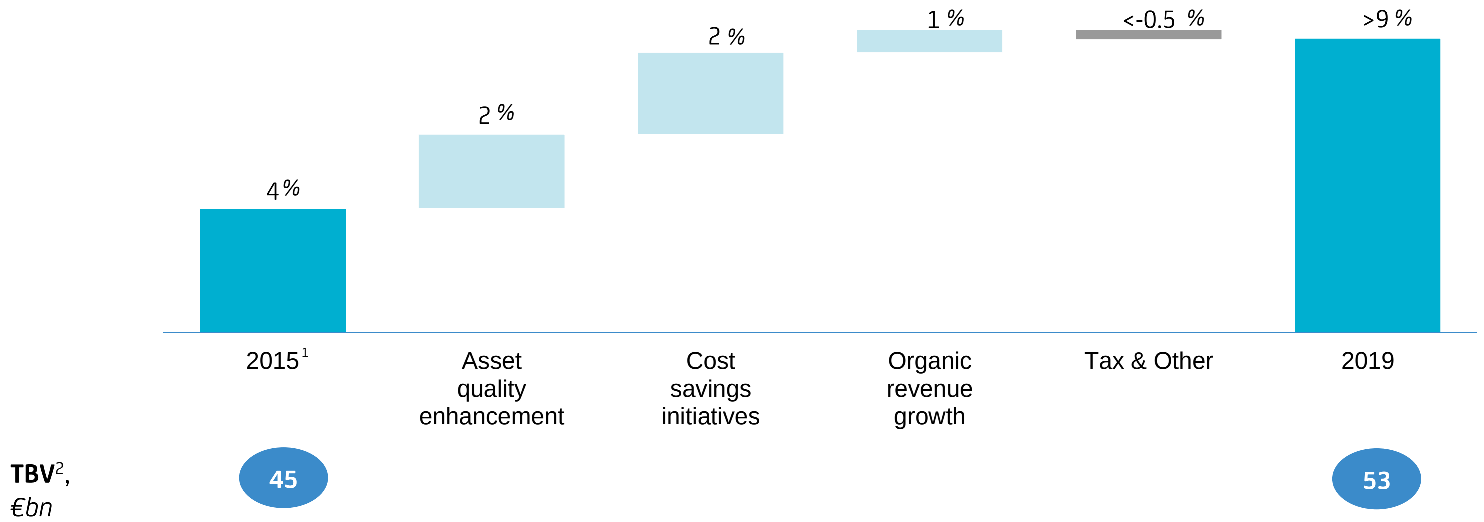
Cash dividend policy of between 20-50% payout ratio

1. For GDP growth and EUR3M, source is Consensus Economics; for Mid Swap 10Y forward from Bloomberg as of 8 December 2016 2. Including one-off LLP, if excluding one-off LLP Cost of risk equal to 77bps in 9M2016 3. Stated figures 4. Restated figures, not adjusted

Note: all 2015 and 9M2016 figures restated assuming new Group perimeter; adjusted (adj) figures include expected €8.1bn one-off LLP unless otherwise stated. Plan assumes cash dividend with a 20% payout

Solid recurring profitability due to cost/risk levers firmly under control

RoTE evolution



1. Normalized for: CHF Loan Conversion in Croatia, Integration costs, tax one-off, Austria DBO, DTA fee
2. Average Tangible Book Value including impacts from Pekao and Pioneer disposals and retained earnings

Note: All 2015 figures restated assuming new Group perimeter

Effective project structure and governance in place

15 Group-wide projects		• Owners identified and appointed • Projects including specific initiatives identified to achieve transformation objectives
3 platforms	**Centralized IT demand structure**	• In charge of prioritizing and optimizing IT demand for Group transformation
	Strict financial monitoring	• Strict ongoing control of results
	HR platform	• In charge of defining central HR strategies and Group-wide execution
Governance		• Weekly project steering committees • Monthly joint transformation project meetings chaired by CEO

Clear and accountable execution plan to deliver the transformation

Ensuring successful execution of the plan

Pragmatic plan targets	• Conservative assumptions with limited expected revenue growth • Plan results dependent on cost/risk discipline levers under management control • Progressive dividend policy to mitigate regulatory headwinds
Change and people management	• People engagement and talent development • HR platform to manage FTE relocation, skills requalification, training • Investment in new capabilities and process automation
Effectiveness and timing of transformation	• CEO/Executive Committee strict governance and performance management • Steering managerial KPIs cascaded down to divisions • Rigorous execution management (key projects, interdependency, monitoring)
Accountability and quality of execution	• Management long-term incentive scheme aligned to plan targets • Transparency and full accountability on cost allocation • Disciplined prioritization of investments to deliver plan ("no frills") • Multidisciplinary teams between business and IT

Making UniCredit a most attractive Pan European Bank

Simple commercial banking model supporting stable revenues (0.6% CAGR 2015-19)

Accelerating cost efficiency plan delivering €1.7bn net annual recurring cost savings as of 2019

€12.2bn[1] one-offs in 4Q2016 which address legacy issues

Strengthened capital (>12.5% CET1 ratio in 2019) and sound liquidity position

Enhanced accountability, transparency and capital allocation

Sustainable >9% 2019 target RoTE supporting
a cash dividend policy of between 20-50% payout ratio

1. Current estimate subject to final approval, actual results may vary
Note: plan assumes cash dividend with a 20% payout

Annex

Restating historical figures for disposals and discontinued operations

	2015			9M2016		
	Stated	Disposals	**Restated[1]**	Stated	Disposals	**Restated[1]**
P&L (€bn)						
Revenues	22.4	-2.5	**19.9**	17.1	-1.9	**15.2**
Costs	13.6	-1.4	**12.2**	9.8	-0.9	**8.9**
Net income	1.7	-0.2	**1.5**	1.8	-0.4	**1.4**
Other						
CET1 ratio (%)	10.4	-	**-**	10.8	+1.6	**12.5**
RWA (€bn)	390.6	-30.0	**360.6**	390.9	-29.0	**361.9**
FTE (#k)	125.5	-24.2	**101.3**	123.0	-23.5	**99.5**

1. New Group perimeter: variations related to disposals of Immo Holding, Ukraine, 30% Fineco, Pekao and Pioneer