

Capital Markets Day 2017

CEO Closing remarks

Slide 2 – Transform 2019: Key targets confirmed with an improved risk profile (1/2)

It is almost lunch time so I promise I will not take too long for my closing remarks. The management team will be present throughout lunch, so please do approach them then with any questions you may have.

The key targets announced last year are confirmed with an improved risk profile.

Thanks to our decisive actions in Transform 2019, our SREP Pillar 2 requirement has been lowered by 50 bps to 200 bps, with a CET1 MDA buffer above 250 bps from 2019.

Our solid capital position also allows us to anticipate some of the additional regulatory headwinds, as TJ and Mirko just explained. The fully loaded CET1 ratio target from the end of 2019 is confirmed above 12.5 per cent.

As announced this morning, binding agreements have been signed to sell down our interest in FINO to below 20 per cent, with closing expected in Q1 2018. As I stated earlier, there will be no additional provisions .

Group gross NPEs are down by a further €4.0 billion by end 2019, better than initial Transform 2019 target.

The Non Core will be fully rundown by 2025 and this will be entirely self-funded.

Transform 2019 is fully on track, yielding tangible results supported by group-wide business momentum. UniCredit is focused on improving the experience of our customers.

Slide 3 – Transform 2019: key targets confirmed with an improved risk profile (2/2)

As Gianni, [Andrea and Giovanni] explained earlier, the UniCredit engine is working, and it is working well. Commercial dynamics are strong thanks to network revamp and our "One Bank" business model is replicated across the full network, driving synergies and streamlined operations.

At last week's EGM, our shareholders took a number of decisions that both simplified our share structure and positioned us as the best in class in terms of European corporate governance.

Thanks to our strong capital position, we are increasing the 2019 financial year dividend payout to 30 per cent, to be paid in 2020.

Post 2019, the dividend will increase from 30 per cent up to 50 per cent, once upcoming regulatory impacts are confirmed, while maintaining our CET1 ratio target above 12.5%.

Slide 4 – UniCredit post 2019

As I mentioned this morning, our strategy is a long-term strategy: we are and want to remain a simple, successful, Pan European commercial bank, with a fully plugged in CIB, delivering a unique Western, Central and Eastern European network to our extensive client franchise.

We defined this strategy taking a long-term view, well beyond the three year time horizon, because the banking industry will keep going through further, in-depth changes. For many years to come, the focus needs to remain on client development, multi-channel offers, process optimisation, cost efficiencies and disciplined risk management. Thanks to Transform, we are already planning for this well beyond 2019.

Europe needs a select few, strong Pan European commercial banks to support economic growth through its businesses. Many of you will have heard me say this before: in Europe, our SMEs are the backbone of the economy, representing two-thirds of the job market. Banks such as UniCredit, which have a leading presence in core SMEs countries such as Italy, Germany and Austria, must provide advice and support to help these companies develop and globalise.

I assure you that all our teams are fully focused on delivering all our Transform 2019 plan targets AND on making UniCredit a true Pan European winner.