
UniCredit Group: 2Q14 Results

Milan, August 5th 2014



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Executive Summary

Strong group net profit 1H14 at 1.3 bn ex. Banca d'Italia tax charge

Solid CET1 ratio at 10.4% fully loaded. Group asset quality further improving

- Group net profit 2Q14 at 403 m leading to 1H14 net profit of 1.1 bn. Adjusted for revised tax charge on the valuation of Banca d'Italia stake, net profit 2Q14 and 1H14 reached 618 m and 1.3 bn respectively (6.5% RoTE)
- **Continued strengthening of capital base, balance sheet and liquidity position:**
 - ✓ CET1 ratio fully-loaded materially up to 10.4%, assuming 10 cents dividend accrual, in line with last year's payout. Basel 3 Leverage ratio fully-loaded at a solid 4.7%
 - ✓ Group asset quality improving trend confirmed with gross impaired loans down at 82.4 bn; conservative impaired loans coverage ratio above 51% (above 61% on NPLs)
 - ✓ Funding plan 2014 executed for 53% to date, 55% in Italy. Furthermore, 10 bn LTRO repaid in 2Q14
 - ✓ Funding gap further improved to 24 bn
 - ✓ Commercial loans held up well in the quarter. In Italy new MLT origination at 3.1 bn (+13.3% q/q, +43.9% y/y)
 - ✓ RWA down by 20 bn mainly as a result of regulatory changes to Market and Operational RWA calculation including diversification-related benefits
- **Strong profitability of Core Bank posting 1.0 bn net profit also in 2Q14 (over 11% RoAC):**
 - ✓ Increased revenues with high quality mix: net interest and fees both up by 3.3% q/q
 - ✓ Strong revenue performance in CEE & Poland (+8.9% q/q)
 - ✓ Sharp cost reduction (-2.1% q/q) resulting in a cost income of 58%
 - ✓ Sound Cost of Risk at 56 bps in 2Q14
 - ✓ All divisions profitable. Main contributors are Commercial Bank Italy with net profit at 574 m (33% RoAC), CEE & Poland with 392 m (19% RoAC) and CIB with 213 m (12% RoAC)
- **Non Core: gross customer loans continued reduction with coverage ratio on impaired loans above 52%**



Agenda

Group

 Core Bank

 Non Core

 Annex

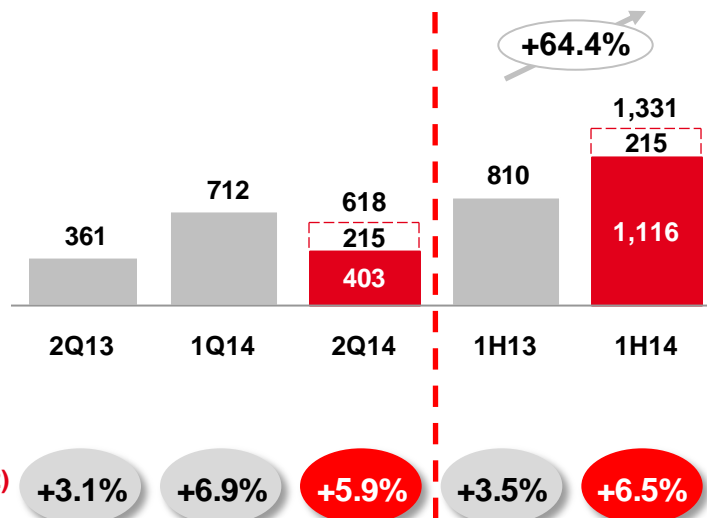


Group - Results

Net profit up by 64.4% in the first six months of 2014

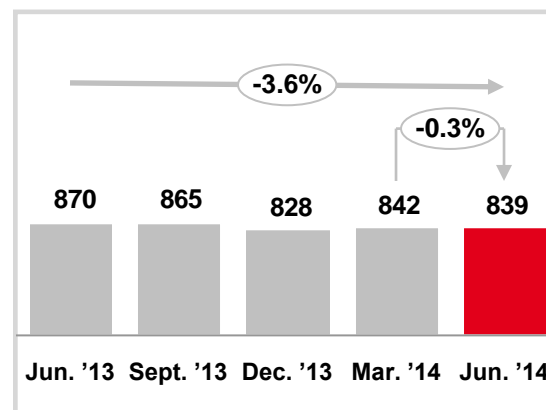
Significant strengthening of tangible equity also due to 0.9 bn AT1

Net profit⁽¹⁾, m

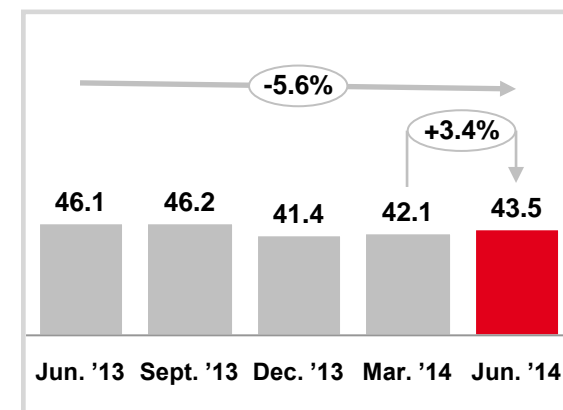


RoTE⁽²⁾

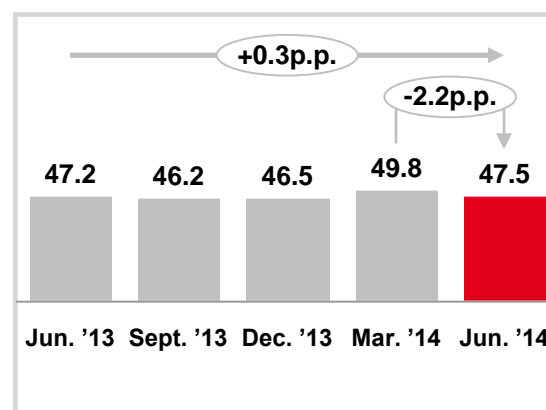
Total assets, bn



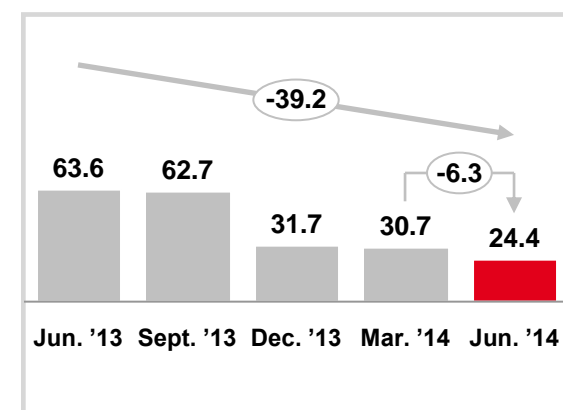
Tangible equity, bn



Total RWA / Total assets, %



Funding gap, bn



(1) Including the impact of the revised tax charge of 215 m related to valuation of the stake in Banca d'Italia net profit amounted to 403 m

(2) RoTE: net profit (excluding the revised tax charge on the valuation of the stake in Banca d'Italia) / tangible equity (excluding AT1)

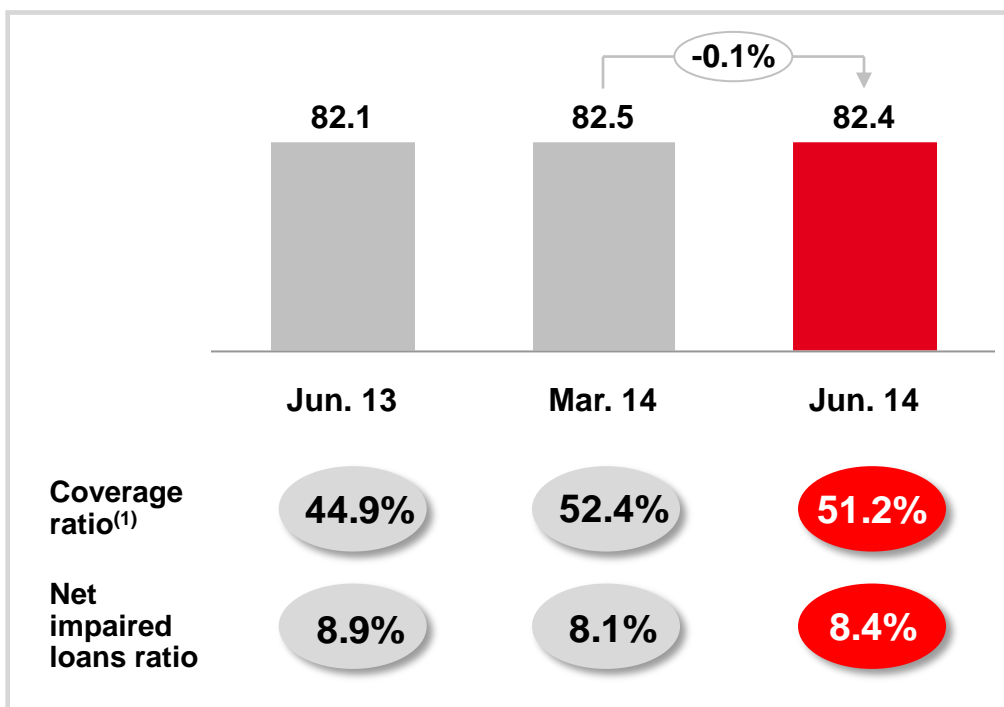
5 (3) Funding Gap: Customers loans – (Customer deposits + Customer securities)



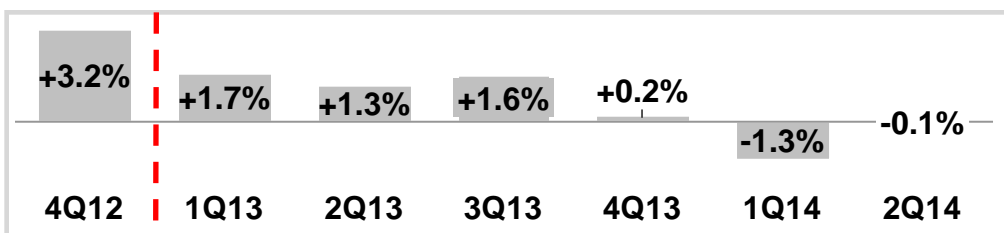
Group - Asset Quality

2Q14 confirmed the positive trend in stock evolution of previous quarters
Sound coverage ratio of impaired loans at over 51% (over 61% on NPLs)

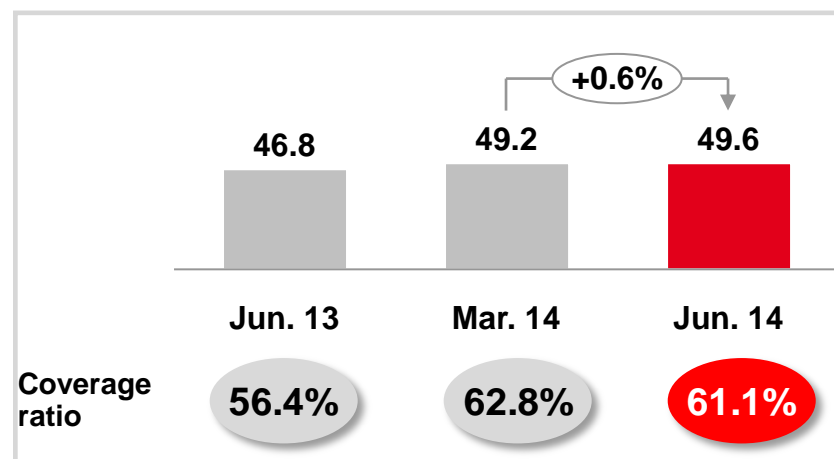
Gross impaired loans (bn)



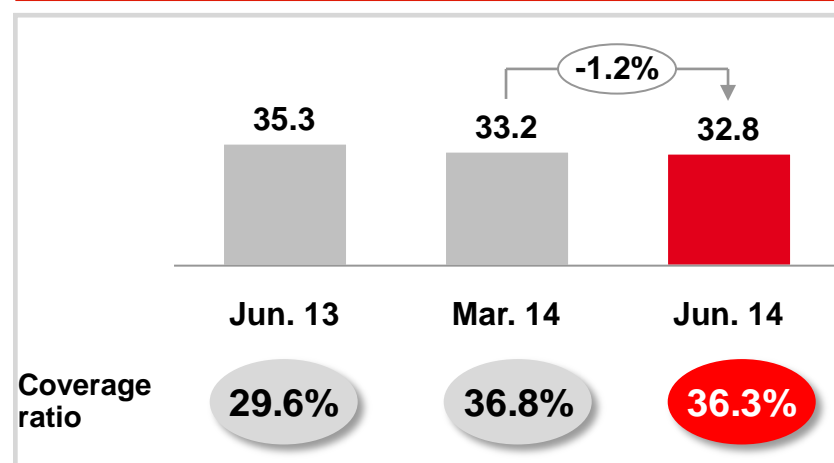
Gross impaired loans – Quarterly variation⁽²⁾



NPLs (bn)



Other impaired loans (bn)



(1) The coverage ratio in 2Q14 remained among the highest in Europe despite the sale of vintage NPL portfolios with gross book value of 1.3 bn reducing the coverage ratio by c. 65 bps

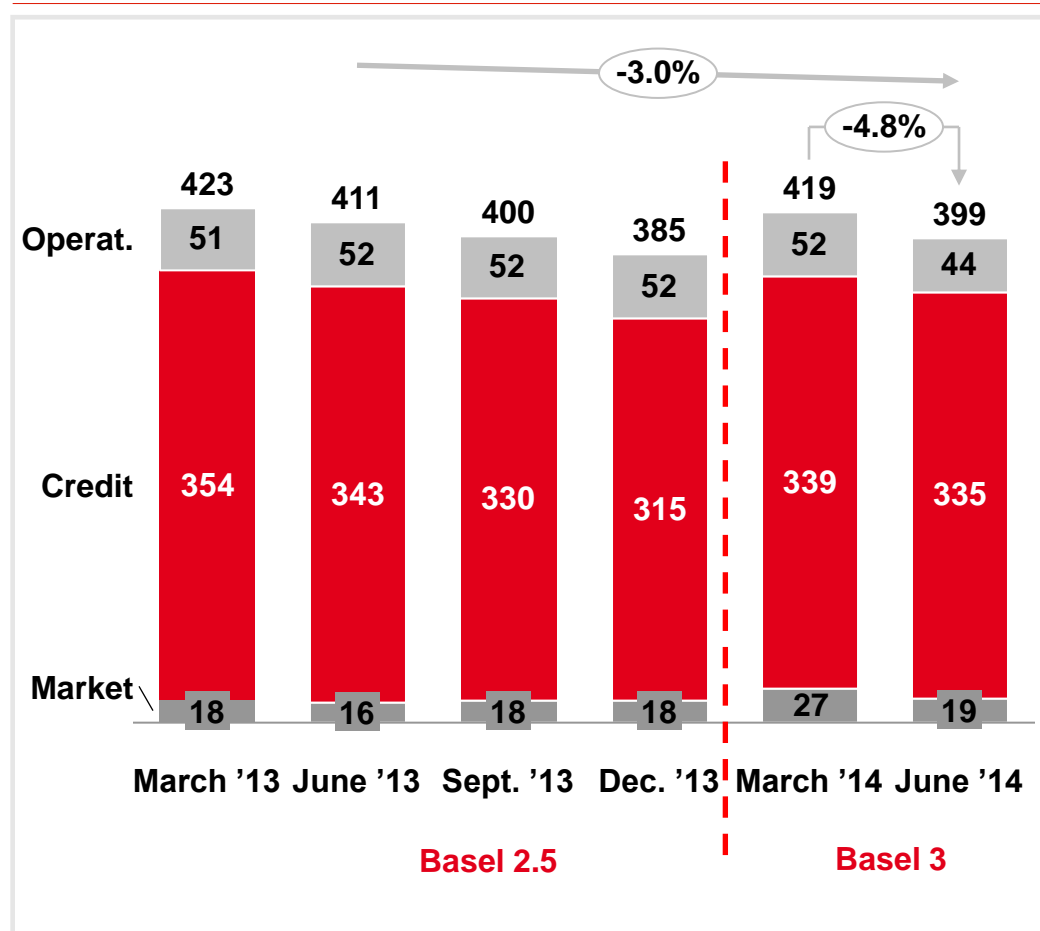
6 (2) The variation in 4Q12 is not pro-forma for IFRS10 and IFRS11



Group – Regulatory capital (1/2)

RWA below 400 bn mainly as a result of regulatory changes to Market and Operational RWA calculation as well as diversification-related benefits

RWA⁽¹⁾, eop (bn)



Divisional breakdown - RWA, bn

		q/q	y/y
CB Italy	74	-0.5%	-3%
CB Germany	33	-7.1%	-11.5%
CB Austria	24	-12.3%	-4.3%
CEE	82	-1.7%	-6.6%
Poland	25	-2.1%	+5.2%
CIB	74	-3%	-12.3%
AG	3	-6.4%	+7%
AM	2	-22.8%	-18.8%
Corporate Centre	52	-15%	+62.8%
Non Core	30	+0.8%	-23.9%

(1) RWA as of December 2013 do not include the floor effect, which has no impact under Basel 3 framework



Group – Regulatory capital (2/2)

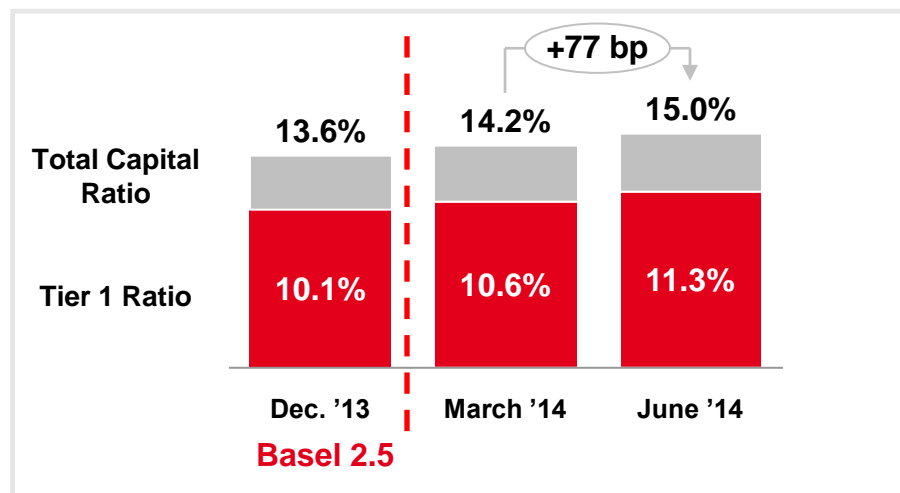
Material strengthening of CET1 fully loaded, already at 10.4%

Outstanding Basel 3 leverage ratio at 4.7%

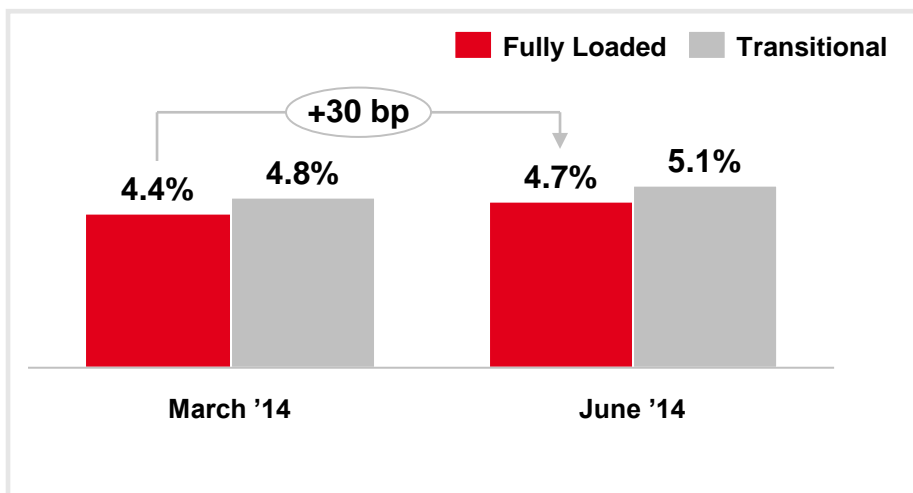
Basel 3 - Common Equity Tier I ratio: q/q evolution (basis points)



Tier 1 and Total Capital ratios transitional



Basel 3 leverage ratio



(1) RWA reduction mainly achieved as a result of the optimization allowed by regulatory changes to Market and Operational RWA calculation as well as diversification-related benefits

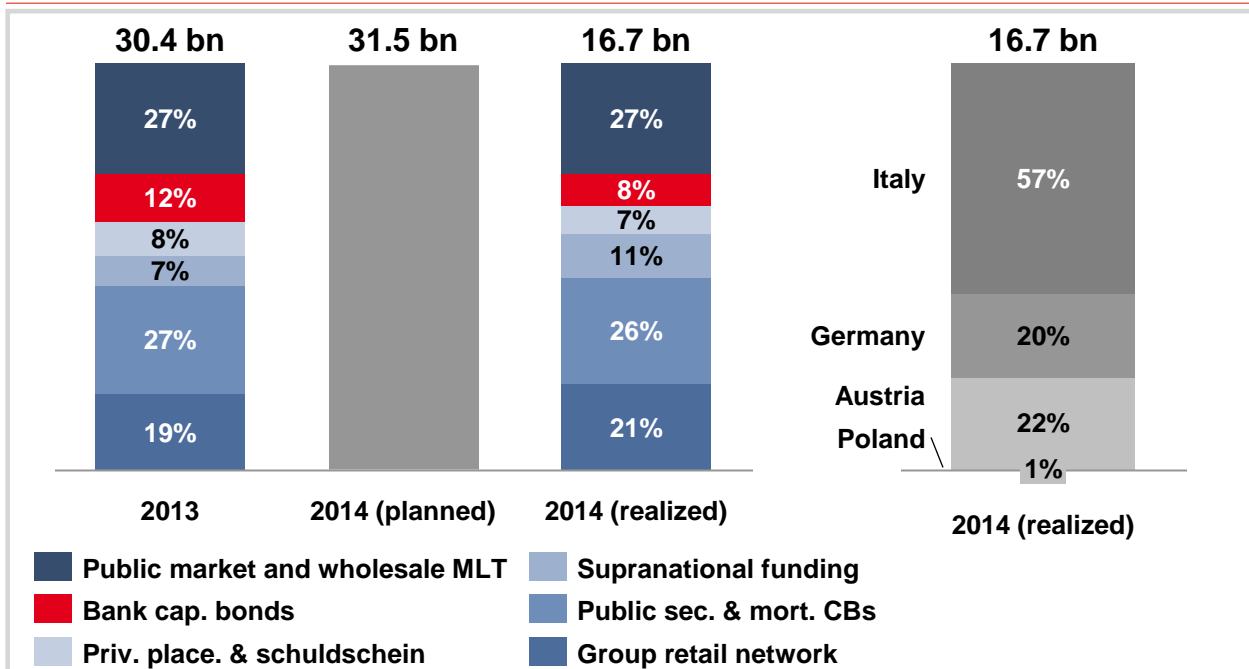
8 (2) Pro-forma for Fineco's IPO and for the sale of DAB, jointly accounting for 25 bps

Group - Medium-Long Term funding plan

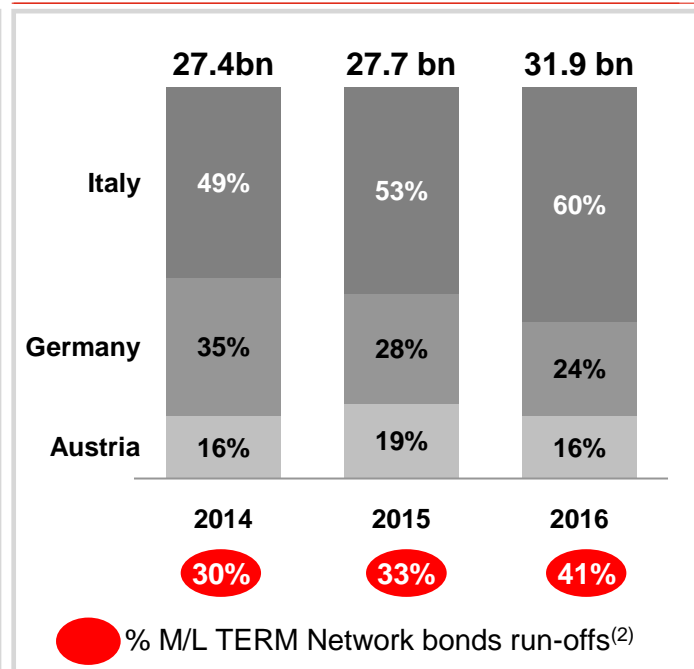
53% of the funding plan already executed to date

17.1 bn of LTRO out of 26 bn already repaid, of which 10 bn in 2Q14

Funding mix, managerial data



% of m/l term run offs by region⁽¹⁾



- As of today, over 53% of 2014 funding plan already executed (55% in Italy)
- 17.1 bn LTRO repaid (of which 10 bn in 2Q14). The remaining 9 bn will be progressively repaid, leveraging on UniCredit's diversified investor base
- Possible downsizing of 2014 Funding Plan under review in light of UCG's balance sheet development, capital markets conditions and liquidity impacts related to new ECB facilities
- Liquid assets immediately available amounted to ca.120 bn net of haircut, well above 100% of wholesale funding maturing in 1 year

(1) Inter-company funding not included

(2) Network bonds comprise only securities placed through UniCredit commercial and 3rd party networks



Agenda

■ Group

■ **Core Bank**

■ Non Core

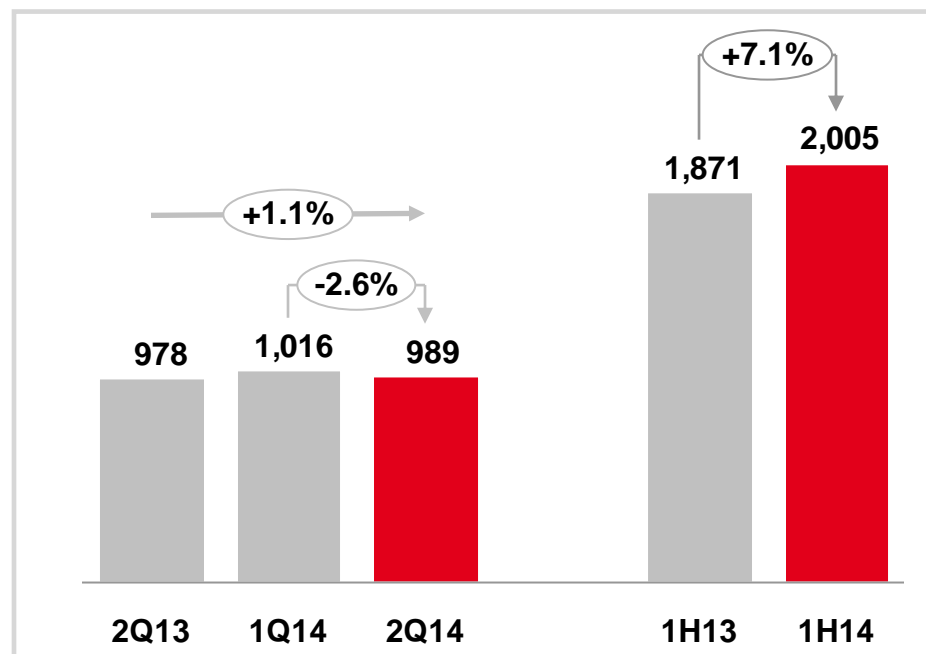
■ Annex



Core Bank - Net profit

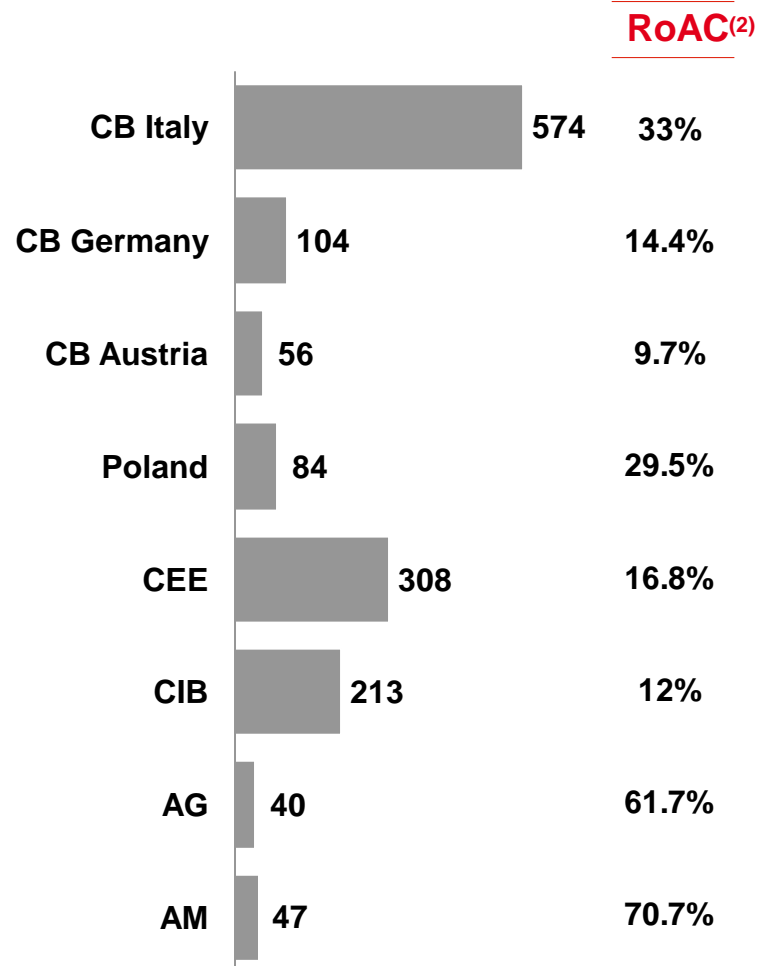
1 bn also in 2Q14, mainly driven by Commercial Bank Italy, CEE and CIB
All divisions profitable again in 2Q14

Net profit⁽¹⁾, m



RoAC⁽²⁾ +10.8% +12% +10.9% +10.4% +11.1%

Divisional breakdown – 2Q14 net profit, m



(1) Net profit and RoAC do not include the 215 m impact of the revised tax charge related to valuation of the stake in Banca d'Italia

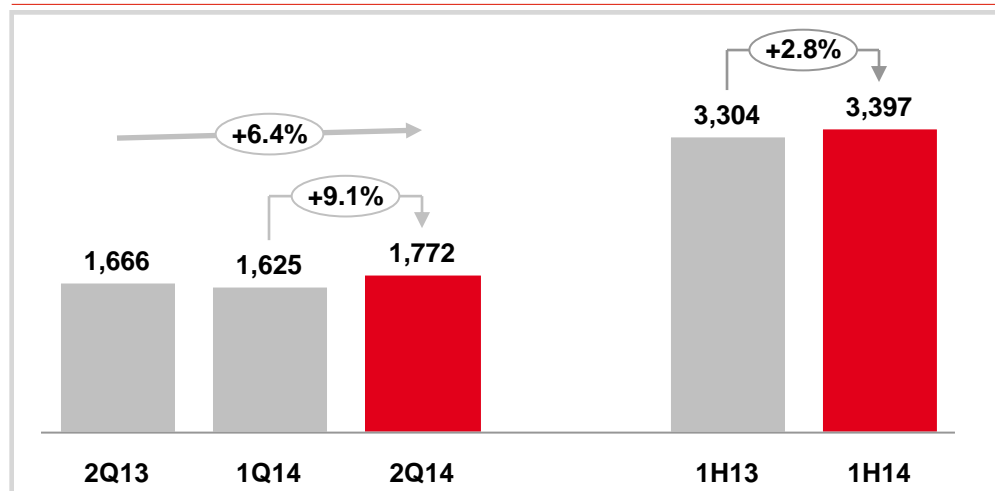
(2) RoAC calculated as net profit on average allocated capital. Allocated capital is calculated as 9% of Risk-Weighted Assets, including deductions for shortfall and securitizations



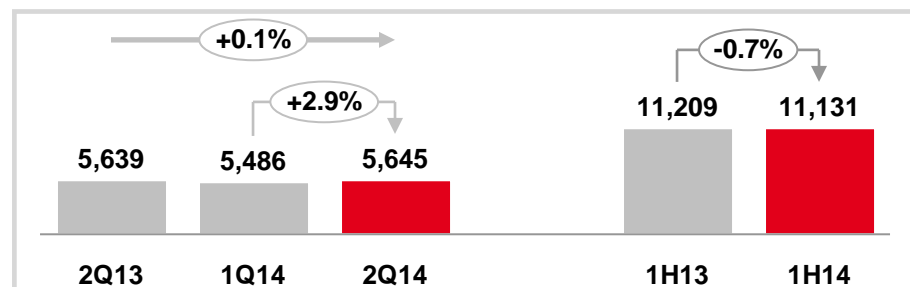
Core Bank - Net operating profit breakdown

NOP boosted by higher revenues and strict cost control offsetting LLP's seasonal dynamics

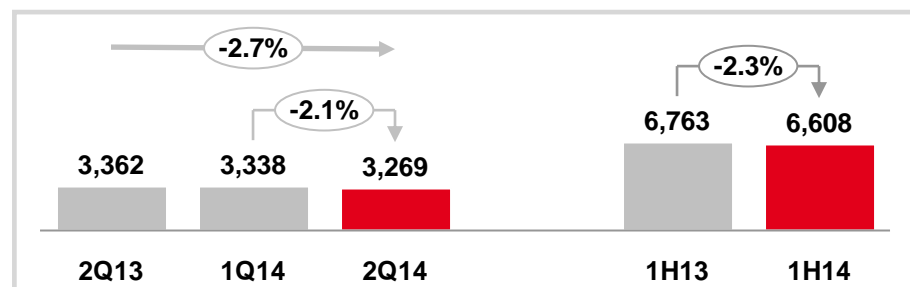
Net operating profit⁽¹⁾, m



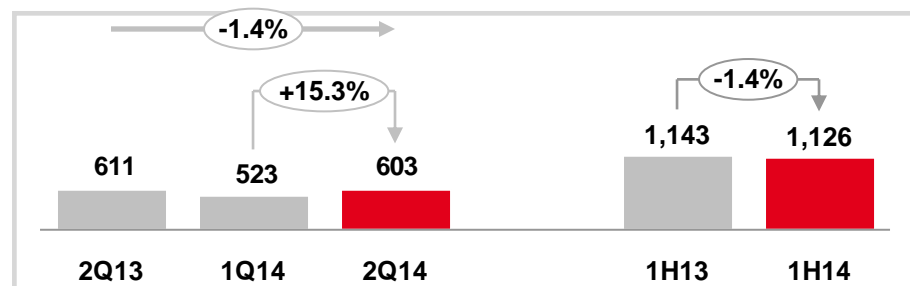
Revenues⁽¹⁾, m



Costs, m



Loan loss provisions, m



(1) Figures adjusted for proceeds from the tender offers on own debt securities: 254 m in 2Q13 and 49 m in 2Q14

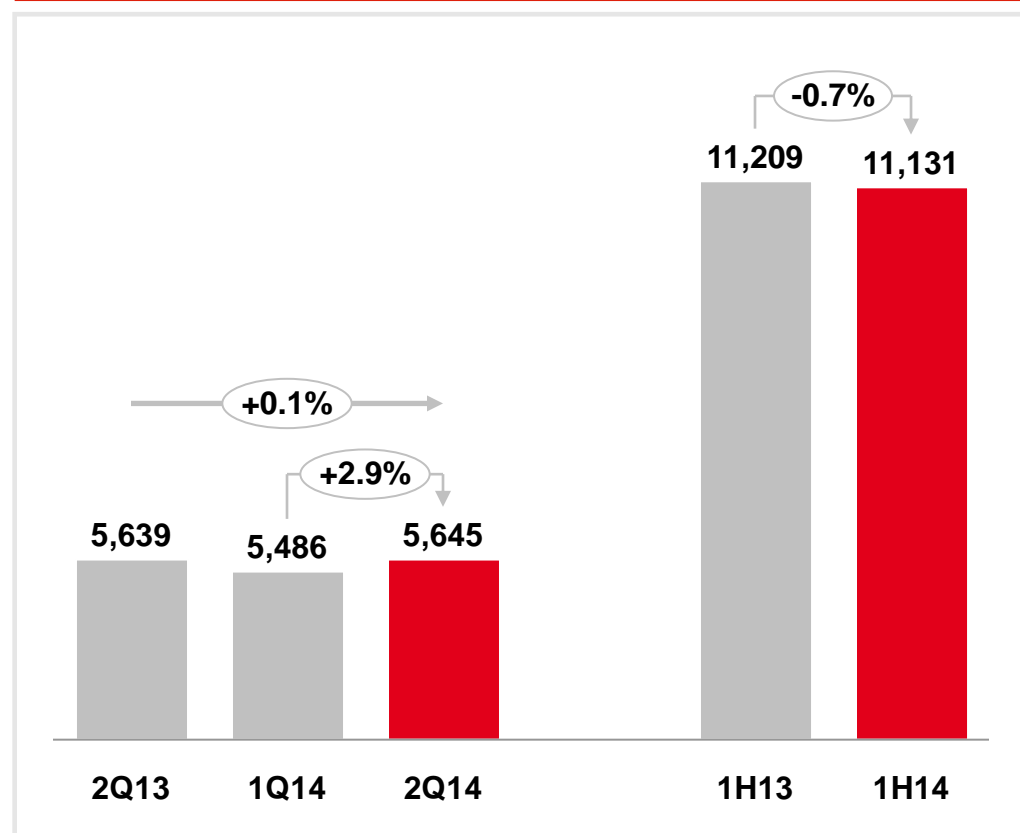


Core Bank - Total revenues (1/2)

Revenue growth driven by Commercial Banks, CEE & Poland

CIB positive result impacted by valuation adjustments affecting trading income

Revenues⁽¹⁾, m



Divisional breakdown – 2Q14 revenues, m

		q/q	y/y
CB Italy	2,145	+1.3%	+7.6%
CB Germany	672	-3.2%	-5.3%
CB Austria	439	+13.4%	+10.4%
Poland	447	+4.1%	-2.8%
CEE	1,002	+11.1%	-5.3%
CIB	902	-8%	-20.6%
AG	147	-1.4%	+6.3%
AM	191	+2.9%	+7%

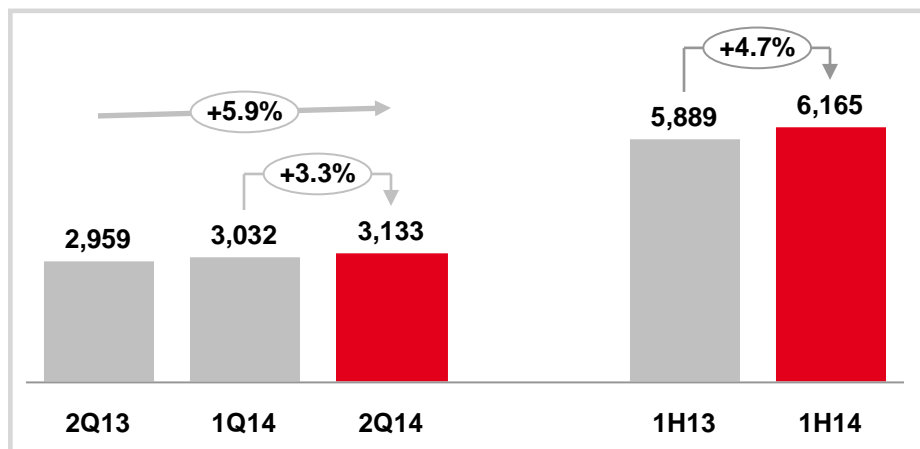
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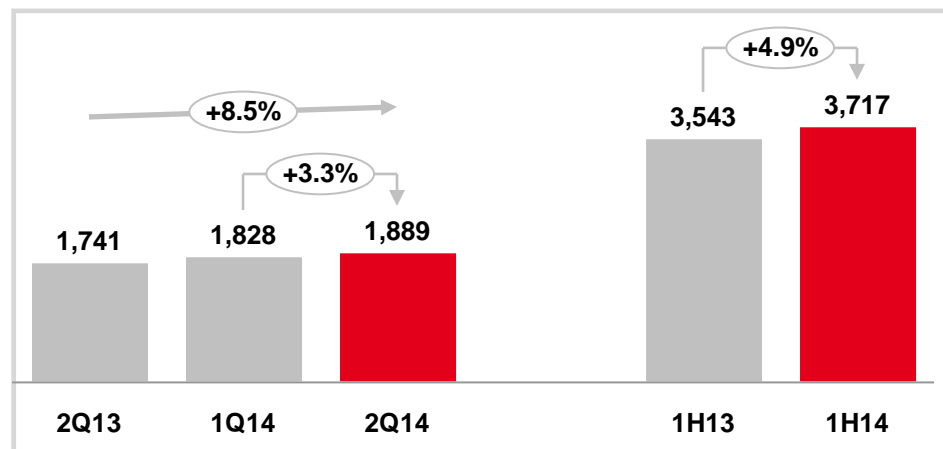
Core Bank - Total revenues (2/2)

High quality revenue mix with NI and fees strongly improving, confirming the trend. Turkey rebounded on the back of a strong operating performance

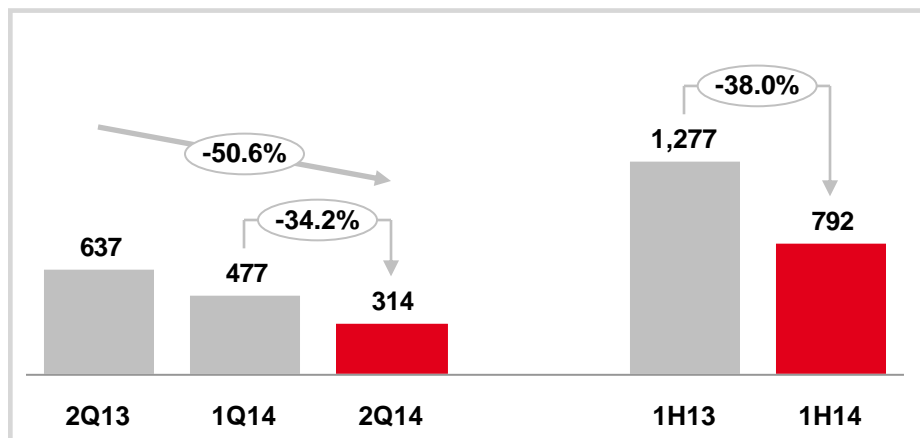
Net interest, m



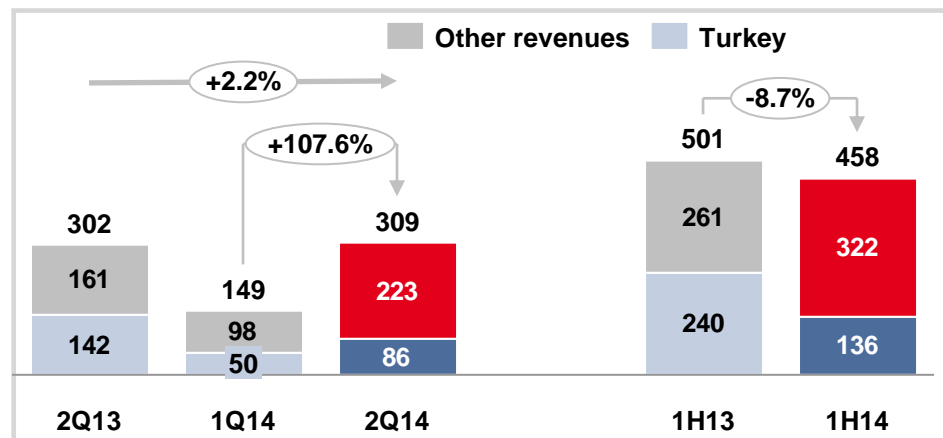
Net fees and commissions, m



Trading income⁽¹⁾, m



Dividends and other income⁽²⁾, m



(1) Figures net of the proceeds from the tender offers on own debt securities: 254 m in 2Q13 and 49 m in 2Q14

(2) Figures including dividends, equity investments income and balance of other operating income / expenses

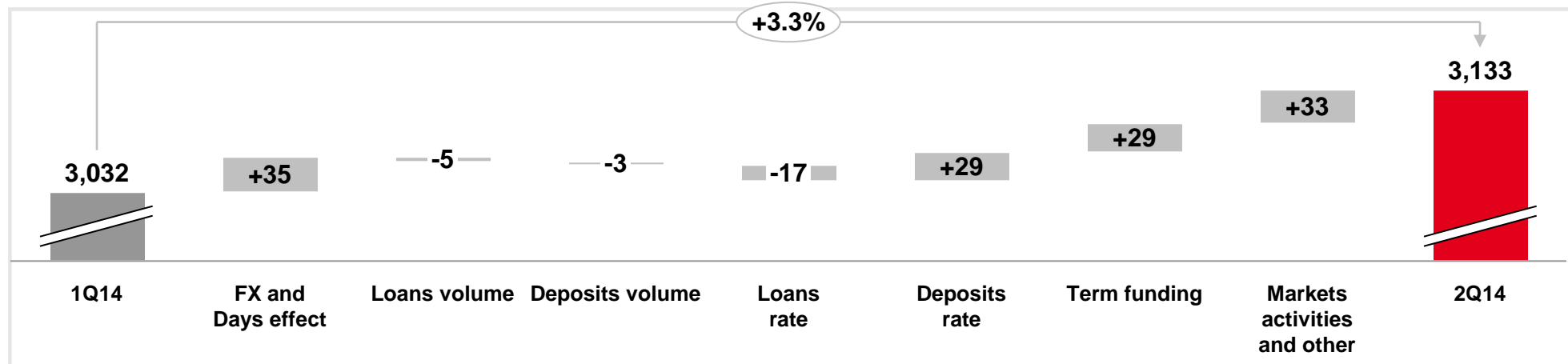


Core Bank - Net interest

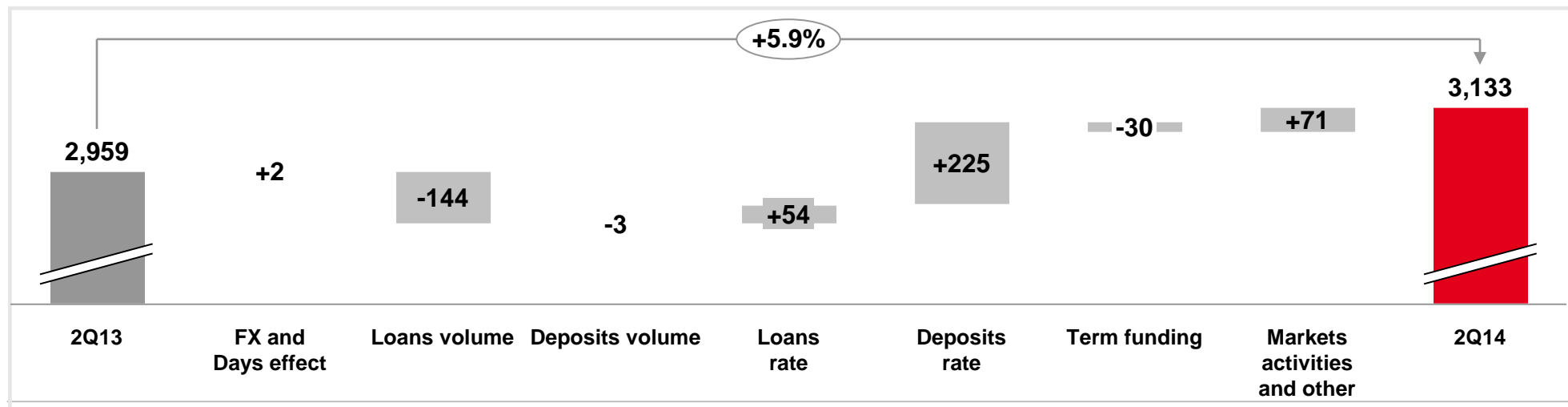
Re-pricing fully offset subdued dynamics of customer lending

Term funding and deposits rate positively contributed to net interest growth q/q

Net interest bridge q/q (m)



Net interest bridge y/y (m)

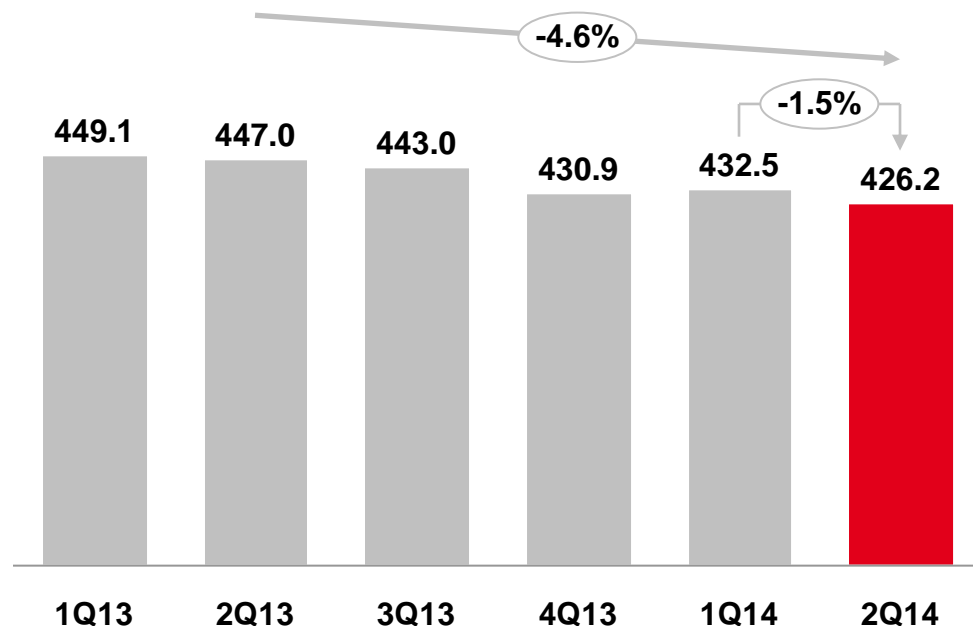




Core Bank - Customer Loans

Customer Loans held up well in the commercial divisions (increase in CEE & Poland). Q/Q reduction mainly related to Institutional and Market Counterparts

Customer loans, bn



Divisional breakdown – Customer loans, bn

		q/q	y/y
CB Italy	130.9	-0.7%	-2.1%
CB Germany	76.2	-0.5%	-3.1%
CB Austria	43.8	+0.8%	-1.3%
Poland	26.4	+3.3%	+14.9%
CEE	57.8	+3.5%	-1.6%
CIB	49.0	-1.3%	-14.7%
Other	1.1	+1.8%	+16.1%
Institutional and Market Counterparts	41.0	-15.6%	-18.4%

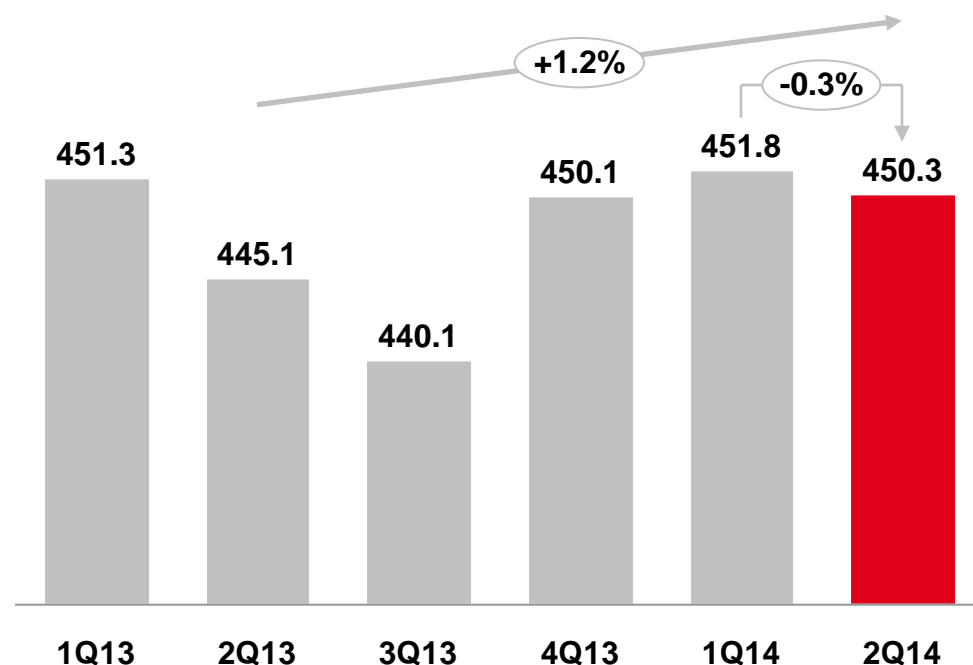
+1.3bn q/q



Core Bank – Direct Funding

Direct funding slightly down due to retail bonds tender offer in Italy, whereas growing in CEE and Poland

Customer direct funding ⁽¹⁾, bn



Divisional breakdown – Direct funding, bn

		q/q	y/y
CB Italy	144.0	-2.6%	-4.4%
CB Germany	70.6	-0.1%	+2.1%
CB Austria	48.5	-0.7%	-0.8%
Poland	27.9	+2%	+9.6%
CEE	48.4	+2.2%	+5.6%
CIB	29.9	+2.7%	+3.6%
Other	19.4	+0.8%	+7.4%
Institutional and Market Counterparts	61.7	0.4%	+5.8%

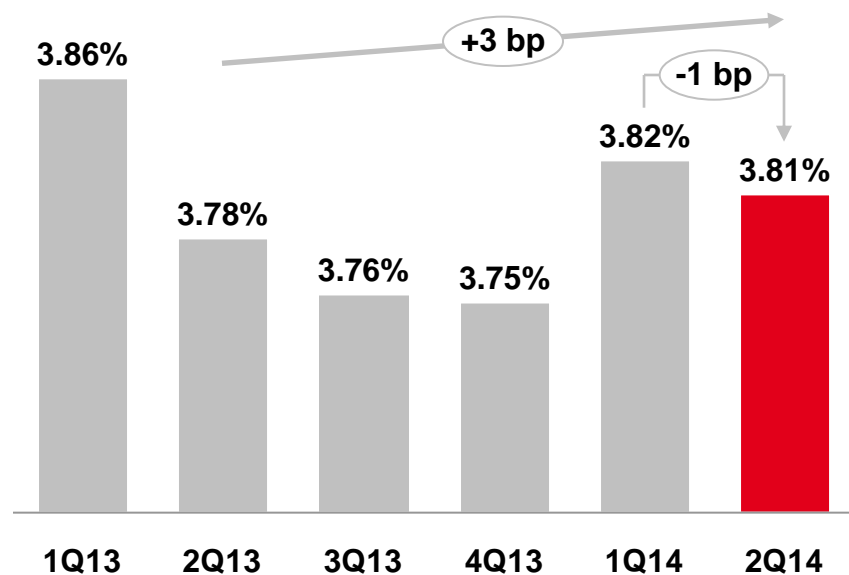
(1) Customer direct funding: total customer deposits + customer securities in issue



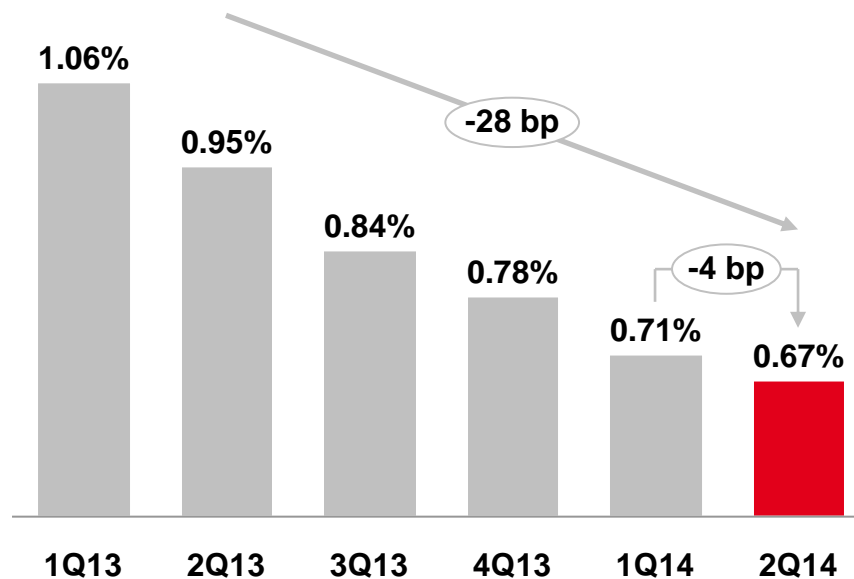
Core Bank – Customer Rates

Improving margins due to the ongoing re-pricing on deposits. Customer lending rate edged down due to overdrafts, while MLT remained stable

Lending customer rate, % (managerial figures)



Deposits customer rate, % (managerial figures)



**Euribor
3M**


0.21% 0.21% 0.22% 0.24% 0.30% **0.30%**

**Euribor
1M**

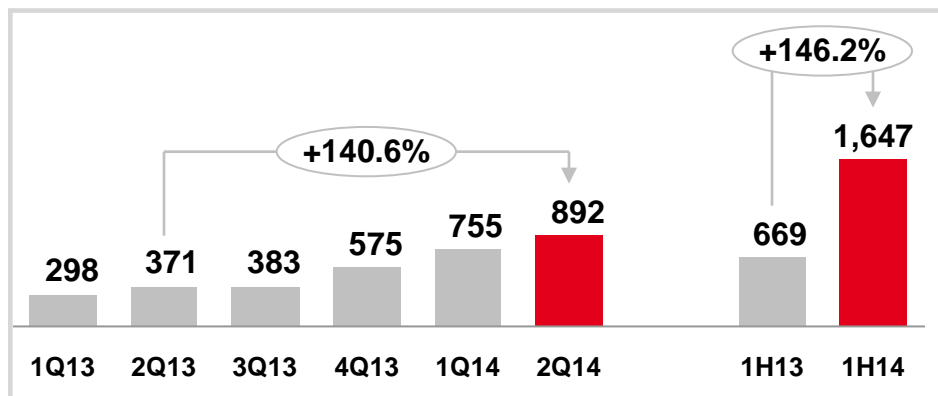
0.12% 0.12% 0.13% 0.16% 0.23% **0.22%**



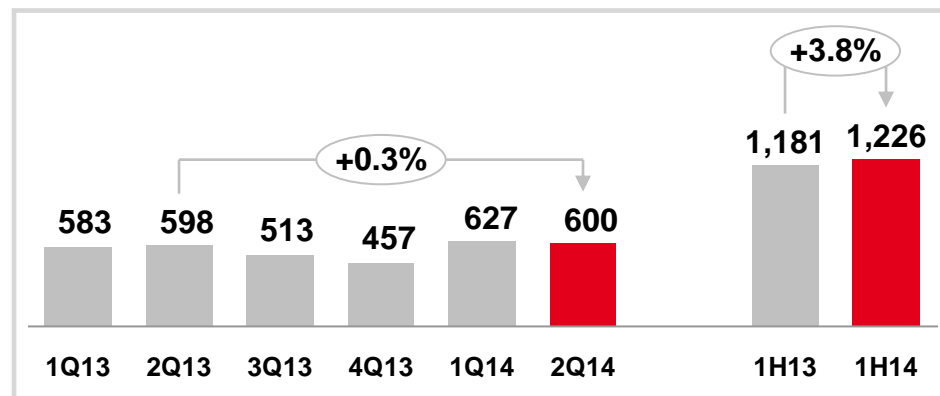
Core Bank – New origination in Italy

Sizeable acceleration in new production of household mortgages and corporate MLT loans. UCG is redeploying capital and funding in new healthy business 

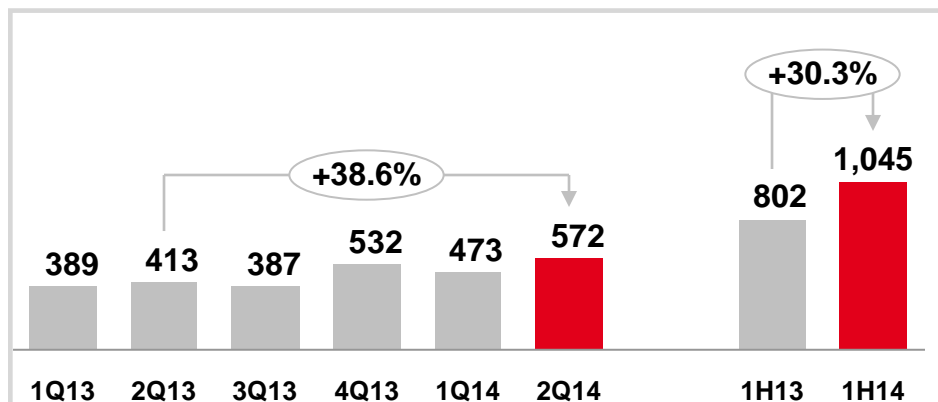
Household mortgages new flows, m



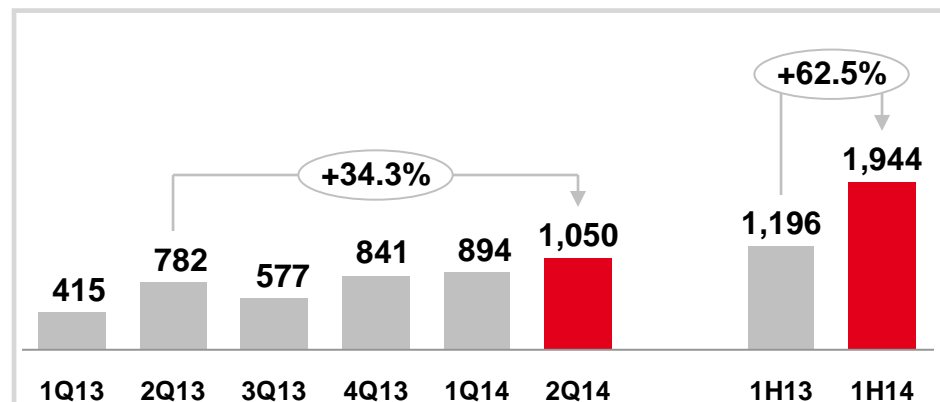
Personal loans new flows, m



Small business MLT loans new flows, m



Corporate MLT loans new flows, m

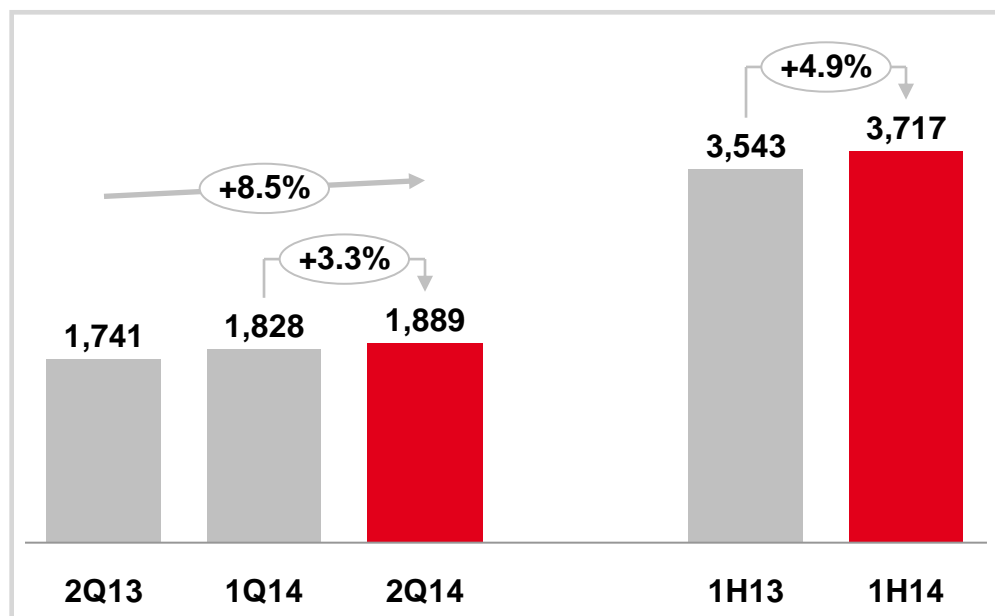




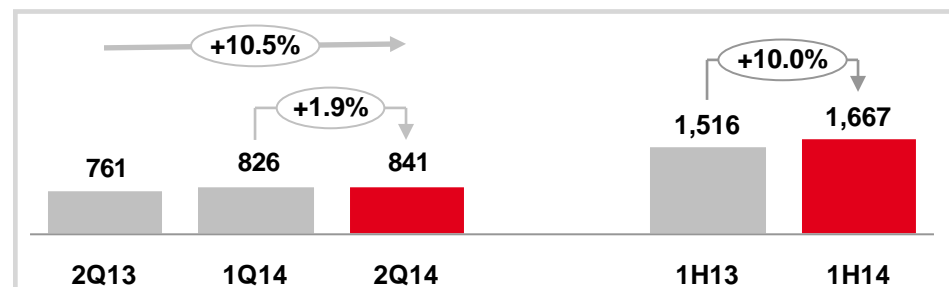
Core Bank – Fees and commissions

Investment services fees fuelled by AuM and Bancassurance products in Italy
Financing services fees up due to credit-related fees in CIB

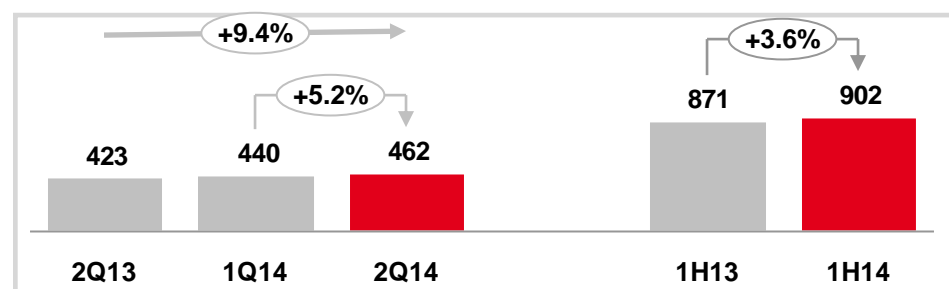
Net fees and commissions, m



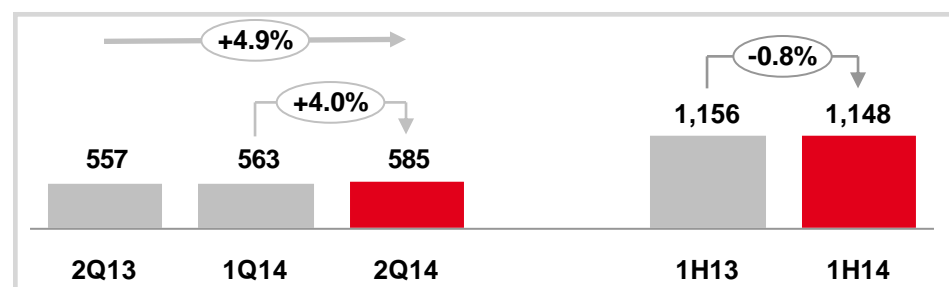
Investment services fees, m



Financing services fees, m



Transactional and banking services fees, m

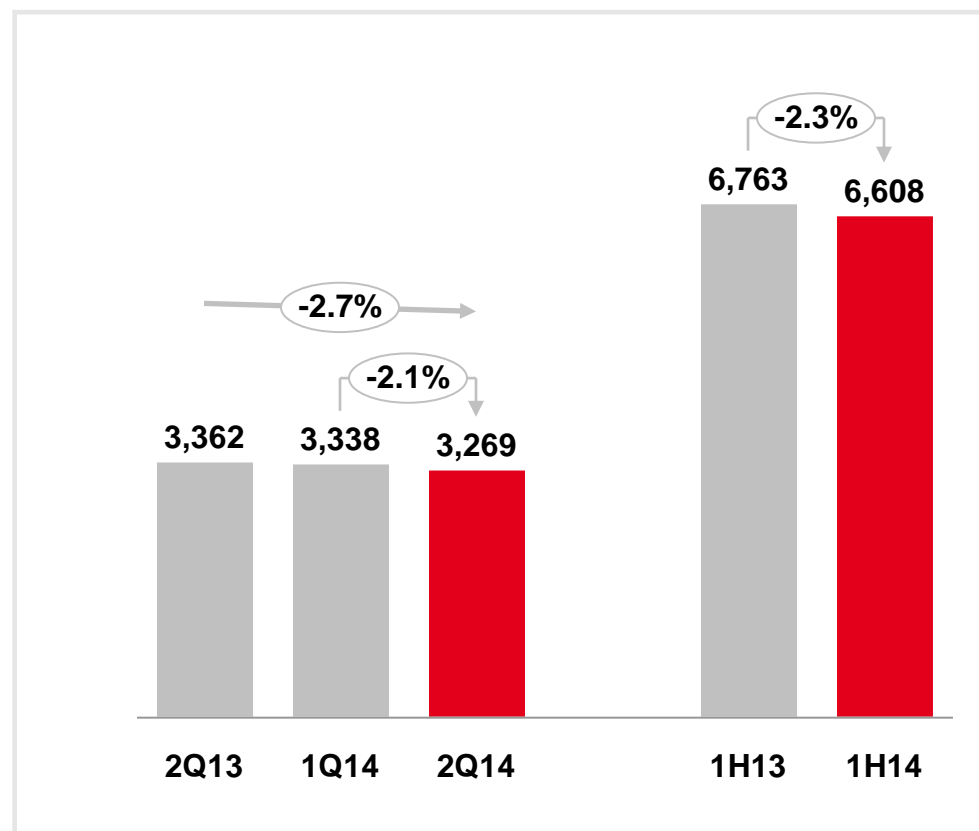




Core Bank – Total costs (1/2)

Sharp decline in operating costs translates into lower cost income ratio at 58%
Commercial Bank Italy and CIB cost income ratio at 46%

Costs, m



Cost income⁽¹⁾

60%

61%

58%

60%

59%

Divisional breakdown – 2Q14 costs, m

C/I			q/q	y/y
46%	CB Italy	995	-5%	-6.3%
77%	CB Germany	517	-1.4%	-2.6%
83%	CB Austria	366	+0.2%	-0.3%
47%	Poland	209	+1.4%	-1%
39%	CEE	393	-5.3%	-4.8%
46%	CIB	416	-7.1%	+1.5%
57%	AG	83	+4%	+9.2%
64%	AM	123	+2.6%	-0.8%

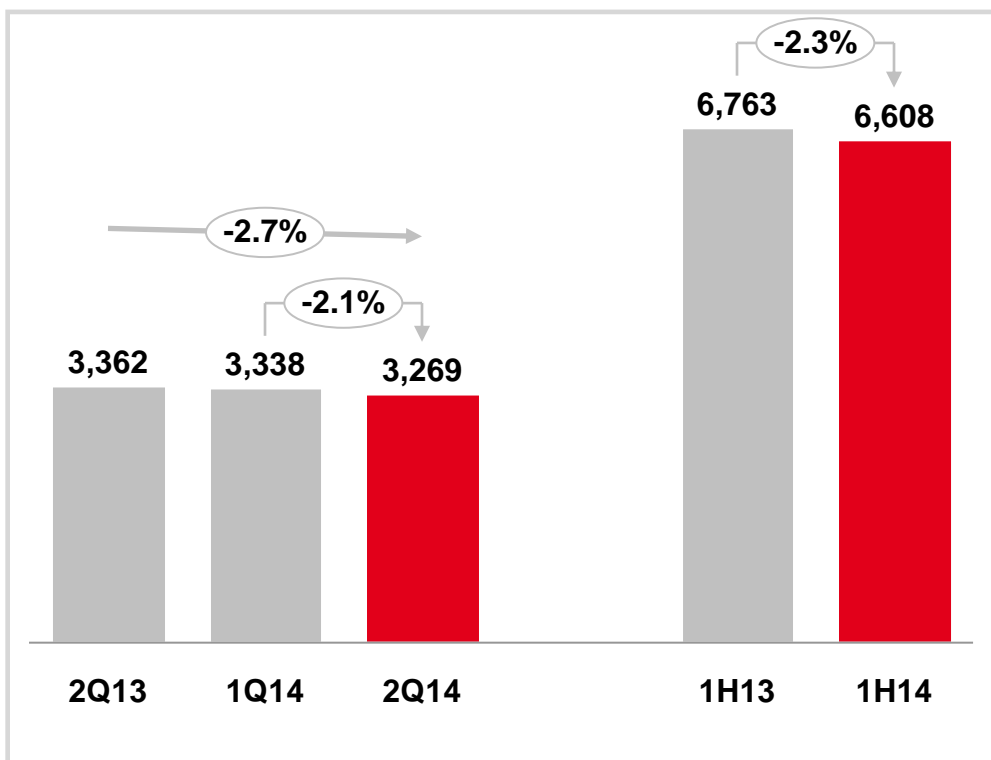
(1) Figures adjusted for the proceeds from the tender offers on own debt securities: 254 m in 2Q13 and 49 m in 2Q14



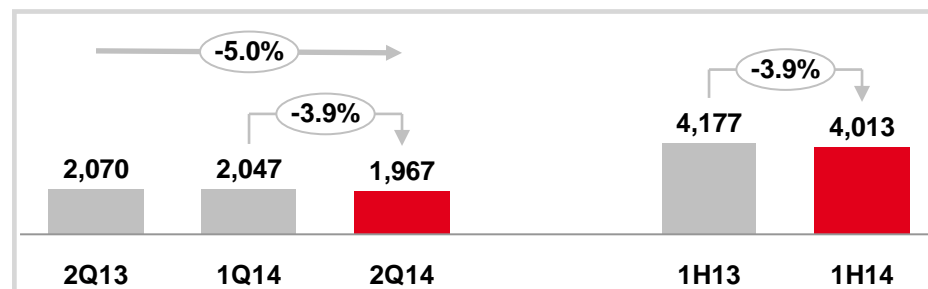
Core Bank – Total costs (2/2)

Staff expenses materially down in line with cost reduction actions of the Strategic Plan

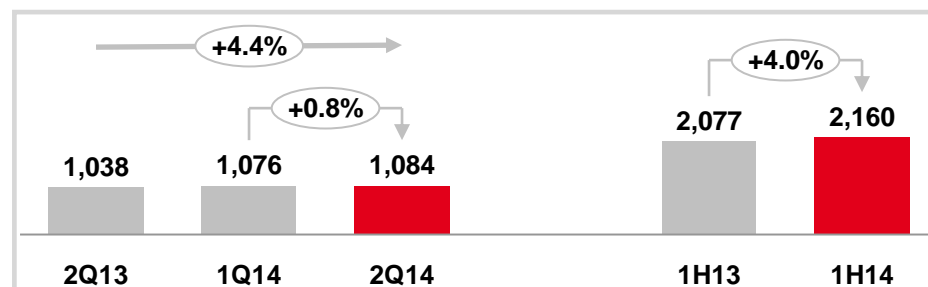
Total costs (m)



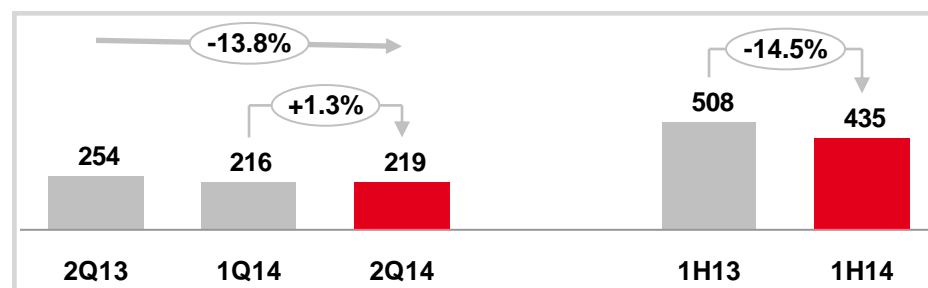
Staff expenses, m



Other administrative expenses, m



Depreciation & amortization, m

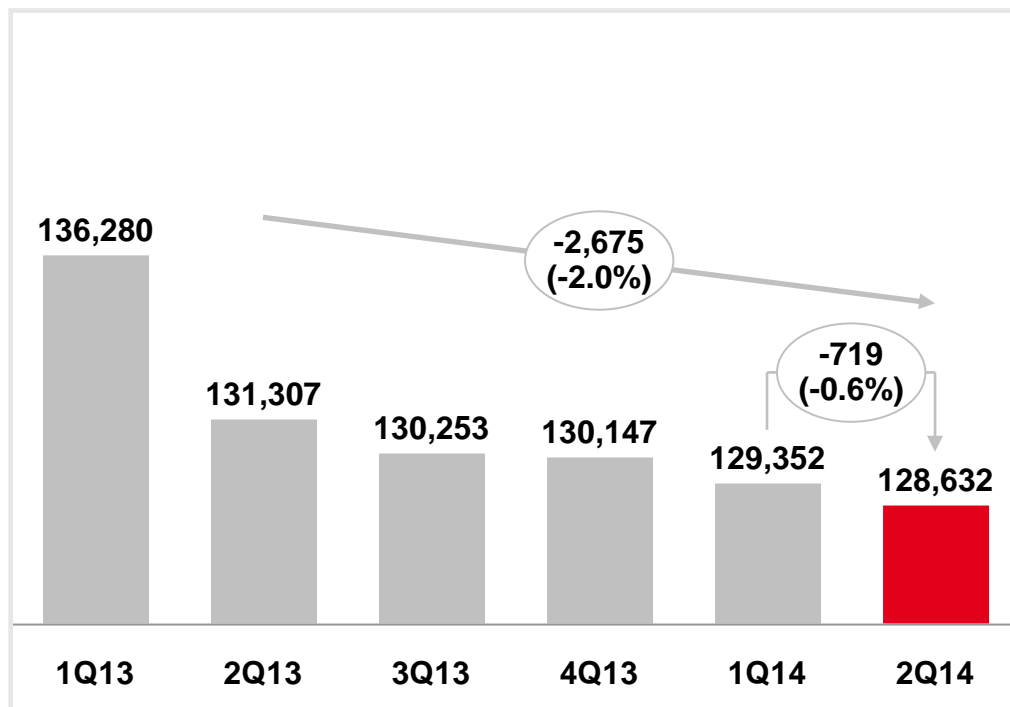




Core Bank – FTEs

FTEs down by more than 700 in the quarter, of which 500 in Ukraine.
Network restructuring in Germany and Austria deliver FTE reductions

FTEs⁽¹⁾ (unit)



■ Figures include the Ukrainian subsidiary (5,543 FTEs in 2Q14) which is re-classified as Held for Sale

Divisional breakdown – FTEs (unit)

		q/q	y/y
CB Italy	37,412	+42	-378
CB Germany	13,502	-80	-548
CB Austria	6,639	-169	-328
Poland	18,069	-60	-314
CEE	30,093	-526	-1,293
CIB	4,025	-92	+397 ⁽²⁾
AG	1,496	+11	+31
AM	2,021	+14	+59
Corporate Centre ⁽³⁾	15,374	+140	-300

(1) FTEs including Ukraine (5,543 in 2Q14, 6,090 in 1Q14 and 6,543 in 1Q13). Turkey not included in consolidated (14,488 FTEs in 2Q14)

(2) The y/y increase in CIB is due to consolidation of industrial companies

(3) Corporate Centre includes Global Banking Services (i.e. the operating machine) and Corporate Center

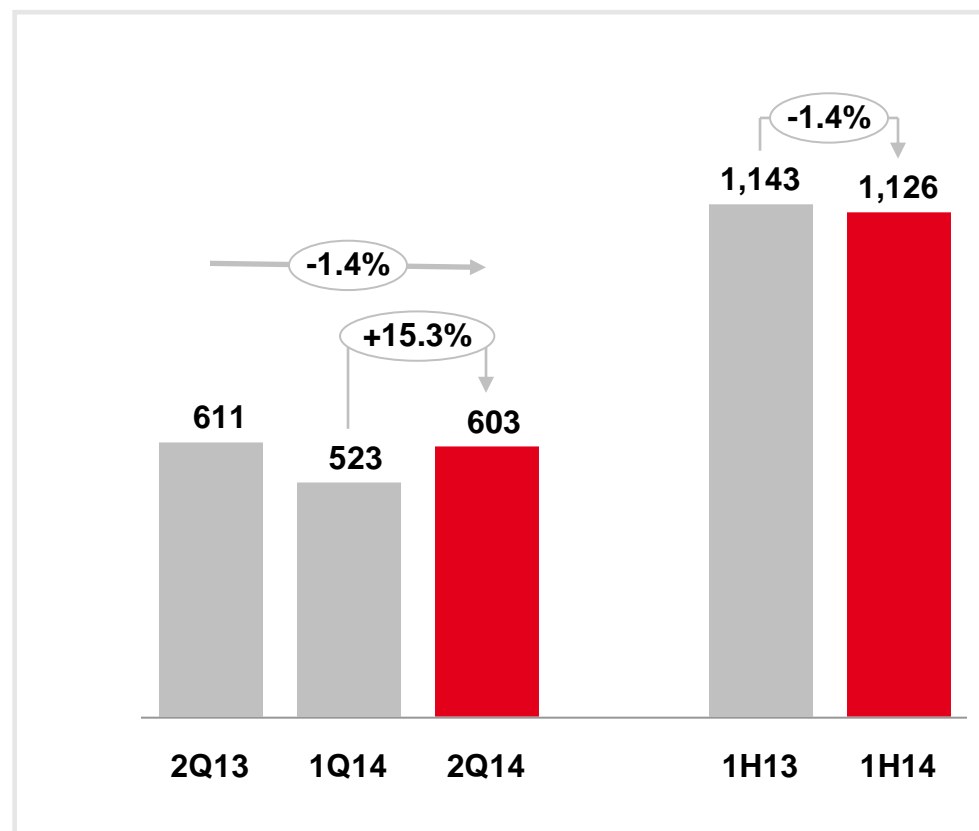


Core Bank – Loan loss provisions

LLP increased due to quarter seasonality while lower y/y and vs. 1H13

Sound cost of risk at 56 bps

Loan loss provisions, m



Divisional breakdown – 2Q14 Cost of Risk, bps

			q/q	y/y
CB Italy	90		+5bp	+22bp
CB Germany	2		-5bp	n.m.
CB Austria	4		-37bp	-36bp
Poland	53		-3bp	-12bp
CEE	119		+13bp	-28bp
CIB	43		+43bp	-26bp
AG	49		+26bp	+18bp
AM	n.m.		n.m.	n.m.

Cost of risk

55bp

48bp

56bp

50bp

52bp

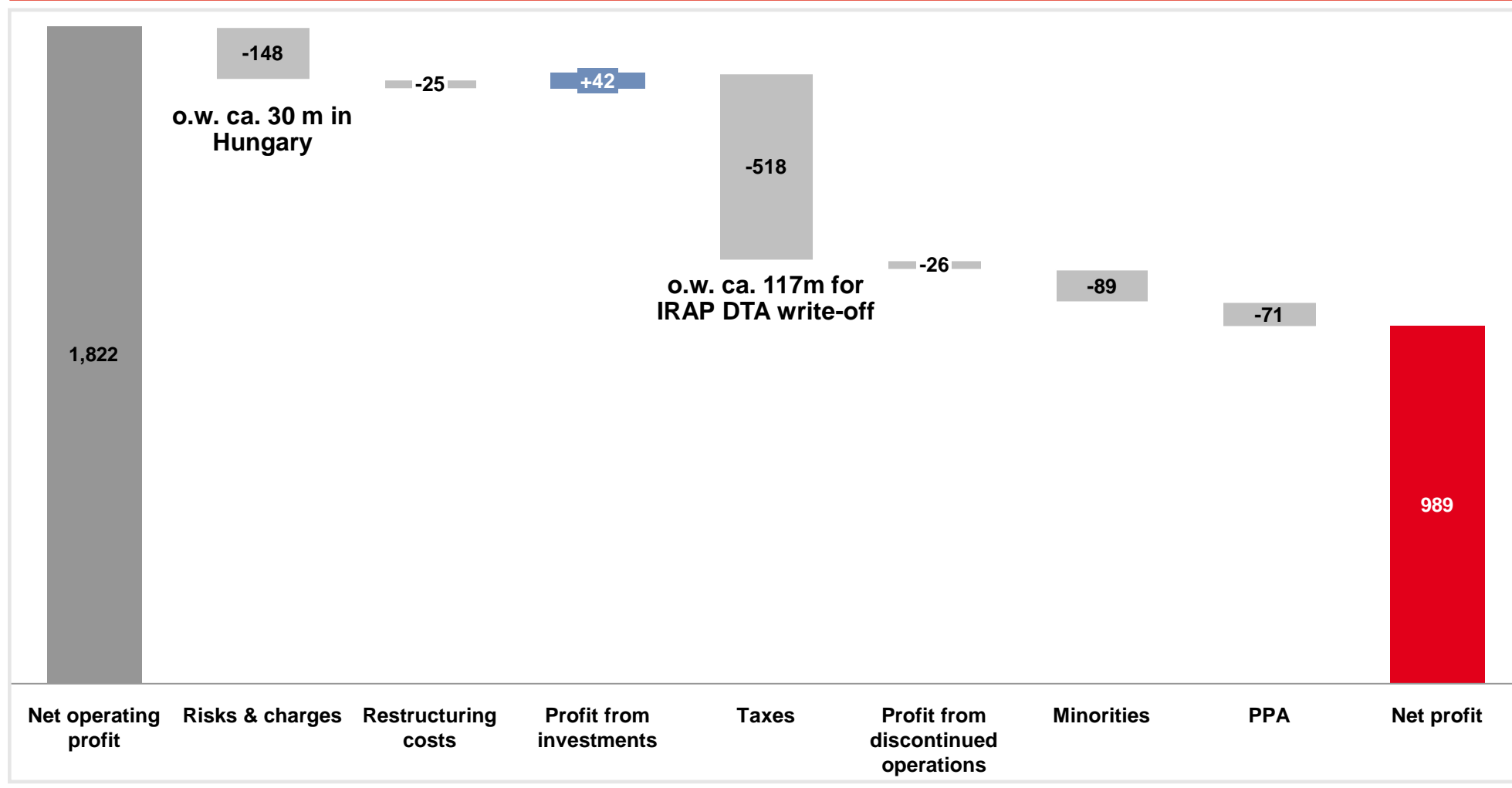


Core Bank - Non-operating items

Risks and charges include ca. 30 m in Hungary

Tax rate at ca. 31% including the negative impact of IRAP DTAs

Non-operating items bridge⁽¹⁾(m)



(1) Taxes and net profit do not include the 215 m impact of the revised tax charge related to valuation of the stake in Banca d'Italia



Core Bank – CEE & Poland Outlook

Positive quarterly performance of CEE & Poland Region reaffirming its role as key contributor to Group results

		Revenues 2Q14	%1H14 Net Profit ⁽¹⁾
Russia	<ul style="list-style-type: none"> Political headwinds given dispute with Ukraine and impact of potential sanctions Resilient operating performance with healthy liquidity position (competitive positioning #9) 	235 m ▲	27%
Poland	<ul style="list-style-type: none"> Stable economy with sound fundamentals Strong competitive positioning (#2), best in class operational efficiency and strong capital base 	447 m ▲	22%
Turkey	<ul style="list-style-type: none"> Clearer political landscape after August elections, overall improved macroeconomic environment High revenue generation capability supporting organic growth (competitive positioning #5) 	267 m ▲	19%
Czech Rep. & Slovakia	<ul style="list-style-type: none"> External and domestic demand fuel economic rebound Superior profitability with strong revenues and operational efficiency (competitive positioning #4) 	144 m ▲	12%
Bulgaria	<ul style="list-style-type: none"> Traditionally stable, converging to the European Single Supervisory Mechanism Market leader (#1) with strong operating performance and improved liquidity 	98 m ▲	10%
Croatia	<ul style="list-style-type: none"> Mitigated impact from recent court ruling on FX lending, although in a challenging environment Resilient profitability with strong operational efficiency (competitive positioning #1) 	133 m ▲	8%
Romania	<ul style="list-style-type: none"> Broadening macroeconomic improvement, with favorable outlook Resilient operating performance and improving liquidity (competitive positioning #4) 	86 m ▼	4%
Hungary	<ul style="list-style-type: none"> Favourable macroeconomic outlook despite banks' profitability impacted by regulatory framework Historically, one of the most profitable banks in the country (competitive positioning #6) 	93 m ▲	1%
Ukraine	<ul style="list-style-type: none"> Geopolitical issues under strict assessment Disposal process on-going. 2Q14 loss at 35m 	n.m. ▼	n.m.



Agenda

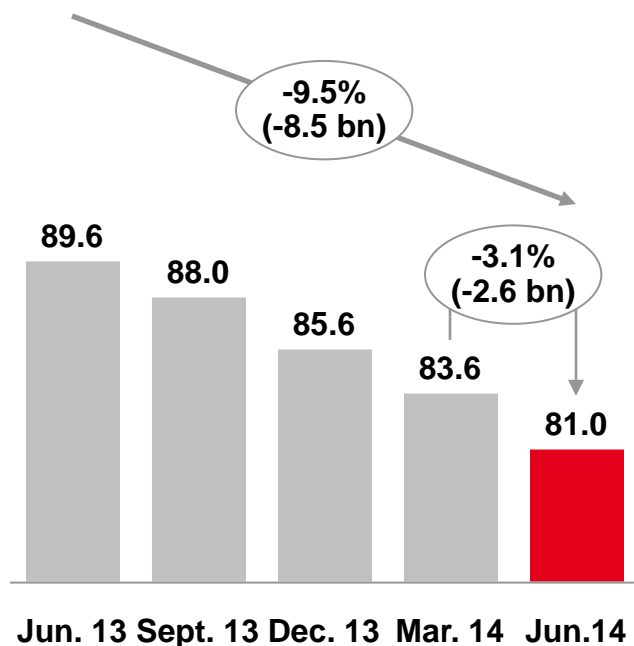
- Group
- Core Bank
- **Non Core**
- Annex



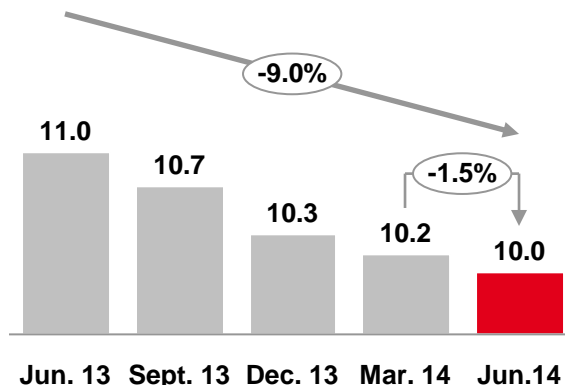
Non Core – Gross customer loans

Gross exposure further down by 2.6 bn in 2Q14 also thanks to the sale of distressed assets

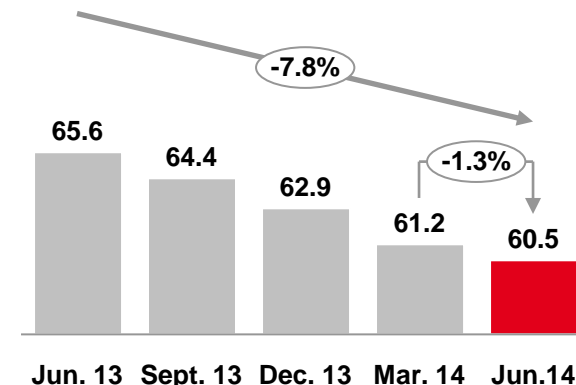
Gross customer loans, bn



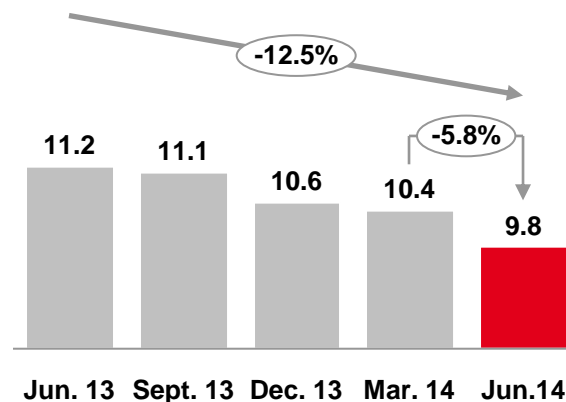
Leasing non core, bn



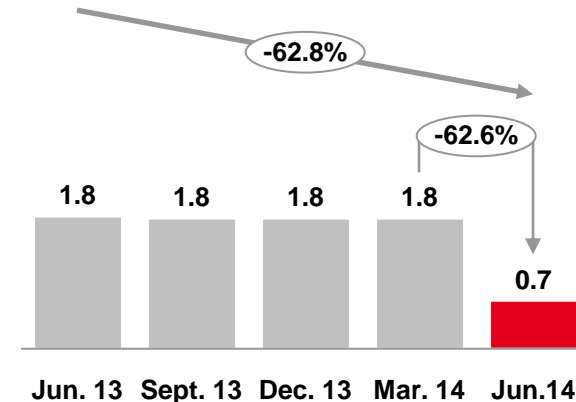
Special Network⁽¹⁾, bn



UCCMB, bn



SPV and securitization, bn



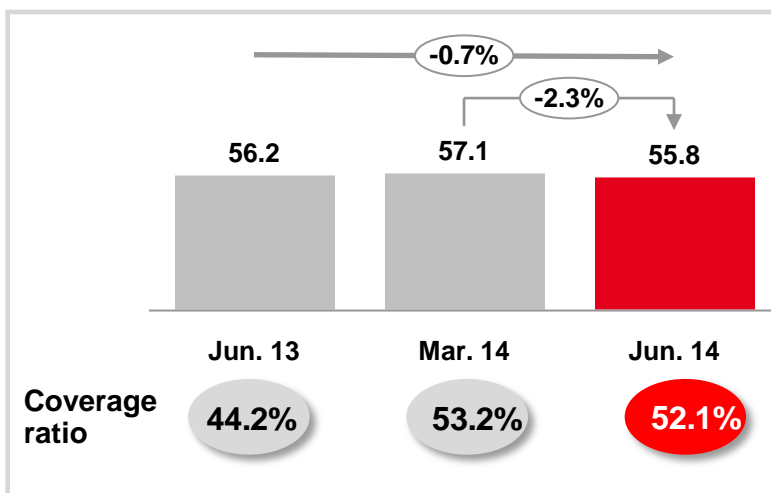
(1) Special Network: Corporate, Small Business and Households



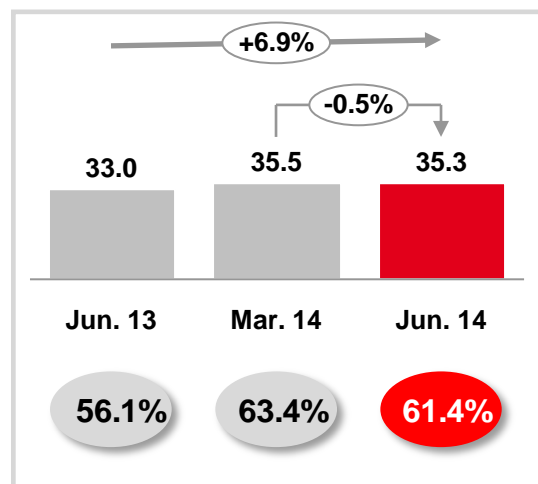
Non Core – Asset Quality

Downward trend of impaired loans confirmed, with new inflows from performing to impaired slowing down

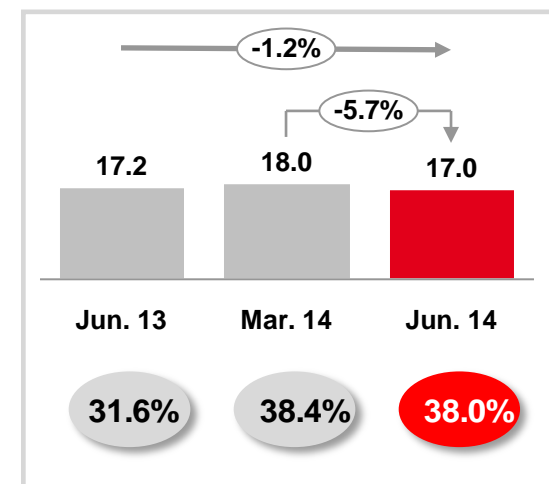
Total gross impaired loans, bn



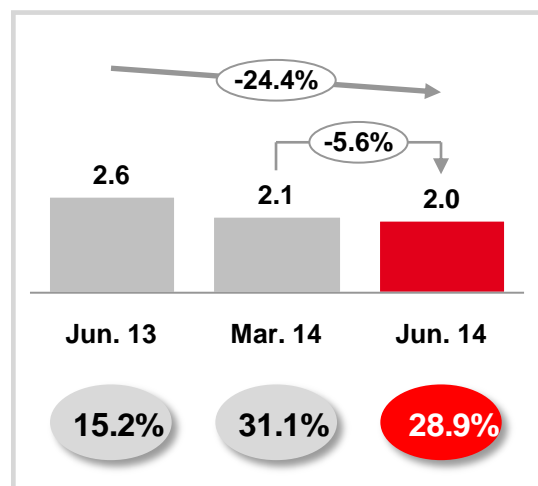
NPLs, bn



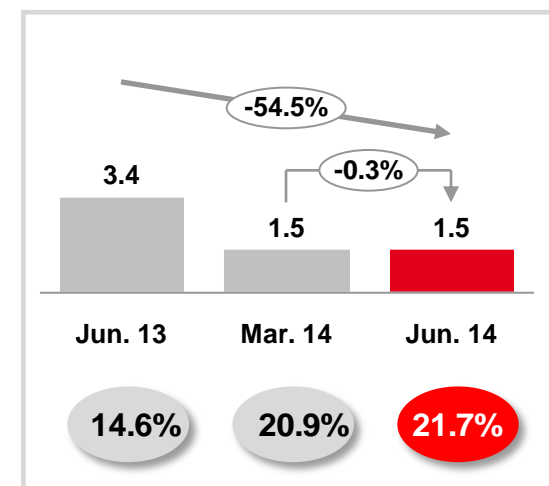
Doubtful loans, bn



Restructured loans, bn



Past due loans, bn

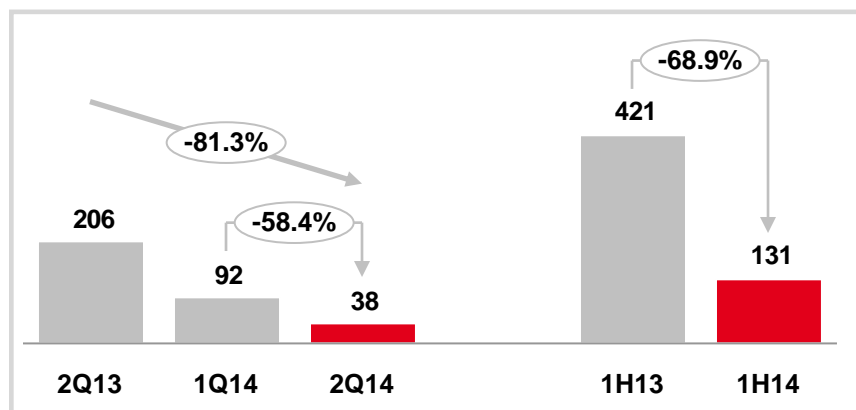




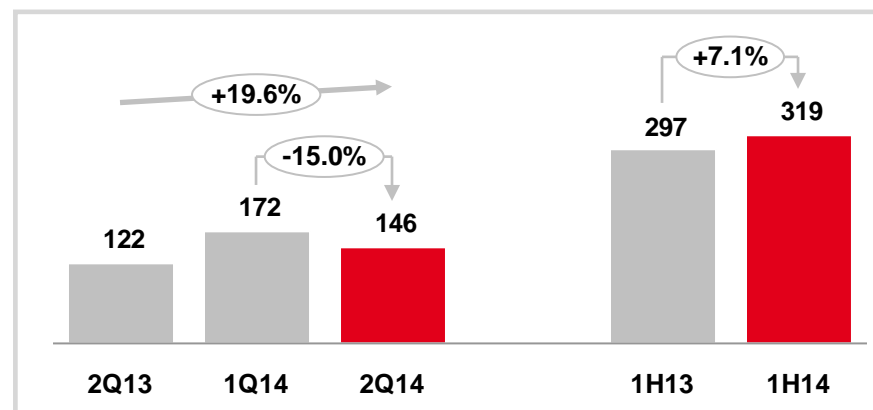
Non Core – Results

In the first 6 months of 2014 LLP halved compared to the same period last year, despite a seasonal increase q/q

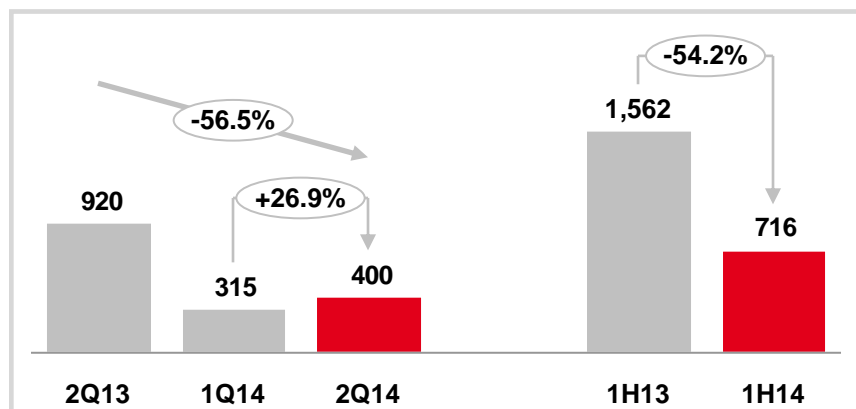
Revenues, m



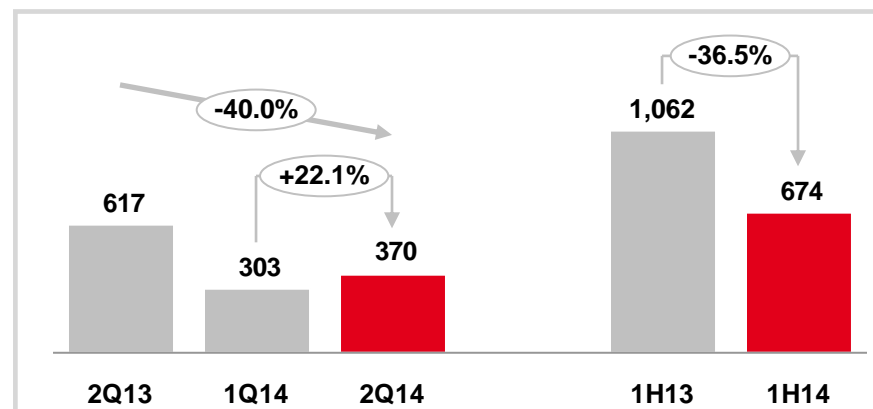
Costs, m



LLP, m



Net loss, m





Concluding Remarks

- **1H14 Confirmed UCG's capability to create value on a sustainable basis with a high quality revenue mix and tight cost discipline**
- **Core Bank's solid results fuelled by strengthening profitability in Italy and resilience in CEE&Poland Region, highlighting the benefits of UCG diversification**
- **Positive signals from our business confirmed: continued increase in new lending in Italy (6 bn in 1H14)**
- **Asset quality improving with gross impaired loans decreasing: in Italy, impaired loans growth substantially lower than the banking system**
- **Non Core gross loans further down and conservative impaired loans coverage ratio above 52% (above 61% for NPLs)**
- **CET1 ratio fully-loaded materially up to 10.4%, confirming the Group's solidity**



Agenda

■ Group

■ Core Bank

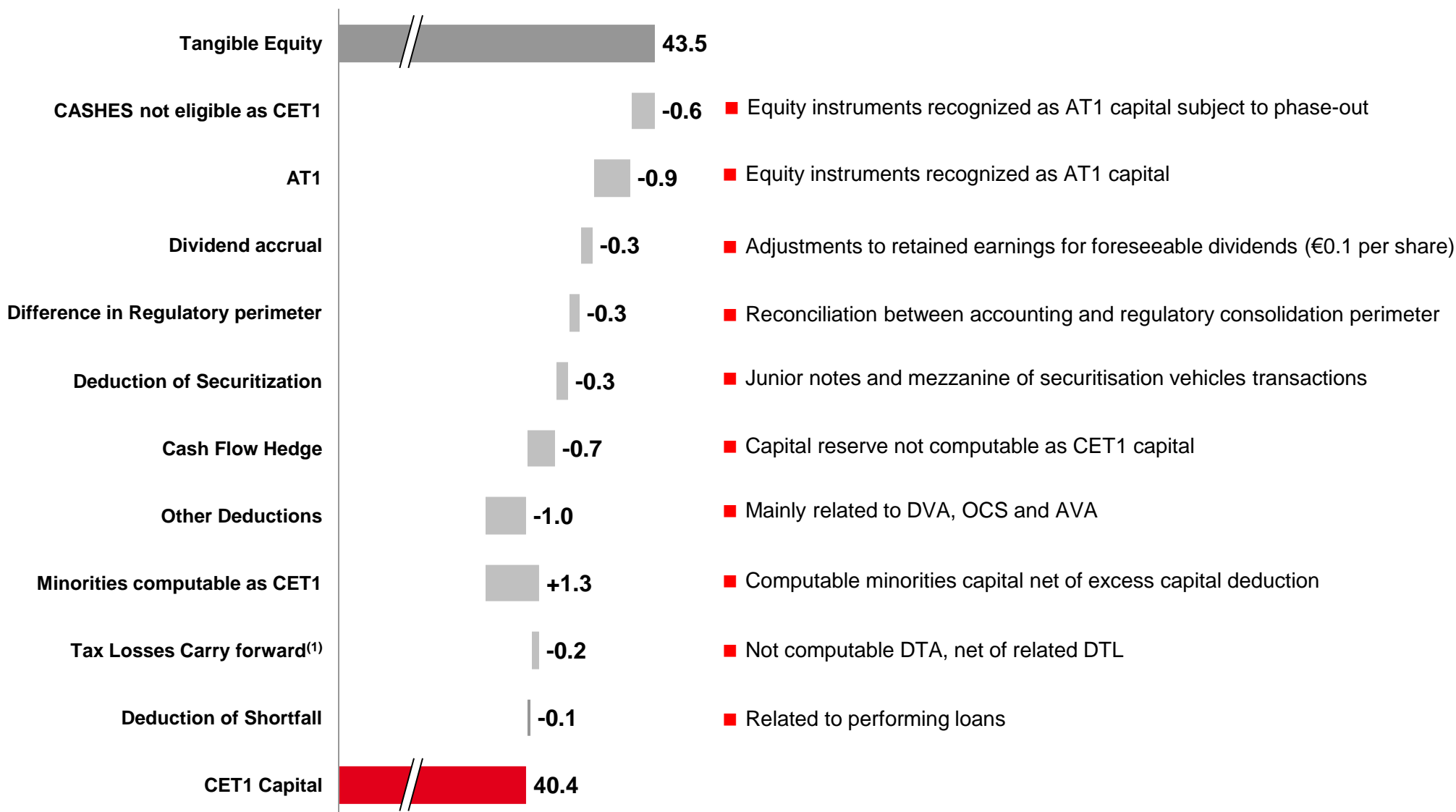
■ Non Core

■ **Annex**



Group - From tangible equity to CET1 capital fully loaded

Description of main items as of June 30th 2014



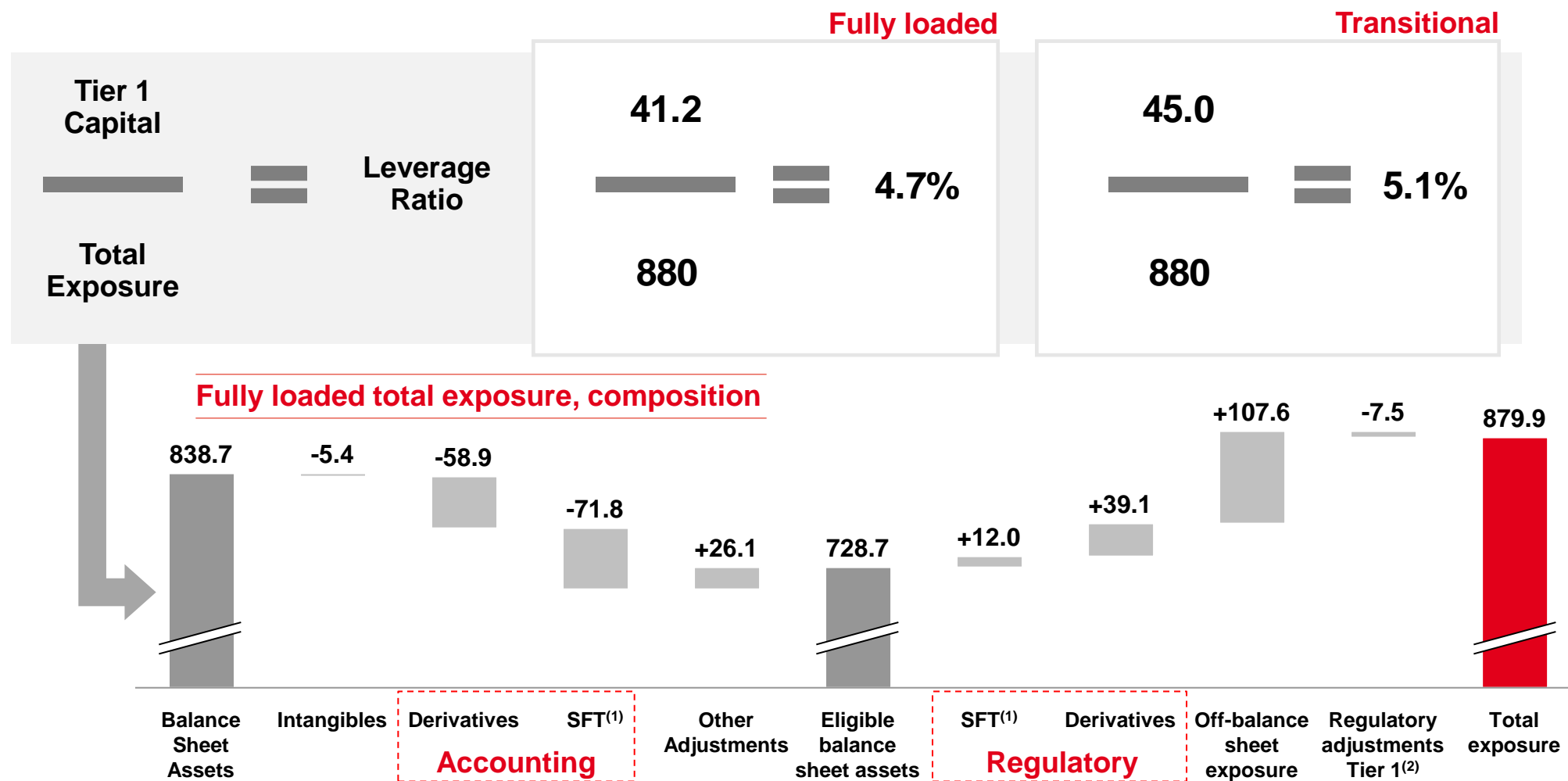
(1) The deduction for DTA related to tax losses carried forward considers the stock of DTA as of June 2014 and does not assume any future reduction due to their utilization



Group - Leverage Ratio

A solid 4.7% fully loaded leverage ratio

Leverage Ratio, composition



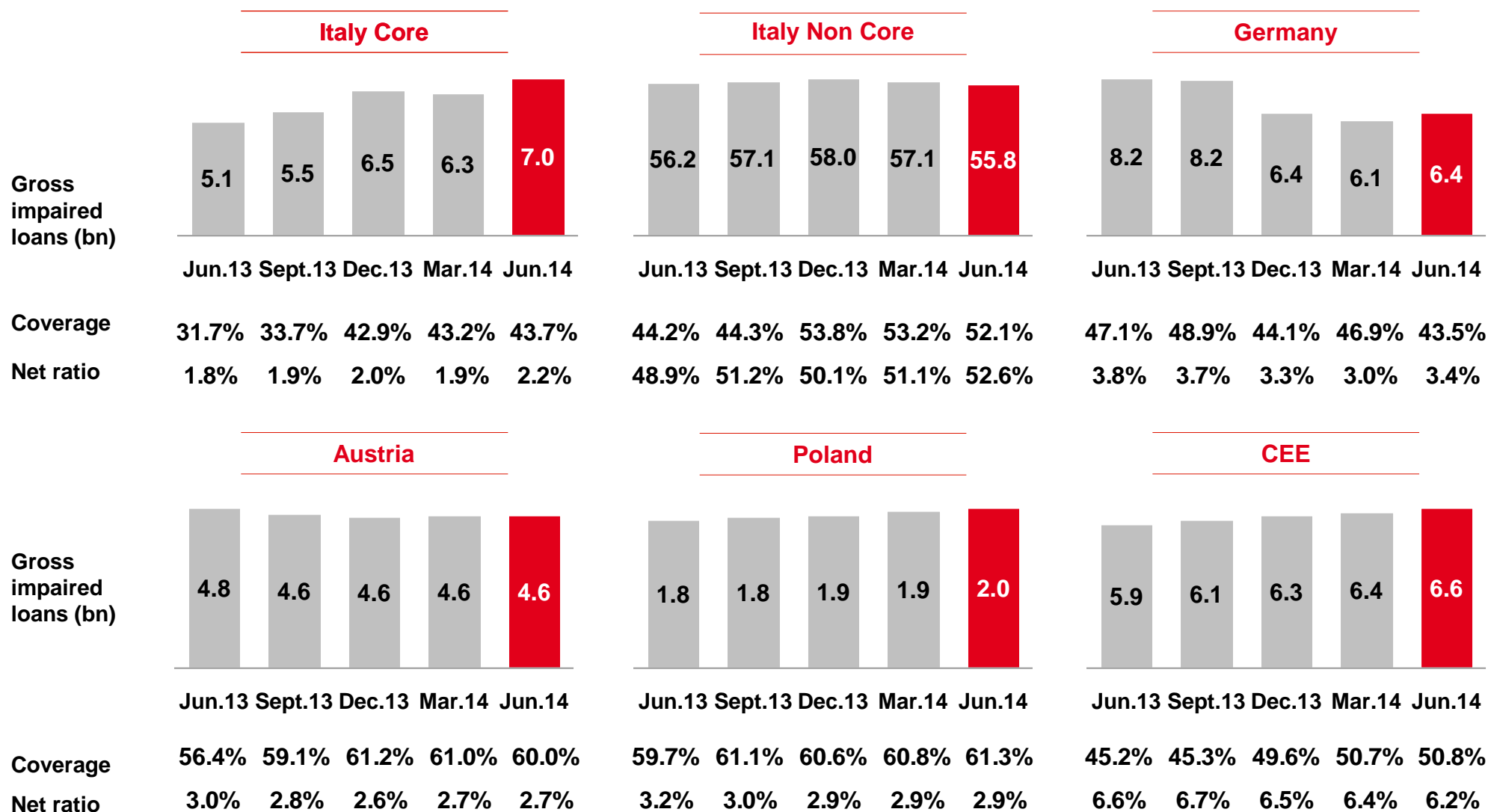
(1) SFT: Securities Financial Transactions, i.e. Repos

(2) These are items which are already deducted from Tier 1 Capital



Group - Asset quality

Stabilizing trend across regions with ongoing reduction in Non Core



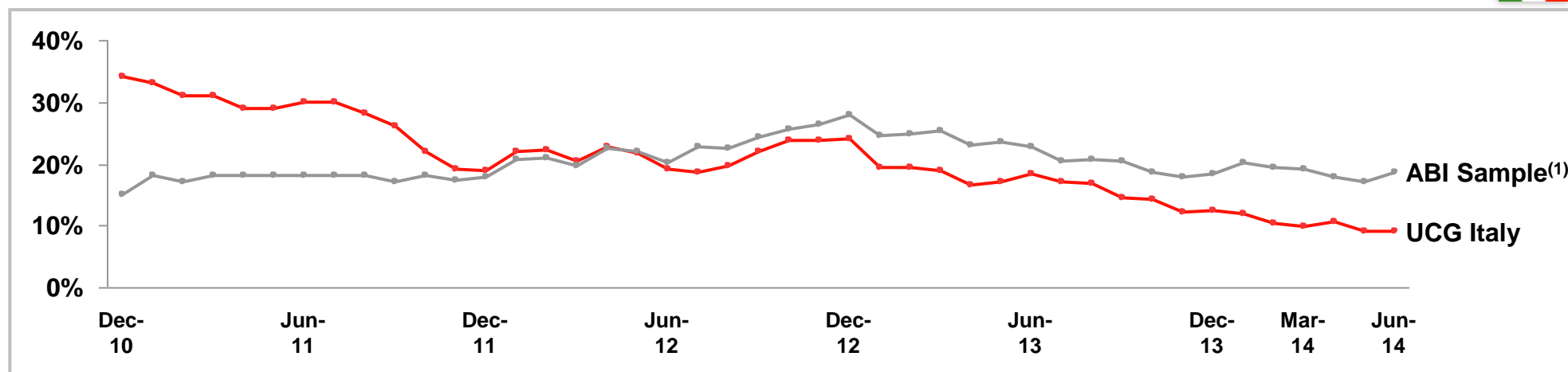


Group Asset Quality in Italy

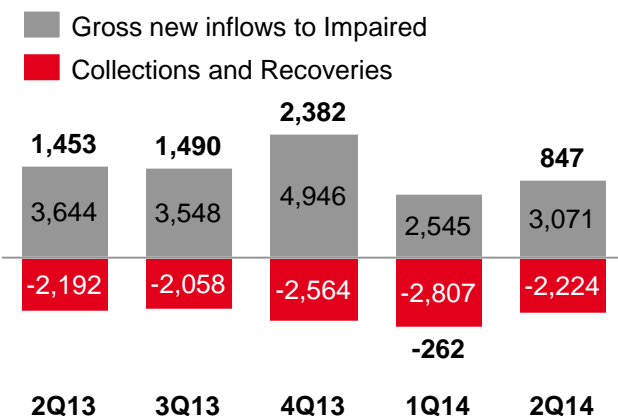
Improving asset quality trend vs market confirmed also in 2Q14

The sale of vintage NPLs for 1.3 bn had a 84 bps impact on coverage ratio

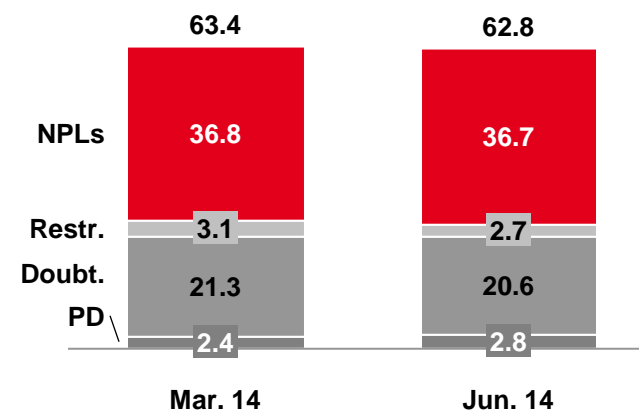
Impaired loans y/y growth, %



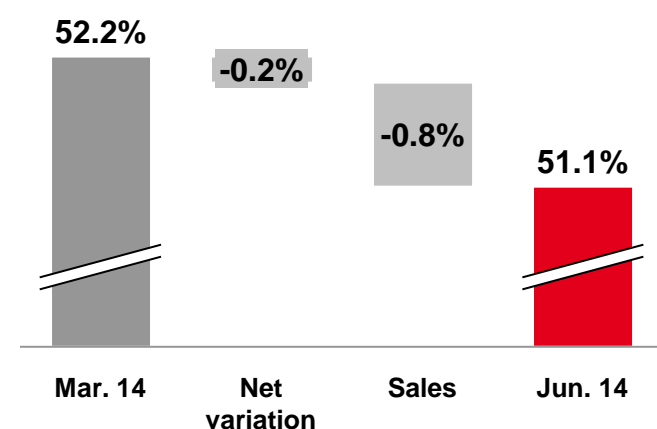
Italy – additions, mln⁽²⁾



Italy – stock of gross impaired, bn



Italy – coverage ratio, %



(1) Italian Banking Association - sample composed by approx. 80% of Italian Banking system; households and Non Financial Corporations

(2) Inflows from Gross Performing Loans to Gross Impaired Loans in the period; Collections and Recoveries are the flows from Gross Impaired Loans back to Gross Performing Loans and the Collections of Gross Impaired Loans



Group – P&L and Volumes

Another solid quarter towards the achievement of the Strategic Plan

Euro (mln)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	Δ % vs. 1Q14		Δ % vs. 2Q13		1H13	1H14	Δ % vs. 1H13	
Total Revenues	5,785	6,099	5,662	5,770	5,579	5,733	2.8%	▲	-6.0%	▼	11,884	11,312	-4.8%	▼
Operating Costs	-3,576	-3,484	-3,447	-3,746	-3,511	-3,416	-2.7%	▼	-2.0%	▼	-7,060	-6,926	-1.9%	▼
Gross Operating Profit	2,209	2,615	2,215	2,024	2,068	2,317	12.1%	▲	-11.4%	▼	4,824	4,385	-9.1%	▼
LLP	-1,173	-1,532	-1,482	-9,295	-838	-1,003	19.7%	▲	-34.5%	▼	-2,704	-1,842	-31.9%	▼
Profit Before Taxes	955	880	526	-7,582	1,275	1,171	-8.2%	▼	33.0%	▲	1,836	2,446	33.2%	▲
Net Profit	449	361	204	-14,979	712	403	-43.4%	▼	11.7%	▲	810	1,116	37.8%	▲
Cost / Income Ratio, %	62%	57%	61%	65%	63%	60%	-3.3pp	▼	2.5pp	▲	59%	61%	1.8pp	▲
Cost of Risk, bps	90bp	119bp	117bp	751bp	69bp	83bp	14bp	▲	-36bp	▼	104bp	76bp	-28bp	▼
RoTE	3.9%	3.1%	1.8%	n.m.	6.9%	5.9%	-1.0pp	▼	2.8pp	▲	4.0%	5.8%	1.8pp	▲
Customer Loans	515,631	511,146	505,181	484,309	484,817	477,093	-1.6%		-6.7%		511,146	477,093	-6.7%	
Direct Funding	553,520	549,061	544,769	557,764	560,238	561,005	0.1%		2.2%		549,061	561,005	2.2%	
Total RWA	422,875	410,871	399,747	384,755	418,871	398,702	-4.8%		-3.0%		410,871	398,702	-3.0%	
FTE (#)	138,131	133,245	132,195	132,122	131,333	130,577	-0.6%		-2.0%		133,245	130,577	-2.0%	

Net profit including the impact of the revised tax charge related to valuation of the stake in Banca d'Italia (618 m excluding it).

RoTE is calculated excluding this impact.

RWA as at March 2014 differ from those disclosed in the Regulatory Reports due to adjustments connected with the difference between the timing of the approval of the interim financial report and the transmission – on June 30, 2014 – of Regulatory Reports referring to March 31, 2014



Core Bank – P&L and Volumes

Net Profit broadly stable at ca.1 bn on the back of a sound operating profitability and improved cost of risk y/y

<i>Euro (mln)</i>	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	Δ % vs. 1Q14		Δ % vs. 2Q13		1H13	1H14	Δ % vs. 1H13	
Total Revenues	5,570	5,893	5,526	5,629	5,486	5,695	3.8%	▲	-3.4%	▼	11,463	11,181	-2.5%	▼
Operating Costs	-3,401	-3,362	-3,302	-3,593	-3,338	-3,269	-2.1%	▼	-2.7%	▼	-6,763	-6,608	-2.3%	▼
Gross Operating Profit	2,169	2,531	2,223	2,036	2,148	2,425	12.9%	▲	-4.2%	▼	4,701	4,573	-2.7%	▼
LLP	-531	-611	-585	-1,990	-523	-603	15.3%	▲	-1.4%	▼	-1,143	-1,126	-1.4%	▼
Profit Before Taxes	1,560	1,724	1,447	-222	1,690	1,691	0.1%	▲	-1.9%	▼	3,284	3,382	3.0%	▲
Net Profit	893	978	874	-10,179	1,016	989	-2.6%	▼	1.1%	▲	1,871	2,005	7.1%	▲
Cost / Income Ratio, %	61%	57%	60%	64%	61%	57%	-3.4pp	▼	0.4pp	▲	59%	59%	0.1pp	▲
Cost of Risk, bps	46bp	55bp	53bp	182bp	48bp	56bp	8bp	▲	2bp	▲	50bp	52bp	2bp	▲
RoAC	9.8%	10.8%	9.8%	n.m.	12.0%	10.9%	-1.0pp	▼	0.1pp	▲	10.4%	11.1%	0.7pp	▲
Customer Loans	449,077	446,977	443,016	430,855	432,494	426,202	-1.5%		-4.6%		446,977	426,202	-4.6%	
Direct Funding	550,837	546,626	542,366	555,260	557,882	558,620	0.1%		2.2%		546,626	558,620	2.2%	
Total RWA	381,948	371,187	362,576	353,360	388,899	368,500	-5.2%		-0.7%		371,187	368,500	-0.7%	
FTE (#)	136,280	131,307	130,253	130,147	129,352	128,632	-0.6%		-2.0%		131,307	128,632	-2.0%	

Net profit does not include the 215 m impact of the revised tax charge related to valuation of the stake in Banca d'Italia



Commercial Bank Italy – P&L and Volumes

A very strong set of results with cost of risk under control

Loans stable but new business is picking up

<i>Euro (mln)</i>	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	Δ % vs. 1Q14		Δ % vs. 2Q13		1H13	1H14	Δ % vs. 1H13	
Total Revenues	1,942	1,993	1,941	1,948	2,117	2,145	1.3%	▲	7.6%	▲	3,935	4,262	8.3%	▲
Operating Costs	-1,055	-1,062	-1,020	-1,051	-1,047	-995	-5.0%	▼	-6.3%	▼	-2,118	-2,042	-3.6%	▼
Gross Operating Profit	886	931	921	897	1,070	1,150	7.5%	▲	23.5%	▲	1,818	2,221	22.2%	▲
LLP	-141	-227	-202	-746	-280	-295	5.3%	▲	30.0%	▲	-368	-574	56.2%	▲
Profit Before Taxes	723	677	712	-74	774	804	3.8%	▲	18.7%	▲	1,400	1,577	12.7%	▲
Net Profit	449	449	467	75	493	574	16.6%	▲	28.0%	▲	898	1,067	18.9%	▲
Cost / Income Ratio, %	54%	53%	53%	54%	49%	46%	-3.1pp	▼	-6.9pp	▼	54%	48%	-5.9pp	▼
Cost of Risk, bps	41bp	67bp	61bp	226bp	85bp	90bp	5bp	▲	22bp	▲	54bp	87bp	33bp	▲
RoAC	24.8%	25.0%	25.9%	4.2%	27.5%	33.0%	5.5pp	▲	8.0pp	▲	25.0%	30.6%	5.7pp	▲
Customer Loans	135,256	133,669	132,847	130,931	131,804	130,929	-0.7%		-2.1%		133,669	130,929	-2.1%	
Direct Funding	156,036	150,542	148,678	149,802	147,799	143,983	-2.6%		-4.4%		150,542	143,983	-4.4%	
Total RWA	73,436	76,815	76,706	77,629	74,895	74,486	-0.5%		-3.0%		76,815	74,486	-3.0%	
TFA	312,583	310,673	311,348	317,017	322,149	321,775	-0.1%		3.6%		310,673	321,775	3.6%	
FTE (#)	38,387	37,790	37,560	37,541	37,370	37,412	0.1%		-1.0%		37,790	37,412	-1.0%	



Commercial Bank Germany – P&L and Volumes

Operating costs lower also this quarter due to the ongoing restructuring of the network

Euro (mln)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	Δ % vs. 1Q14		Δ % vs. 2Q13		1H13	1H14	Δ % vs. 1H13	
Total Revenues	832	709	655	681	694	672	-3.2%	▼	-5.3%	▼	1,542	1,366	-11.4%	▼
Operating Costs	-538	-531	-546	-532	-525	-517	-1.4%	▼	-2.6%	▼	-1,069	-1,042	-2.6%	▼
Gross Operating Profit	294	178	109	149	169	155	-8.6%	▼	-13.2%	▼	473	324	-31.4%	▼
LLP	-24	122	-26	-23	-15	-5	-69.9%	▼	n.m.	▲	98	-20	n.m.	▲
Profit Before Taxes	270	313	74	-254	158	156	-0.8%	▼	-50.0%	▼	583	314	-46.1%	▼
Net Profit	192	204	39	-156	105	104	-0.8%	▼	-49.1%	▼	396	209	-47.3%	▼
Cost / Income Ratio, %	65%	75%	83%	78%	76%	77%	1.4pp	▲	2.1pp	▲	69%	76%	6.9pp	▲
Cost of Risk, bps	11bp	-59bp	13bp	12bp	8bp	2bp	-5bp	▼	61bp	▲	-23bp	5bp	28bp	▲
RoAC	25.5%	26.5%	4.9%	n.m.	15.1%	14.4%	-0.7pp	▼	-12.1pp	▼	25.7%	14.5%	-11.2pp	▼
Customer Loans	83,450	82,312	81,137	79,333	78,819	79,087	0.3%		-3.9%		82,312	79,087	-3.9%	
Direct Funding	111,546	107,655	106,578	108,651	105,914	105,072	-0.8%		-2.4%		107,655	105,072	-2.4%	
Total RWA	37,468	36,933	34,849	33,823	35,199	32,683	-7.1%		-11.5%		36,933	32,683	-11.5%	
TFA	137,086	135,106	136,581	139,736	140,791	144,840	2.9%		7.2%		135,106	144,840	7.2%	
FTE (#)	14,263	14,050	14,061	13,748	13,582	13,502	-0.6%		-3.9%		14,050	13,502	-3.9%	



Commercial Bank Austria – P&L and Volumes

Net profit increased as a result of higher dividends from shareholdings and low cost of risk

Euro (mln)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	Δ % vs. 1Q14		Δ % vs. 2Q13		1H13	1H14	Δ % vs. 1H13	
Total Revenues	370	397	427	425	387	439	13.4%	▲	10.4%	▲	768	826	7.6%	▲
Operating Costs	-360	-367	-347	-378	-365	-366	0.2%	▲	-0.3%	▼	-727	-731	0.5%	▲
Gross Operating Profit	10	31	81	47	22	73	234.6%	▲	137.2%	▲	41	95	133.3%	▲
LLP	-49	-49	-49	-46	-48	-4	-91.3%	▼	-91.4%	▼	-98	-53	-46.1%	▼
Profit Before Taxes	-101	-50	23	-203	13	48	281.6%	▲	n.m.	▲	-150	61	n.m.	▲
Net Profit	-73	-84	16	-439	13	56	343.3%	▲	n.m.	▲	-157	69	n.m.	▲
Cost / Income Ratio, %	97%	92%	81%	89%	94%	83%	-11.0pp	▼	-8.9pp	▼	95%	89%	-6.2pp	▼
Cost of Risk, bps	39bp	39bp	40bp	38bp	40bp	4bp	-37bp	▼	-36bp	▼	39bp	22bp	-18bp	▼
RoAC	n.m.	n.m.	2.8%	n.m.	2.2%	9.7%	7.5pp	▲	n.m.	▼	-13.7%	5.9%	19.7pp	▲
Customer Loans	49,214	49,731	48,693	48,389	47,873	48,079	0.4%		-3.3%		49,731	48,079	-3.3%	
Direct Funding	60,082	59,141	57,456	59,134	60,932	60,630	-0.5%		2.5%		59,141	60,630	2.5%	
Total RWA	25,479	24,888	25,446	25,130	27,157	23,826	-12.3%		-4.3%		24,888	23,826	-4.3%	
TFA	82,179	80,432	79,480	80,266	82,023	82,311	0.4%		2.3%		80,432	82,311	2.3%	
FTE (#)	6,968	6,968	6,960	6,893	6,808	6,639	-2.5%		-4.7%		6,968	6,639	-4.7%	



Poland – P&L and Volumes

Operational excellence, coupled with low cost of risk deliver a solid risk adjusted profitability

<i>Euro (mln)</i>	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	Δ % vs. 1Q14		Δ % vs. 2Q13		1H13	1H14	Δ % vs. 1H13	
Total Revenues	444	460	433	456	429	447	3.7%	▲	-3.5%	▼	903	876	-3.1%	▼
Operating Costs	-207	-211	-204	-202	-206	-209	1.0%	▲	-1.8%	▼	-418	-415	-0.8%	▼
Gross Operating Profit	236	248	229	254	223	238	6.2%	▲	-5.0%	▼	485	461	-5.0%	▼
LLP	-39	-38	-40	-42	-35	-34	-3.2%	▼	-9.8%	▼	-76	-69	-9.0%	▼
Profit Before Taxes	198	214	189	216	187	203	7.9%	▲	-6.0%	▼	412	390	-5.3%	▼
Net Profit	79	87	77	88	77	84	8.5%	▲	-4.8%	▼	167	161	-3.8%	▼
Cost / Income Ratio, %	47%	46%	47%	44%	48%	47%	-1.2pp	▼	0.8pp	▲	46%	47%	1.1pp	▲
Cost of Risk, bps	66bp	65bp	68bp	69bp	56bp	53bp	-3bp	▼	-11bp	▼	65bp	54bp	-8bp	▼
RoAC	29.0%	32.3%	28.5%	32.2%	26.9%	29.5%	2.6pp	▲	-2.8pp	▼	30.8%	28.3%	-2.5pp	▼
Customer Loans	23,280	22,980	23,956	25,033	25,539	26,381	2.9%		10.0%		22,980	26,381	10.0%	
Direct Funding	26,570	26,052	26,705	29,538	27,496	28,388	2.9%		4.4%		26,052	28,388	4.4%	
Total RWA	23,797	23,489	24,162	25,089	25,222	24,703	-2.4%		0.8%		23,489	24,703	0.8%	
FTE (#)	18,569	18,383	18,191	18,152	18,129	18,069	-0.3%		-1.7%		18,383	18,069	-1.7%	

N.B. Variations at constant FX



CEE – P&L and Volumes

Sound operating profitability offsetting slightly higher Cost of Risk

Euro (mln)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	Δ % vs. 1Q14		Δ % vs. 2Q13		1H13	1H14	Δ % vs. 1H13	
Total Revenues	1,020	1,058	1,225	1,174	902	1,002	11.6%	▲	1.5%	▲	2,078	1,904	-1.6%	▼
Operating Costs	-435	-412	-413	-461	-415	-393	-5.7%	▼	-0.5%	▼	-847	-808	0.1%	▲
Gross Operating Profit	585	646	812	713	487	609	25.9%	▲	2.7%	▲	1,231	1,096	-2.8%	▼
LLP	-195	-216	-208	-505	-148	-168	14.1%	▲	-18.4%	▼	-411	-317	-19.4%	▼
Profit Before Taxes	388	420	555	169	326	404	24.8%	▲	6.7%	▲	808	730	0.8%	▲
Net Profit	325	332	498	108	262	308	15.6%	▲	1.0%	▲	657	571	-4.0%	▼
Cost / Income Ratio, %	43%	39%	34%	39%	46%	39%	-7.0pp	▼	-0.7pp	▼	41%	42%	0.7pp	▲
Cost of Risk, bps	134bp	146bp	142bp	348bp	105bp	119bp	14bp	▲	-28bp	▼	140bp	112bp	-28bp	▼
RoAC	21.7%	22.1%	33.4%	7.5%	18.7%	16.8%	-1.9pp	▼	-5.3pp	▼	21.9%	15.6%	-6.3pp	▼
Customer Loans	59,414	58,693	58,889	57,163	55,822	57,781	2.3%		2.3%		58,693	57,781	2.3%	
Direct Funding	46,182	45,787	45,912	49,473	47,304	48,361	0.8%		10.3%		45,787	48,361	10.3%	
Total RWA	89,532	87,741	83,347	81,668	83,387	81,975	-1.0%		3.6%		87,741	81,975	3.6%	
FTE (#)	31,536	31,386	31,398	30,846	30,619	30,093	-1.7%		-4.1%		31,386	30,093	-4.1%	

N.B. Variations at constant FX



CIB – P&L and Volumes

Net profit mainly affected by the large negative impact of credit adjustments, partially compensated by the positive performance of GTB and F&A

Euro (mln)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	Δ % vs. 1Q14		Δ % vs. 2Q13		1H13	1H14	Δ % vs. 1H13	
Total Revenues	1,095	1,136	1,000	1,049	981	902	-8.0%	▼	-20.6%	▼	2,231	1,883	-15.6%	▼
Operating Costs	-427	-410	-420	-425	-447	-416	-7.1%	▼	1.5%	▲	-837	-863	3.2%	▲
Gross Operating Profit	668	727	580	624	533	486	-8.8%	▼	-33.1%	▼	1,395	1,020	-26.9%	▼
LLP	-84	-179	-71	-608	0	-101	n.m.	▲	-43.7%	▼	-263	-101	-61.7%	▼
Profit Before Taxes	558	525	508	-121	572	314	-45.2%	▼	-40.2%	▼	1,083	886	-18.2%	▼
Net Profit	363	360	350	-22	390	213	-45.4%	▼	-40.9%	▼	723	602	-16.7%	▼
Cost / Income Ratio, %	39%	36%	42%	40%	46%	46%	0.5pp	▲	10.0pp	▲	37%	46%	8.3pp	▲
Cost of Risk, bps	32bp	69bp	28bp	246bp	bp	43bp	43bp	▲	-26bp	▼	50bp	21bp	-29bp	▼
RoAC	16.9%	17.5%	17.6%	n.m.	22.6%	12.0%	-10.5pp	▼	-5.5pp	▼	17.6%	17.0%	-0.5pp	▼
Commercial Loans	61,338	57,401	52,654	50,494	49,617	48,965	-1.3%		-14.7%		57,401	48,965	-14.7%	
Commercial Deposits	33,228	27,765	27,639	27,267	27,944	28,670	2.6%		3.3%		27,765	28,670	3.3%	
Total RWA	90,810	84,625	81,682	74,528	76,574	74,252	-3.0%		-12.3%		84,625	74,252	-12.3%	
FTE (#)	3,672	3,628	3,609	4,300	4,117	4,025	-2.2%		10.9%		3,628	4,025	10.9%	

Customer Loans and Customer Deposits exclude repos, Market and Institutional counterparts



Asset Gathering – P&L and Volumes

Positive trend in terms of revenues y/y and volumes

Costs increased due to the IPO of Fineco in Italy

<i>Euro (mln)</i>	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	Δ % vs. 1Q14		Δ % vs. 2Q13		1H13	1H14	Δ % vs. 1H13	
Total Revenues	141	138	136	142	149	147	-1.4%	▲	6.3%	▲	279	295	5.8%	▲
Operating Costs	-78	-76	-70	-76	-80	-83	4.0%	▲	9.2%	▲	-155	-163	5.7%	▲
Gross Operating Profit	63	62	66	66	69	63	-7.8%	▲	2.8%	▲	125	132	6.0%	▲
LLP	-1	-1	0	-2	-1	-1	122.8%	▼	86.2%	▼	-1	-2	19.2%	▲
Profit Before Taxes	59	63	61	52	64	63	-2.6%	▲	-0.7%	▲	122	127	4.0%	▲
Net Profit	36	39	37	19	41	40	-1.5%	▲	2.9%	▲	75	81	7.1%	▲
Cost / Income Ratio, %	55%	55%	52%	53%	54%	57%	3.0pp	▲	1.5pp	▼	55%	55%	-0.1pp	▼
Cost of Risk, bps	39bp	31bp	22bp	77bp	23bp	49bp	26bp	▼	18bp	▼	35bp	36bp	1bp	▲
RoAC	57.7%	62.9%	61.4%	31.7%	61.5%	61.7%	0.2pp	▲	-1.2pp	▲	60.8%	62.2%	1.3pp	▲
Customer Loans	836	854	859	920	981	1,002	2.1%		17.2%		854	1,002	17.2%	
Direct Funding	17,284	17,792	18,171	18,226	18,975	19,255	1.5%		8.2%		17,792	19,255	8.2%	
Total RWA	2,977	2,783	2,659	2,913	3,181	2,976	-6.4%		7.0%		2,783	2,976	7.0%	
TFA	71,046	70,552	73,219	76,094	79,195	82,054	3.6%		16.3%		70,552	82,054	16.3%	
FTE (#)	1,460	1,466	1,468	1,486	1,485	1,496	0.7%		2.1%		1,466	1,496	2.1%	

Asset Management – P&L and Volumes

Revenues increased due to the positive trend in AuM
Low cost income ratio confirmed in the quarter

<i>Euro (mln)</i>	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	Δ % vs. 1Q14		Δ % vs. 2Q13		1H13	1H14	Δ % vs. 1H13	
Total Revenues	175	179	179	200	186	191	2.9%	▲	7.0%	▲	353	377	6.6%	▲
Operating Costs	-116	-124	-121	-168	-120	-123	2.6%	▲	-0.8%	▼	-239	-242	1.3%	▲
Gross Operating Profit	59	55	58	32	66	68	3.5%	▲	24.4%	▲	114	134	17.9%	▲
LLP	0	0	0	0	0	0	n.m.		n.m.		0	0	n.m.	
Profit Before Taxes	57	54	55	27	67	66	-0.9%	▼	23.5%	▲	111	133	19.9%	▲
Net Profit	41	37	38	-28	47	47	0.2%	▲	28.2%	▲	78	94	20.6%	▲
Cost / Income Ratio, %	66%	69%	67%	84%	64%	64%	-0.2pp	▼	-5.0pp	▼	68%	64%	-3.4pp	▼
Cost of Risk, bps	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.		n.m.		n.m.	n.m.	n.m.	
RoAC	65.7%	57.6%	58.5%	n.m.	70.6%	70.7%	0.1pp	▲	13.1pp	▲	61.2%	70.7%	9.5pp	▲
Total RWA	1,973	1,994	1,983	2,046	2,097	1,619	-22.8%		-18.8%		1,994	1,619	-18.8%	
TFA	173,175	173,090	176,506	181,700	187,020	193,230	3.3%		11.6%		173,090	193,230	11.6%	
o.w. AuM	164,979	165,461	168,908	173,925	179,463	185,522	3.4%		12.1%		165,461	185,522	12.1%	
FTE (#)	1,996	1,962	1,996	1,995	2,007	2,021	0.7%		3.0%		1,962	2,021	3.0%	



Non Core – P&L and Volumes

2Q14 loss 370 million due to higher LLP q/q, but less than half y/y

<i>Euro (mln)</i>	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	Δ % vs. 1Q14	Δ % vs. 2Q13		1H13	1H14	Δ % vs. 1H13		
Total Revenues	215	206	137	141	92	38	-58.4%	▼	-81.3%	▼	421	131	-68.9%	▼
Operating Costs	-175	-122	-145	-153	-172	-146	-15.0%	▼	19.6%	▲	-297	-319	7.1%	▲
Gross Operating Profit	40	83	-8	-12	-80	-108	35.1%	▼	n.m.	▼	123	-188	n.m.	▼
LLP	-642	-920	-896	-7,305	-315	-400	26.9%	▲	-56.5%	▼	-1,562	-716	-54.2%	▼
Profit Before Taxes	-605	-844	-921	-7,361	-415	-521	25.3%	▼	-38.3%	▲	-1,449	-936	-35.4%	▲
Net Profit	-445	-617	-670	-4,800	-303	-370	22.1%	▼	-40.0%	▲	-1,062	-674	-36.5%	▲
Cost / Income Ratio, %	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.		n.m.		n.m.	n.m.	n.m.	
Cost of Risk, bps	387bp	563bp	568bp	5054bp	239bp	310bp	72bp	▲	-253bp	▼	474bp	274bp	-200bp	▼
RoAC	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.		n.m.		n.m.	n.m.	n.m.	
Customer Loans	66,554	64,169	62,165	53,454	52,323	50,892	-2.7%		-20.7%		64,169	50,892	-20.7%	
Direct Funding	2,683	2,435	2,403	2,504	2,356	2,384	1.2%		-2.1%		2,435	2,384	-2.1%	
Total RWA	40,926	39,684	37,171	31,395	29,972	30,202	0.8%		-23.9%		39,684	30,202	-23.9%	
FTE (#)	1,851	1,938	1,942	1,974	1,981	1,945	-1.8%		0.4%		1,938	1,945	0.4%	