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## UniCredit Group: 1Q15 results

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Rome, May 12<sup>th</sup>, 2015



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## Executive summary

Net profit at 512m in 1q15 with 4.8% RoTE, despite new charges for Single Resolution Fund (SRF). Core bank net profit at 876m with 9.4% ROAC

### Earnings generation

- Group net profit 512m despite low interest rates and the first contribution to the SRF
- Return on Tangible Equity at 4.8%

### Balance sheet solidity

- Resilient CET1 ratio fully loaded at 10.10% or 10.35% including Pioneer deal
- Leverage ratio fully loaded at 4.5%, among the best in Europe

### Asset quality improvement

- Reduction of gross impaired and bad loans (*sofferenze*). CoR at 82bp, coverage ratio above 50%
- Non Core run-off progressing well: gross loans further down by 3bn q/q (down by 11bn y/y)

### Business performance progression

- Core Bank net profit at 876m (+2.5% q/q), ROAC of 9.4%:
  - ✓ Core revenues up with strong fees (+7.4% q/q) offsetting NII (-0.4% q/q net of days and FX)
  - ✓ CB Italy is the largest contributor to revenues (ROAC at 27%). CIB exploits revenue synergies and its time to market to macro context
  - ✓ Outstanding focus on investment products: all time high TFAs at 918bn (296bn AuM)
  - ✓ Confirmed reduction of costs and FTE due to restructuring in Italy, Germany and Austria



# Agenda

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- **Group**

- Core Bank

- Non Core

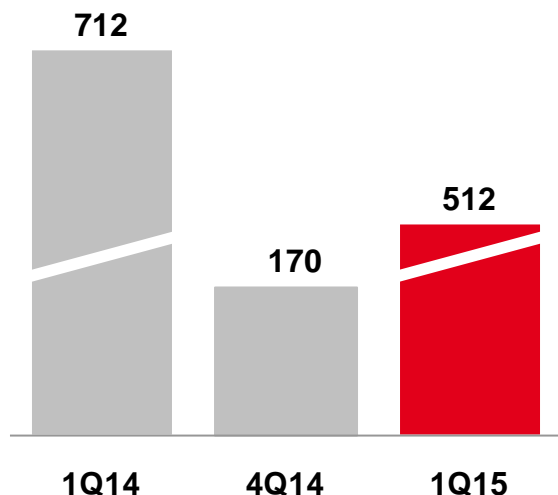
- Annex



# Group – Results

Net profit at 512m with 4.8% RoTE, despite additional charges for Single Resolution Fund. Tangible equity increased by almost 2bn q/q

## Net profit, m



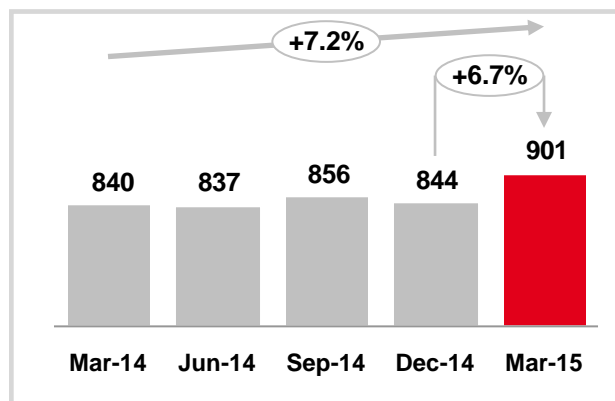
## RoTE<sup>(1)</sup>

6.9%

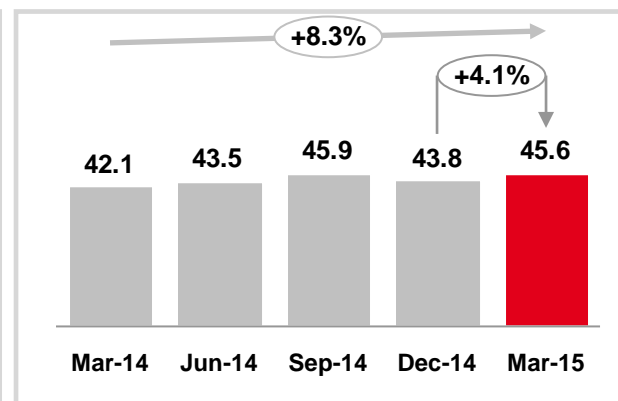
1.6%

4.8%

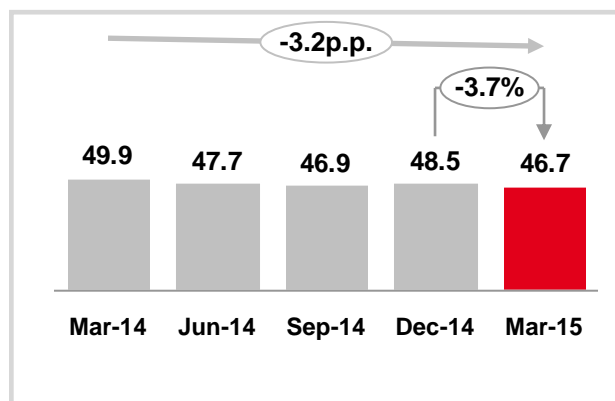
## Total assets, bn



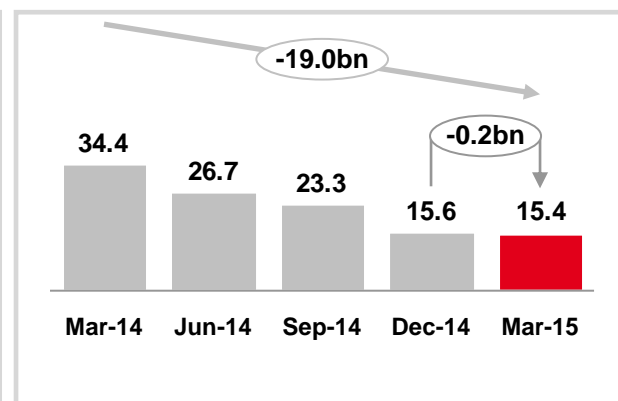
## Tangible equity, bn



## Total RWA / Total assets, %



## Funding gap<sup>(2)</sup>, bn



(1) RoTE: net profit / average tangible equity (excluding AT1).

(2) Funding gap: customers loans - (customer deposits + customer securities).

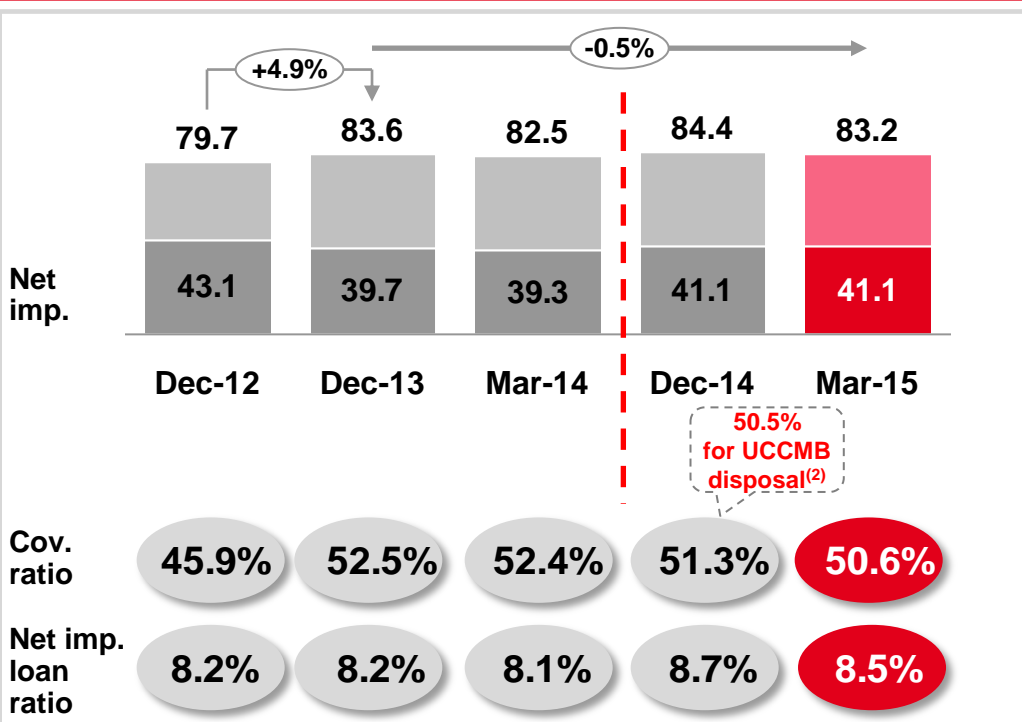
**Note:** bases for preparation of the financial information included in this presentation are illustrated in the Consolidated Interim Report as at March 31<sup>st</sup> 2015 – Press Release.



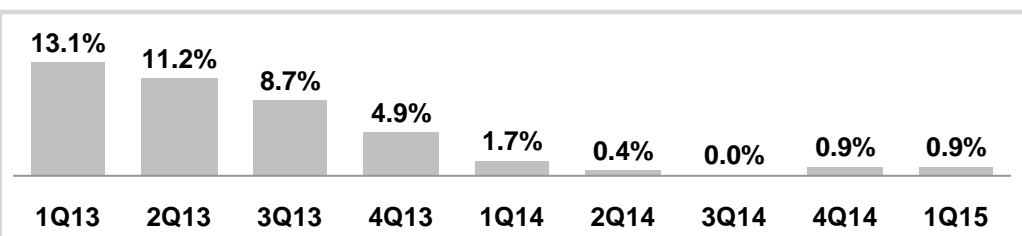
## Group – Asset quality

Gross impaired down q/q due to the ongoing disposal of UCCMB, with coverage stable net of UCCMB. Other gross impaired reduction driven by lower inflows

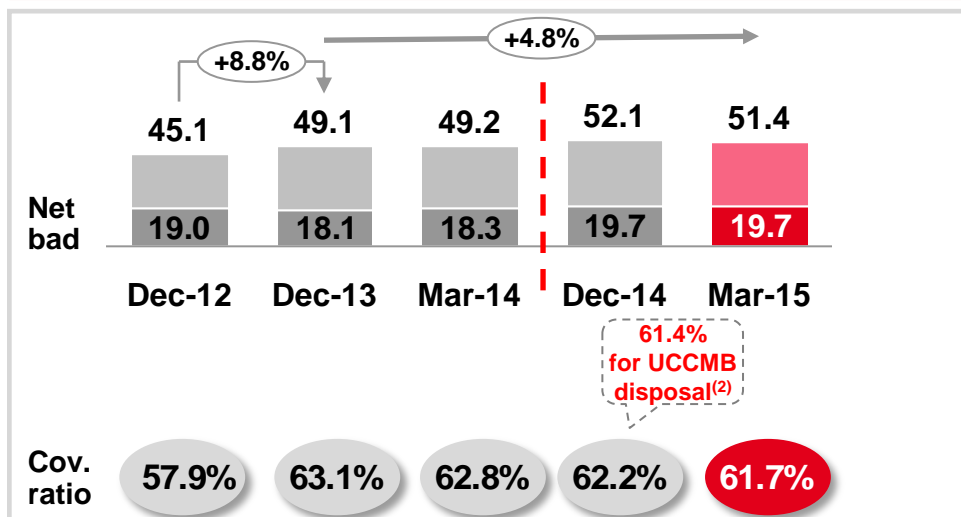
### Gross impaired loans<sup>(1)</sup>, bn



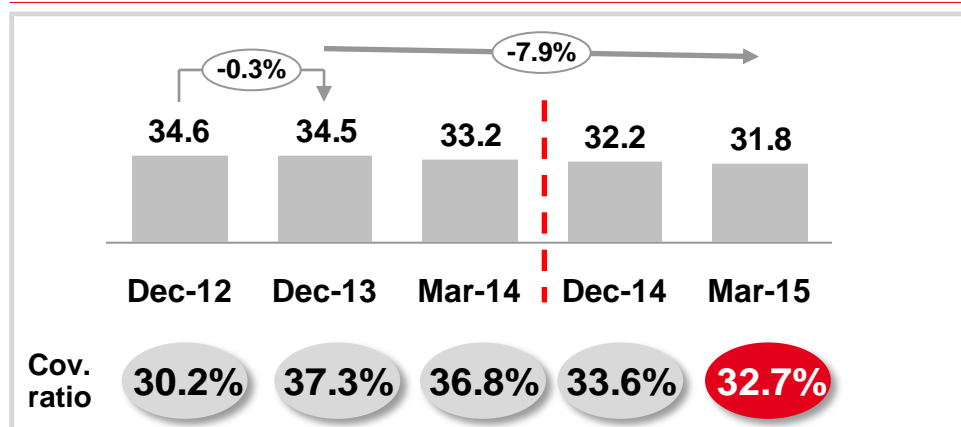
### Gross impaired loans – Yearly variations



### Gross bad loans (sofferenze)<sup>(1)</sup>, bn



### Other gross impaired loans<sup>(1)</sup>, bn



(1) The perimeter of impaired exposures as per instructions of BankIT Circular 272 is substantially equivalent to the perimeter of Non Performing Exposures (NPE) EBA. The new internal classification within impaired loans is illustrated on slide 34.

6

(2) In 1q15 UCCMB is classified under IFRS 5 net of the demerged assets into UniCredit SpA. Comparable coverage ratio as of Dec-14 at 50.5% on impaired loans and 61.4% on bad loans.



# Asset quality in Italy

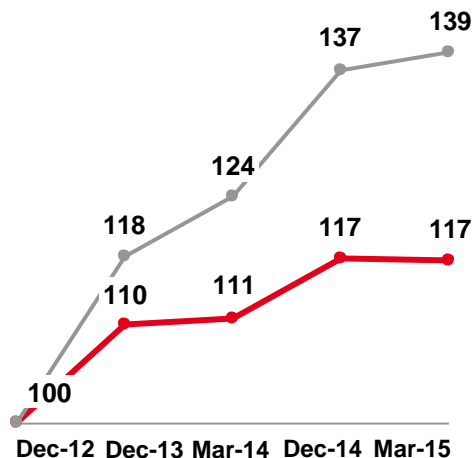
## Confirmed better asset quality trend vs. banking system



—●— UCI Spa  
—●— ABI sample<sup>(1)</sup>

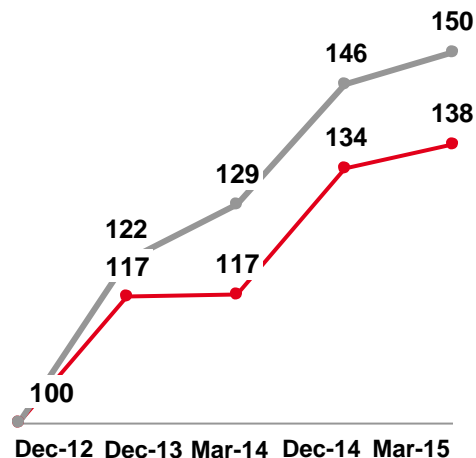
### Gross impaired loans

Base 100 at Dec-12



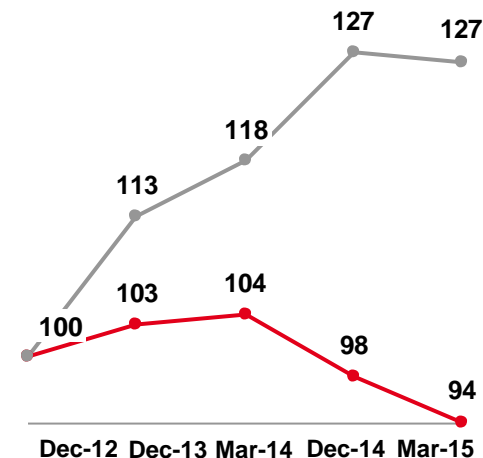
### Gross bad loans (*sofferenze*)

Base 100 at Dec-12



### Other gross impaired loans

Base 100 at Dec-12



- Gross impaired loans trend consistently better than the Italian banking system
- Rate of growth of bad loans (*Sofferenze*) for UCG embedding the natural ageing of the impaired portfolio
- Other impaired loans confirm a downward trend for UCG also supported by lower inflows to impaired, whilst the system keeps growing

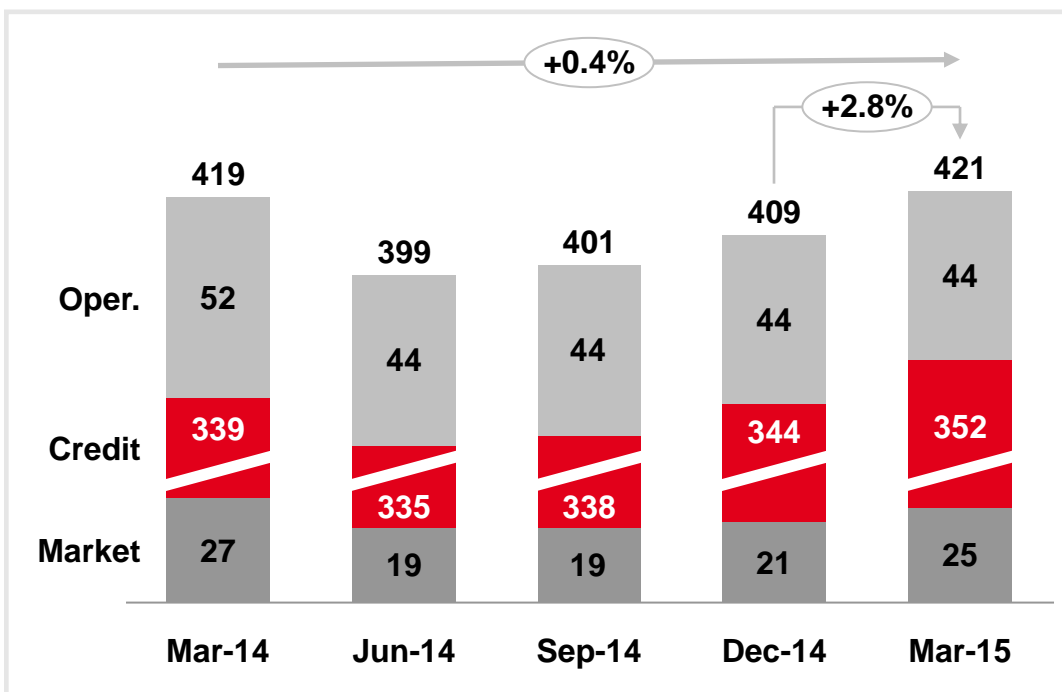
(1) Italian banking association - sample composed by approx. 80% of Italian banking system; households and non financial corporations.



## Group – Regulatory capital (1/3)

RWA increased by 12bn q/q with credit risk up by 8bn and market risk up by 4bn, mainly due to FX

### RWA<sup>(1)</sup> eop, bn



- Credit RWA increased due to positive FX dynamics in CEE&Poland
- Market RWA increased mainly related to market movements impacting hedging of expected profit in CEE and investment portfolio

### Divisional breakdown - RWA, bn

		q/q	y/y
CB Italy	83	+3.2%	+5.2%
CB Germany	33	-1%	-5.7%
CB Austria	28	+17.6%	+4.1%
CEE	93	+4.6%	+11.8%
Poland	27	+3.7%	+6.1%
CIB	72	+5.8%	-7.2%
AG (Fineco)	2	-0.4%	-8.9%
AM	2	+3.3%	-16.6%
Corp. Centre & other	44	-2.1%	-14.1%
Non Core	36	-8%	+1.3%



## Group – Regulatory capital (2/3)

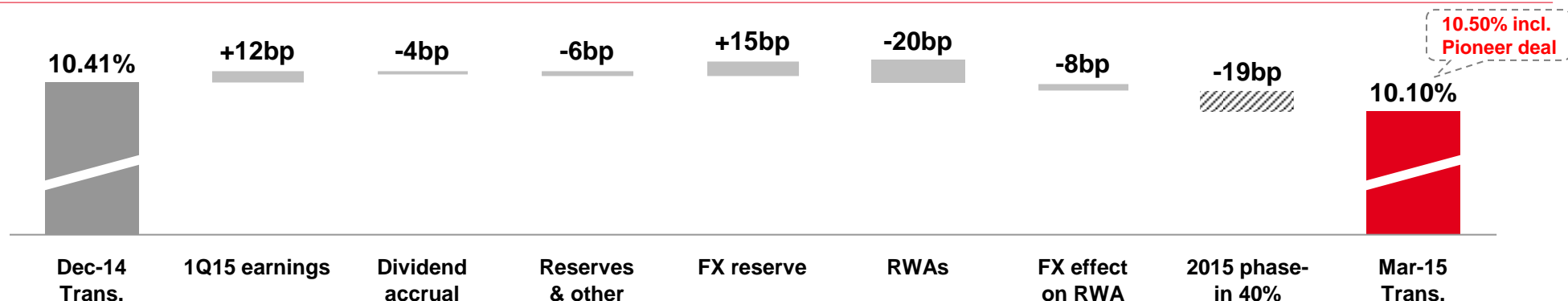
CET1 ratio fully loaded up to 10.35% in Mar-15, including Pioneer deal.

Earnings generation and valuation reserves more than offset RWA dynamics

### Basel 3 - Common Equity Tier I ratio fully loaded<sup>(1)</sup>: q/q evolution



### Basel 3 - Common Equity Tier I ratio transitional<sup>(1)</sup>: q/q evolution



- CET1 ratio fully loaded at 10.10%, 10.35% including Pioneer deal (+33bp q/q)
- Earnings generation – net of 0.12 euro dividend accrual - and improved valuation reserves offset RWA dynamics (partly affected by FX effect)
- CET1 ratio transitional decreasing to 10.10% (vs. 9.5% ECB requirement) following the application of phase-in rules at 40%. The phase-in impact on the transitional ratio is equal to -19bp

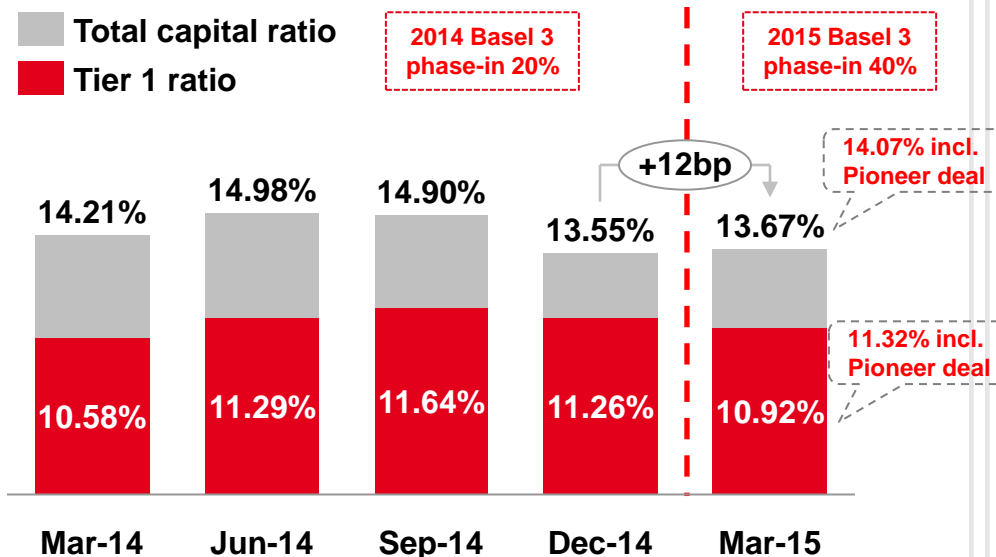
(1) CET1 ratio fully loaded pro-forma assuming unaudited 1Q15 earnings net of dividend accrual, 2014 scrip dividend with 75% share acceptance, Pekao minority excess capital calculated assuming 12% threshold and the full absorption of DTA on goodwill tax redemption and tax losses carried forward. CET1 ratio transitional pro-forma assuming unaudited 1Q15 earnings net of dividend accrual, scrip dividend with 75% share acceptance and Pekao minority excess capital calculated assuming 12% threshold. CET1 ratio transitional for regulatory purposes at 9.86%.



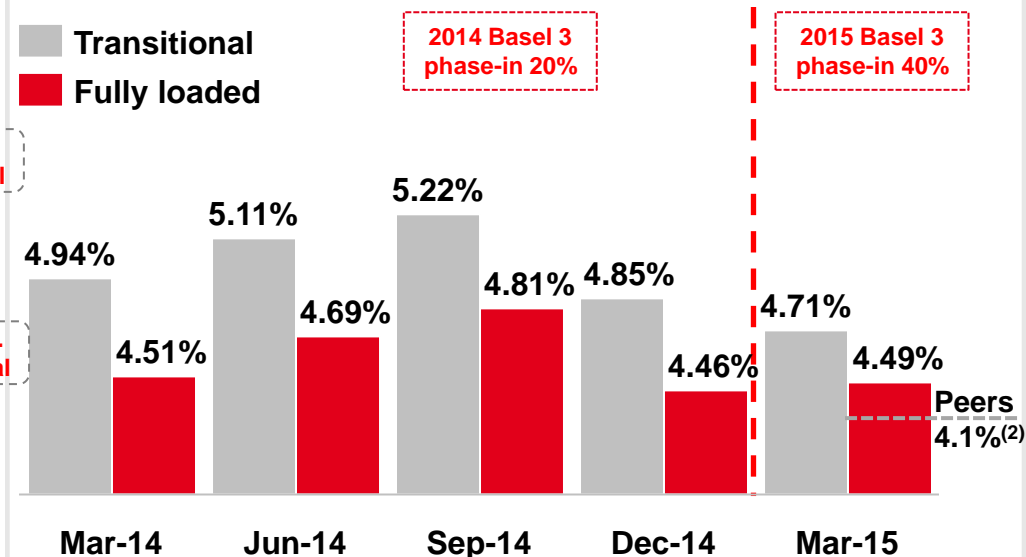
## Group – Regulatory capital (3/3)

TCR at 13.67% benefitting from proactive issuance of 2.5bn subordinated debt. Leverage ratio at a sound 4.5% fully loaded, among the best in Europe

### Tier 1 and Total Capital ratios transitional<sup>(1)</sup>



### Basel 3 leverage ratio<sup>(2)</sup>



- Total capital ratio at 13.67% benefitting from proactive issuance of 2.5bn (c.60bp) of subordinated debt
- Total capital ratio transitional increased to 13.67%, with T2 issuance offsetting the higher impact of 'phase-in' (from 20% to 40%), while Tier 1 ratio has been fully impacted by the 'phase-in' from 11.26% to 10.92%
- Basel 3 leverage ratio fully loaded at a sound 4.5%, among the best in Europe

(1) T1R and TCR trans. pro-forma assuming unaudited 1Q15 earnings net of dividend accrual, 2014 scrip dividend with 75% share acceptance and Pekao minority excess capital calculated assuming 12% threshold. T1 & TC trans. for regulatory purposes 10.67% and 13.43%.

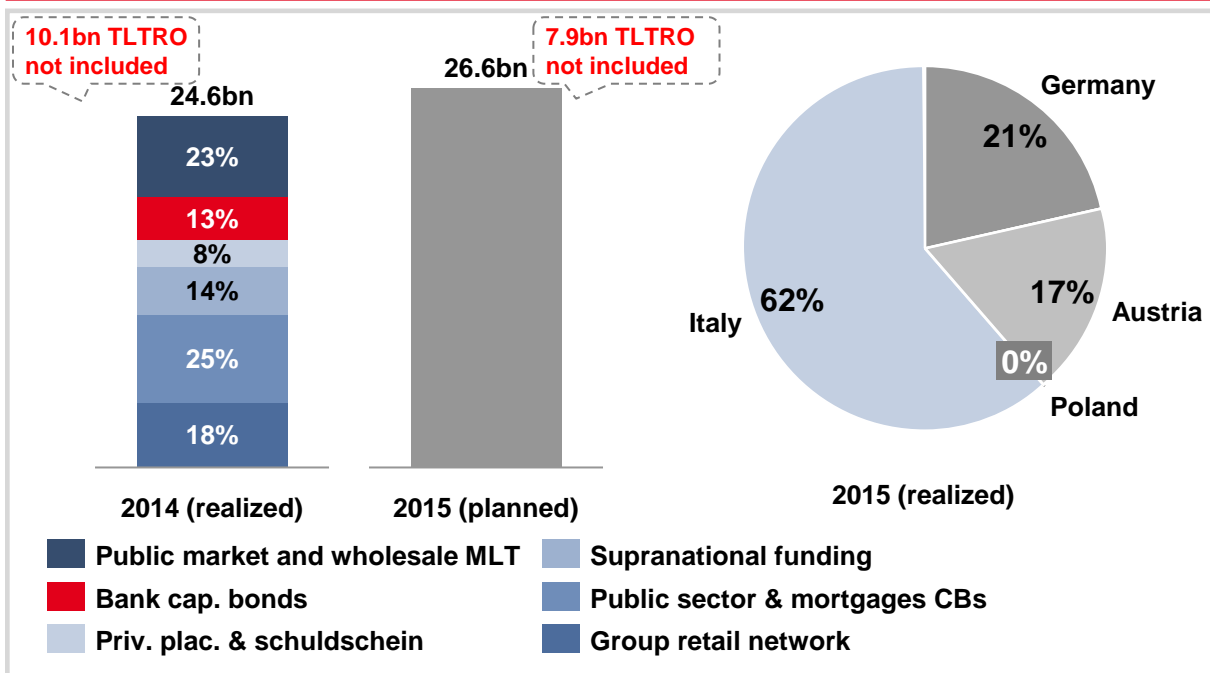
10 (2) Leverage ratios are based on Capital Requirement Regulation definition not considering amendments introduced by EC Delegated Act officially published in Jan-15. According to EBA proposal, the new implementation is not expected before Dec-15. LR ratios pro-forma as for regulatory capital ratios. Peers include a sample of 10 European banks that have published 1Q15 results as of May 11<sup>th</sup>.



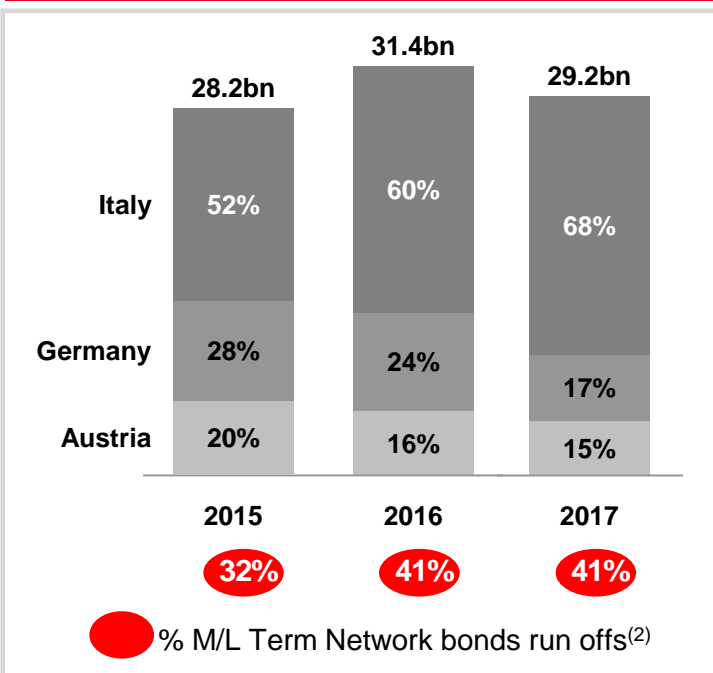
# Group – Medium-long term funding plan

2015 Group Funding Plan ahead of schedule given 2.5bn issuance of Tier 2 instruments in 1q15

## Funding mix, managerial data



## % of M/L term run offs by region<sup>(1)</sup>



- Group Funding Plan 2015 well on track leveraging on diversified sources and geographies and taking advantage of the TLTRO take up for 7.9bn in 2015:
  - Execution of 1bn 5y Senior and 1bn Conditional Pass Through OBG maturing in Apr-25
  - Group participation to TLTRO in Mar-15 for 7.9bn<sup>(3)</sup>, drawn-down at a rate of 5bp
- 26.1bn of 3-years-LTRO fully repaid (1.2 bn at the end of Feb-15).
- As of April 30<sup>th</sup>, 34% of Group funding plan 2015 realized for 9.1bn (62% for the funding plan Italy).

(1) Inter-company funding not included.

(2) Network bonds comprise only unsecured bonds placed through UCG commercial networks.

(3) c.8bn at Group level, o/w 7.4bn in Italy and 0.5bn in Austria.



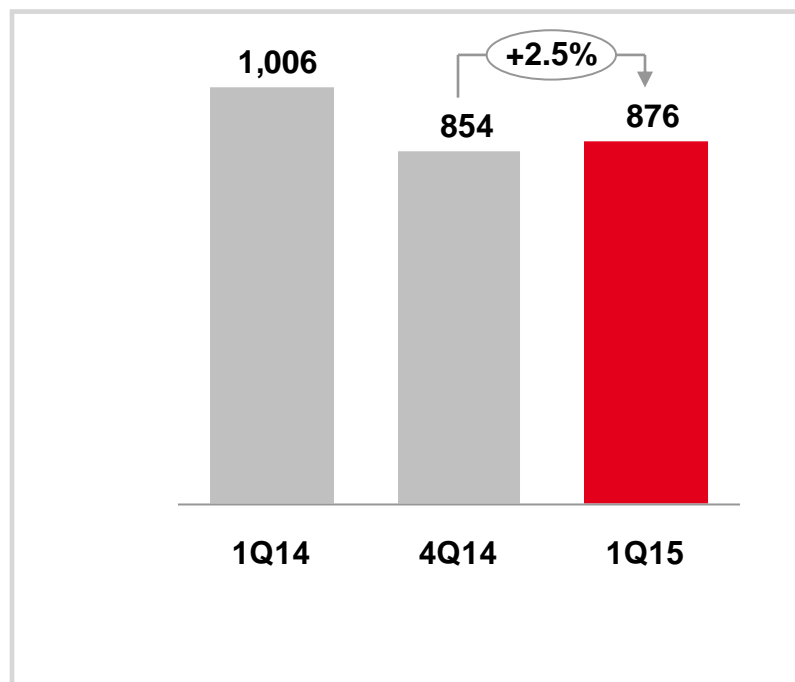
- Group
- **Core Bank**
- Non Core
- Annex



# Core Bank – Net profit

Sound RoAC at 9.4% with most divisions positively contributing to a net profit of 0.9bn in 1q15, despite 90m of SRF contribution booked in 1q15

## Net profit, m



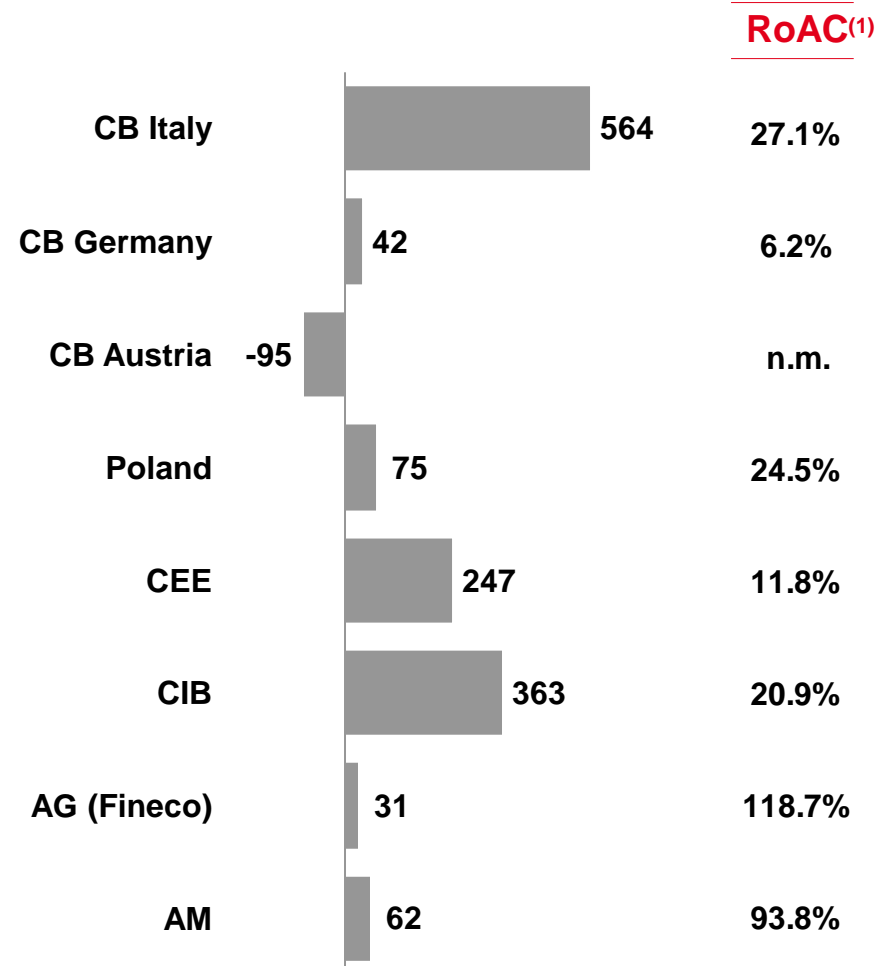
## RoAC<sup>(1)</sup>

11.9%

9.6%

9.4%

## Divisional breakdown – 1Q15 net profit, m



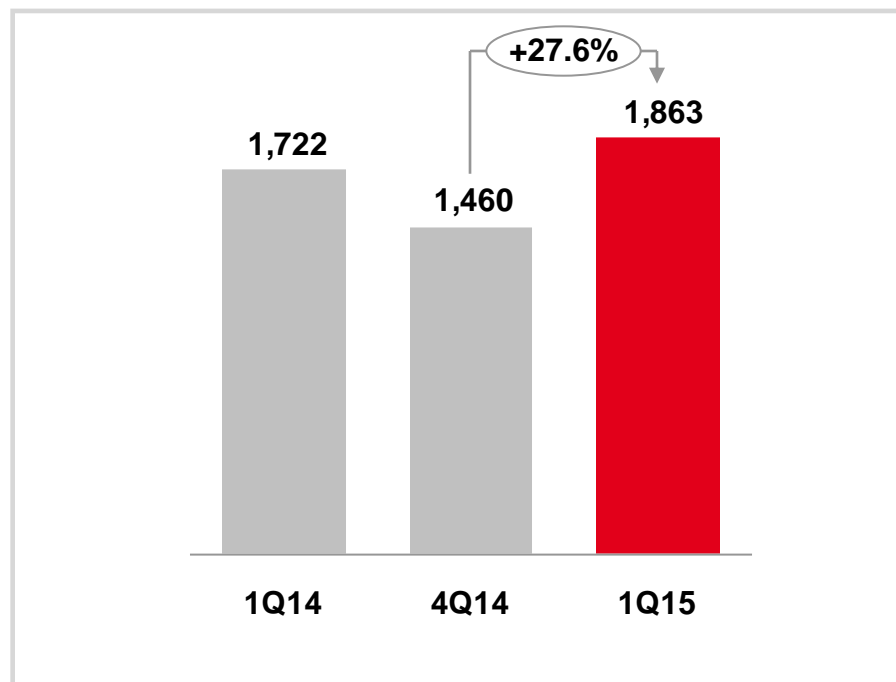
(1) RoAC calculated as net profit on allocated capital. Allocated capital calculated as 9% of RWAs, including deductions for shortfall and securitizations.



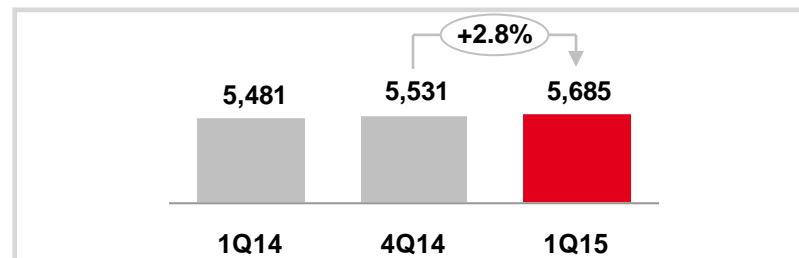
## Core Bank – Net operating profit

Significant hike in NOP supported by higher revenues, thorough cost control and a reduction in LLP

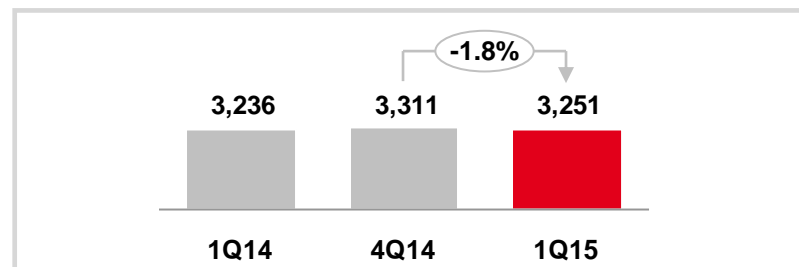
### Net operating profit, m



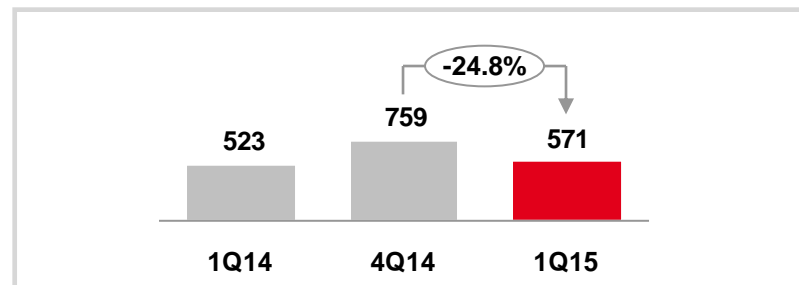
### Revenues, m



### Costs, m



### Loan loss provisions, m

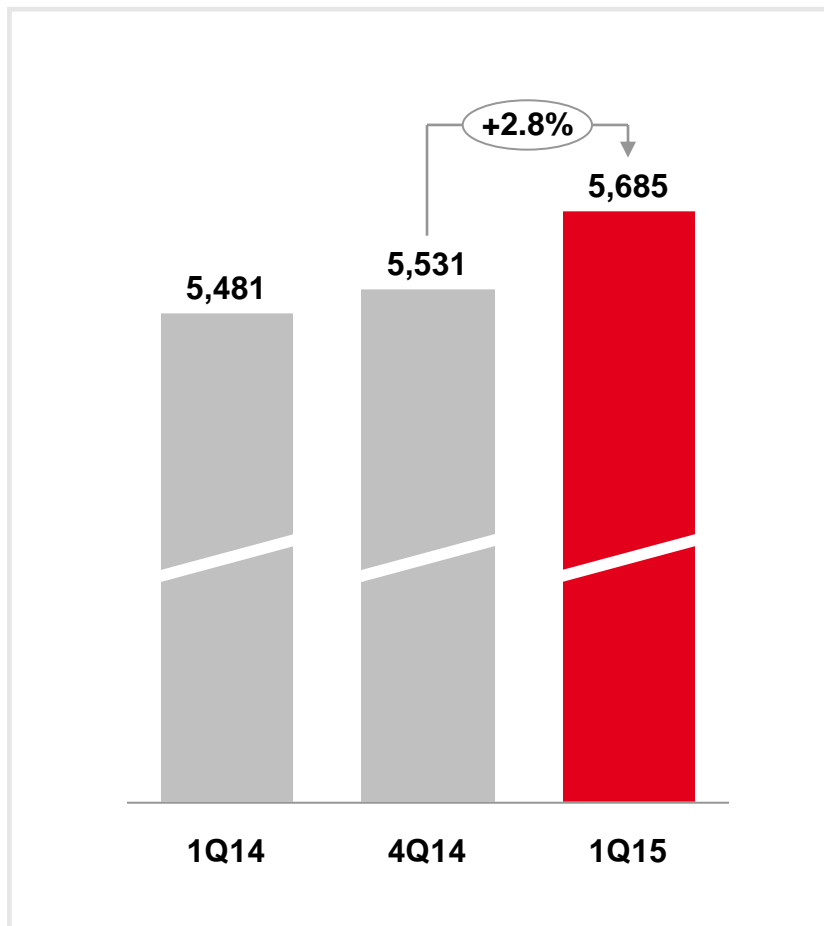




## Core Bank – Total revenues (1/2)

Strong progression of revenue generation by CB Italy, CEE and CIB.  
AM&AG units positively growing above 20% y/y

### Revenues, m



### Divisional breakdown – 1Q15 revenues, m

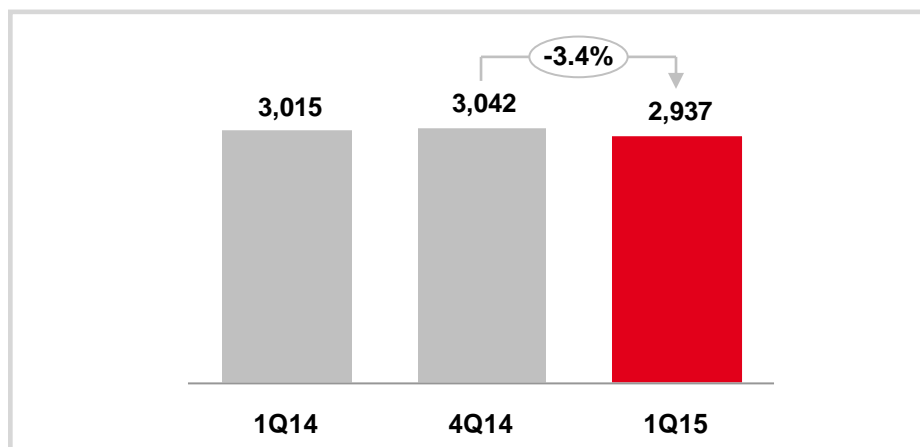
	At const. FX	q/q	y/y
CB Italy	2,203	+6.8%	+3.3%
CB Germany	645	+1.2%	-6.9%
CB Austria	301	-26.6%	-23.6%
Poland	433	-1.7%	+0.4%
CEE	976	+5.8%	+8%
CIB	1,058	+2%	+6.7%
AG (Fineco)	137	+16.1%	+20.9%
AM	227	+4.9%	+22.5%



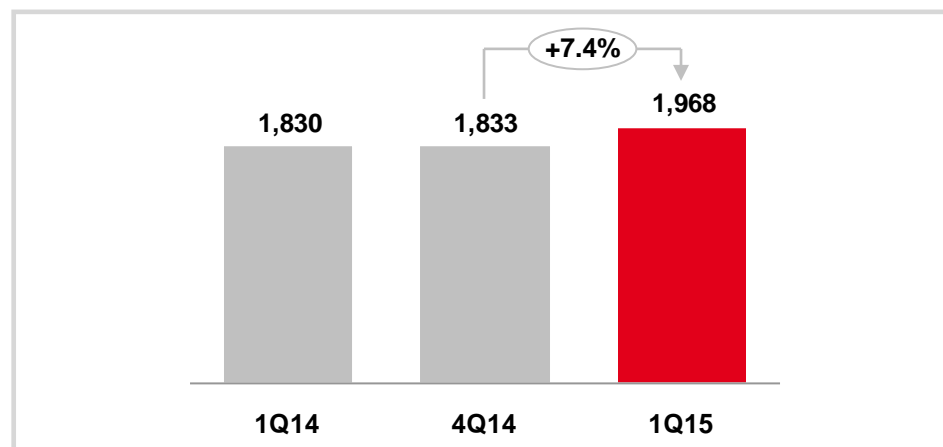
## Core Bank – Total revenues (2/2)

Core revenues increased with fees from AuM more than offsetting net interest.  
Higher trading income due to Markets activities

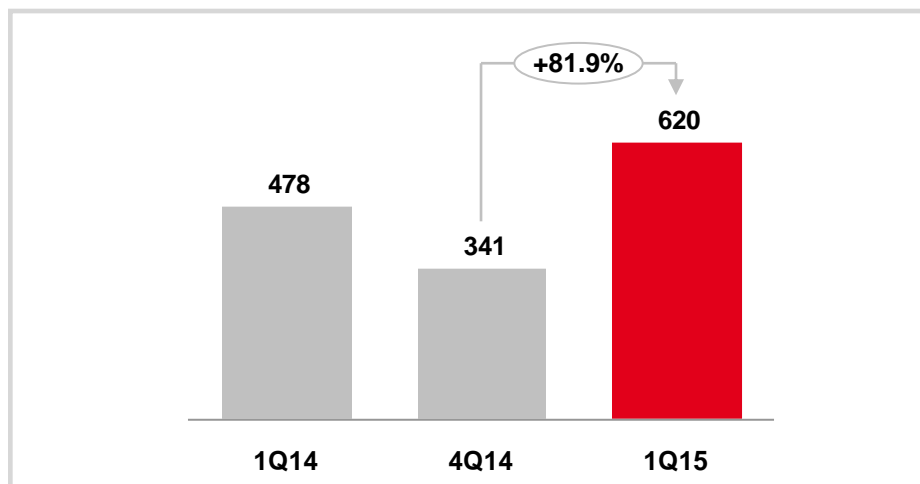
### Net interest<sup>(1)</sup>, m



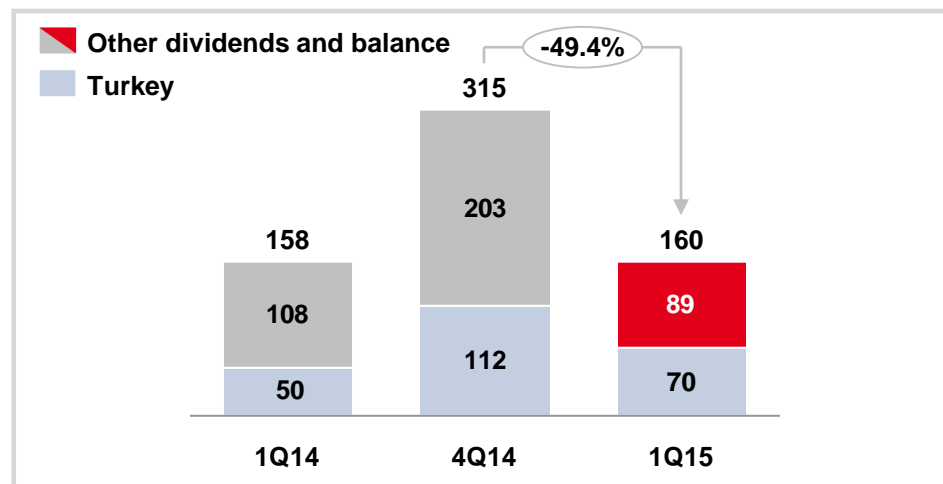
### Net fees and commissions, m



### Trading income, m



### Dividends and other income<sup>(2)</sup>, m



(1) Contribution from macro hedging strategy on non-naturally hedged sight deposits in 1Q15 at 370m (358m in 1Q14).

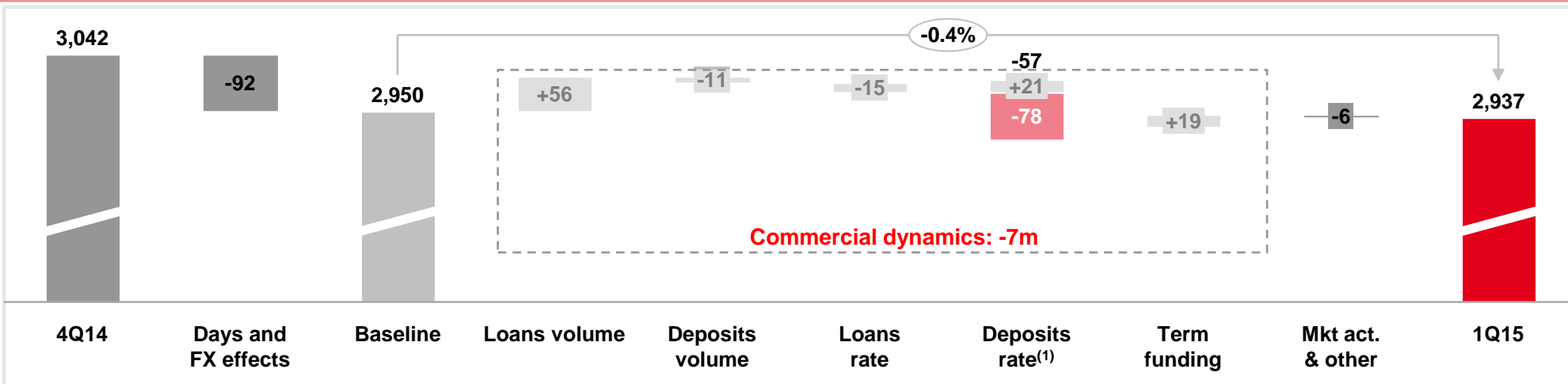
(2) Figures include dividends, equity investments income and balance of other operating income / expenses. Turkey contribution based on a divisional view.



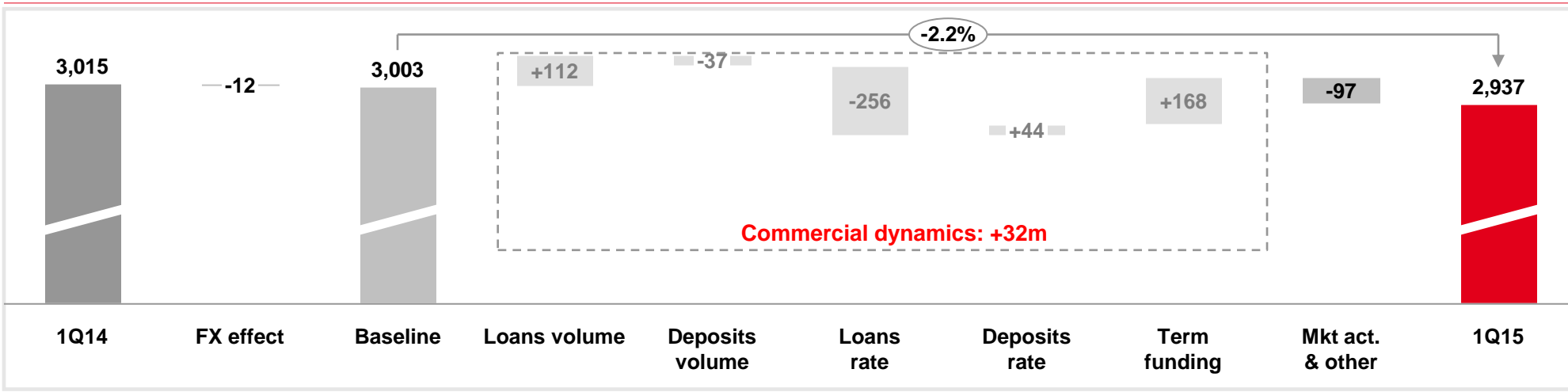
# Core Bank – Net interest

Net interest broadly flat in 1q15 with loan volumes and deposits re-pricing mitigating the impact of low interest rates

## Net interest bridge q/q (m)



## Net interest bridge y/y (m)



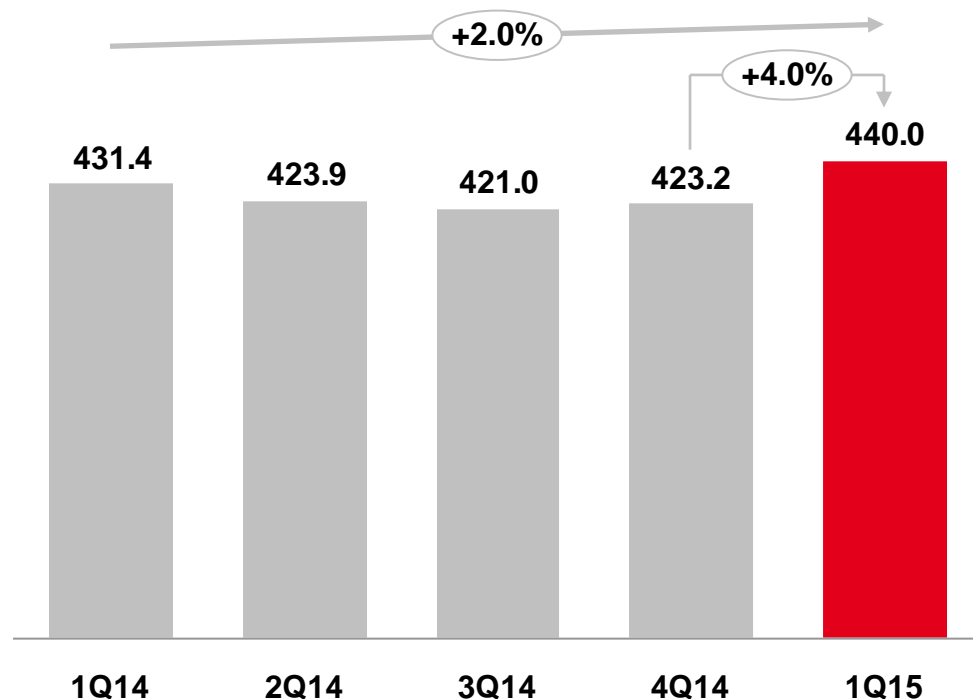
(1) The rates on new flows of term deposits in Russia affected net interest for -78m in 1q15.



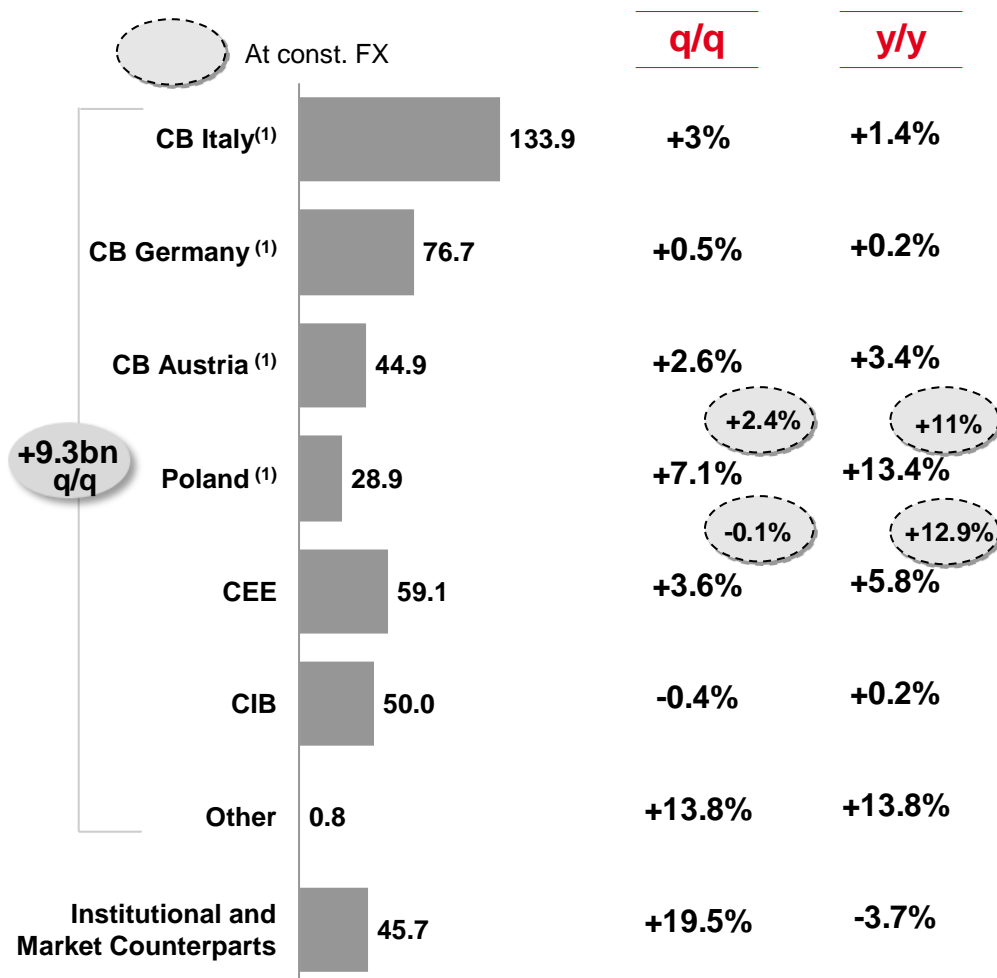
# Core Bank – Customer loans

Commercial lending volumes up by 9.3bn in 1q15 mainly driven by CB Italy and Poland. CEE & Poland benefitting from FX effect

## Customer loans, bn



## Divisional breakdown – Customer loans, bn



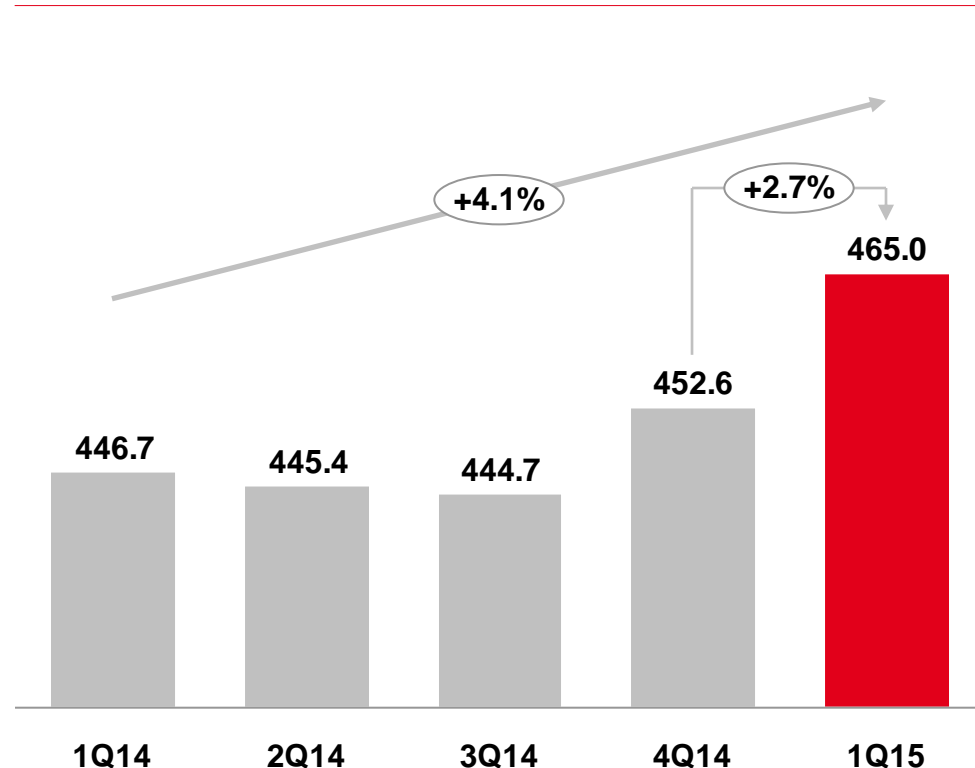
(1) Excluding local corporate center.



# Core Bank – Customer direct funding

Commercial direct funding up by 5.3bn. Commercial banks and CEE & Poland are top contributors

## Customer direct funding<sup>(1)</sup>, bn



## Divisional breakdown – Direct funding, bn

	At const. FX	q/q	y/y
CB Italy <sup>(2)</sup>	144.1	-0.8%	-2.5%
CB Germany <sup>(2)</sup>	72.0	-0.2%	+1.8%
CB Austria <sup>(2)</sup>	52.6	+2.3%	+7.6%
Poland <sup>(2)</sup>	30.0	+1.3%	+9.9%
CEE	53.8	+4.5%	+13.7%
CIB	34.0	+6.5%	+16.2%
AG (Fineco)	14.9	+4.7%	+6.8%
Institutional and Market Counterparts	63.7	+12.6%	-3.7%

+5.3bn  
q/q

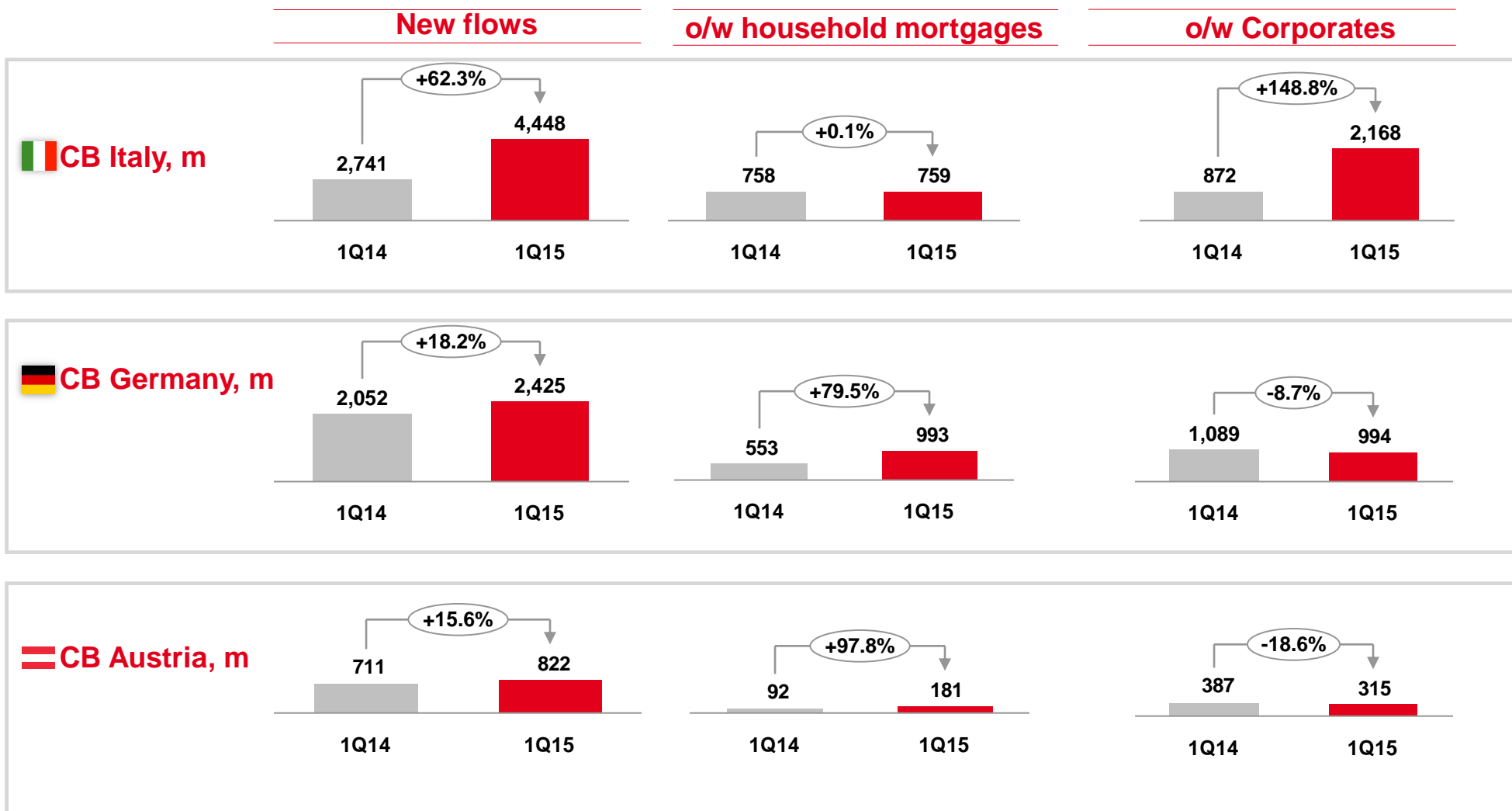
(1) Customer direct funding: total customer deposits + customer securities in issue.

(2) Excluding local corporate center.



# Core Bank – New origination in commercial banks

New MLT loans growing in all commercial banks with Italy supported by Corporate, Germany and Austria by households

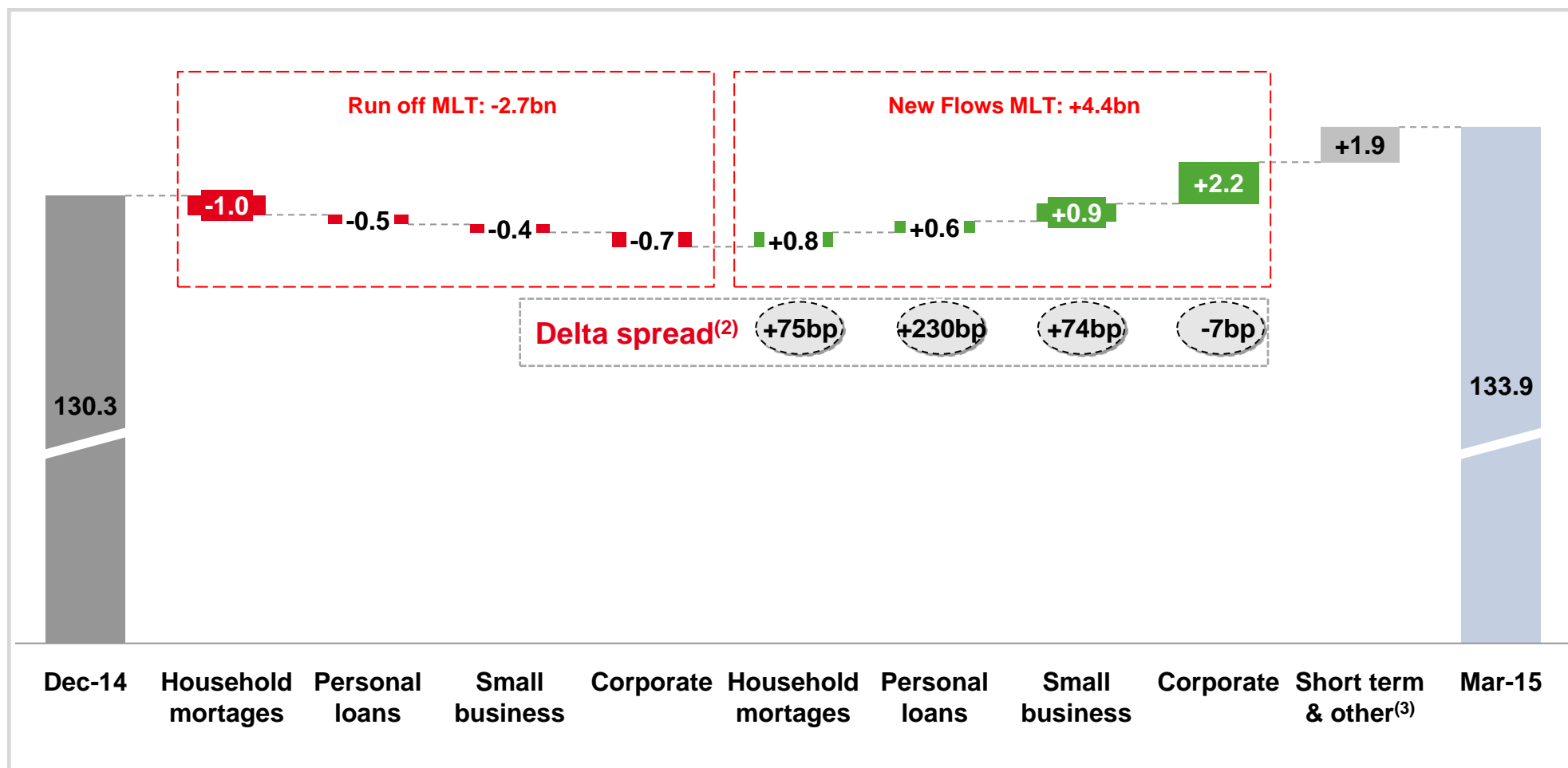




# Core Bank – New loan origination in Commercial bank Italy

MLT new flows at 4.4bn in 1q15 (+62% y/y) offsetting run offs: new flows show higher spreads despite lower rates. Total loans up to 133.9bn as of Mar-15

## Net customer loans<sup>(1)</sup>, bn



(1) Run off and new flows excluding pooled loans.

(2) Managerial spread on new flows minus managerial spread on run offs.

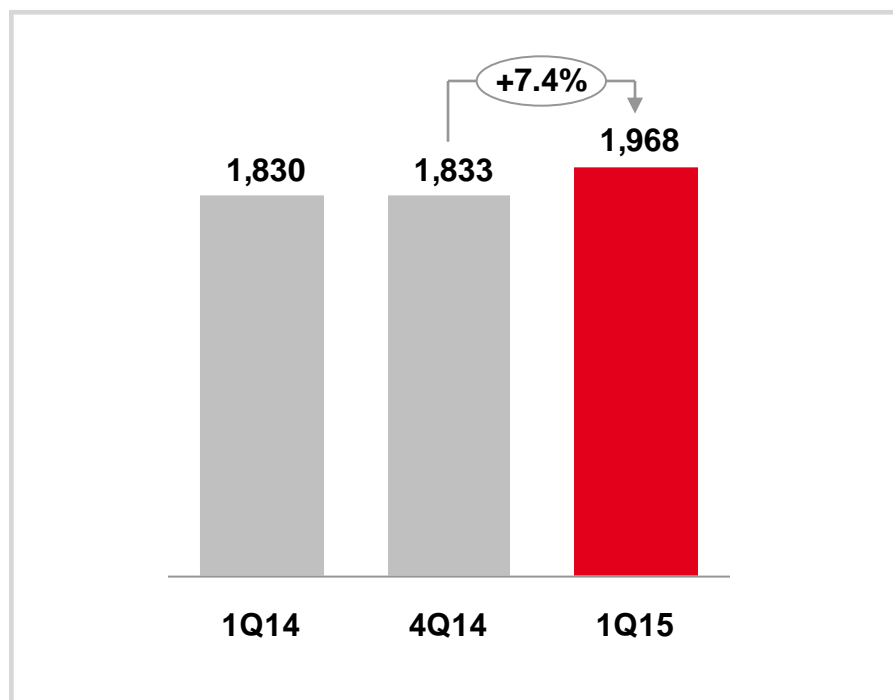
(3) Including c.3bn transferred back to Core bank at the beginning of 2015.



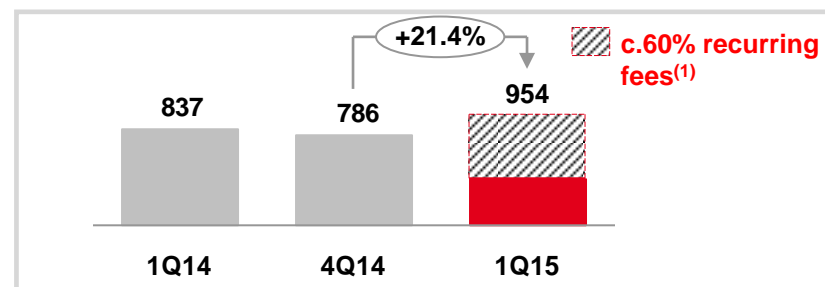
# Core Bank – Fees and commissions

Investment fees significantly increased q/q driven by investment services.  
Recurring investment fees approx. 60% of total

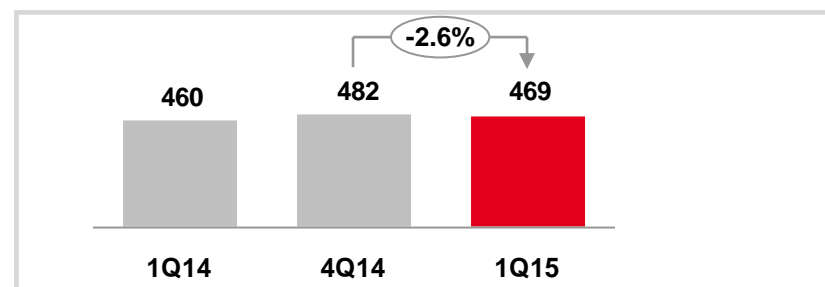
## Net fees and commissions, m



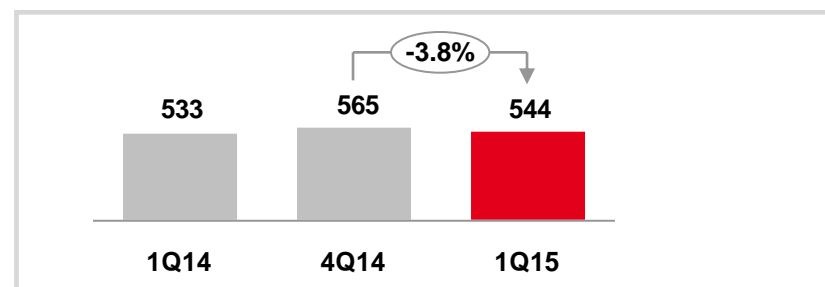
## Investment services fees, m



## Financing services fees, m



## Transactional and banking services fees, m



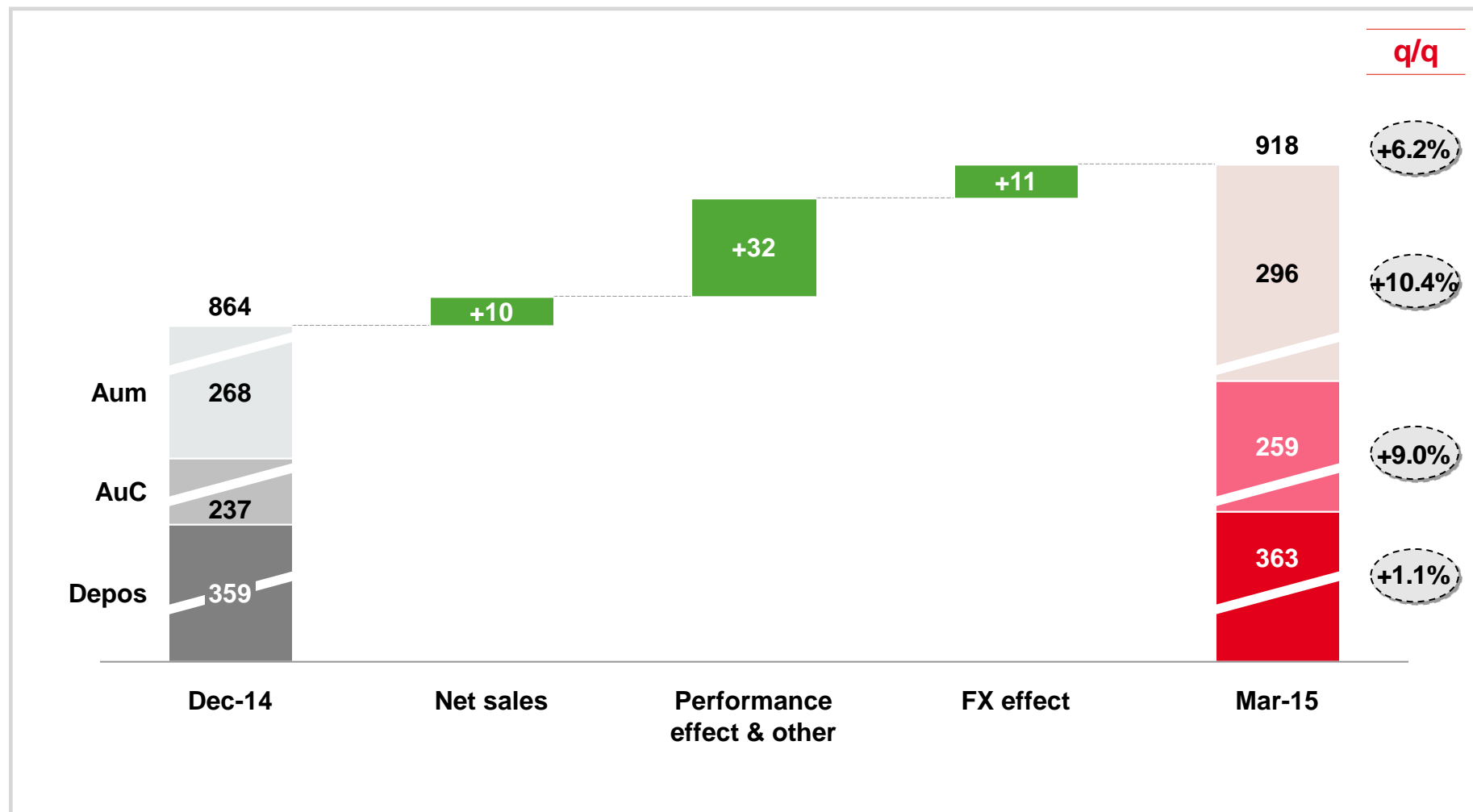
(1) Non recurring fees from sales: upfront AUM + upfront AUC + Negotiation. Recurring fees from management (excluding performance fees) + fees from AUC Custody.



## Core Bank – Total financial assets

Strong net sales for 10bn underpin TFA growth, with all time high AuM and further potential remix vs. AuM

TFA, bn

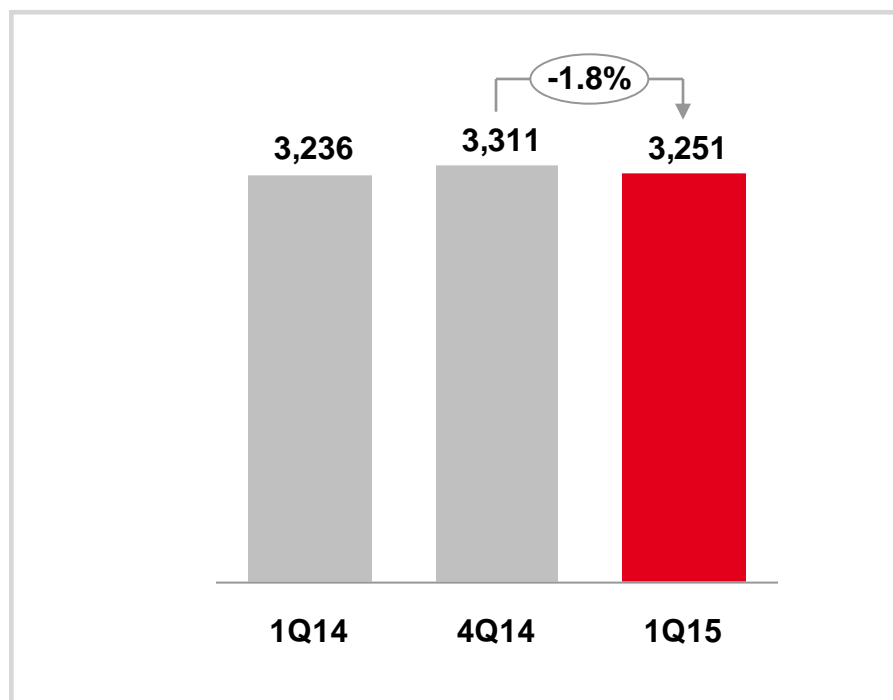




## Core Bank – Total costs

Cost efficiency under way, with total costs further down by 1.8% q/q thanks to lower administrative expenses and depreciation

### Costs, m



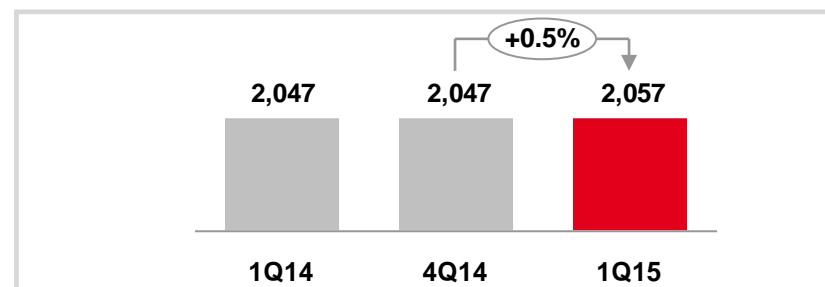
Cost  
income

59%

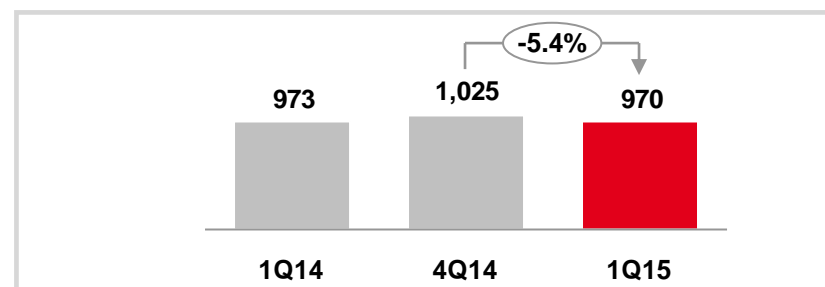
60%

57%

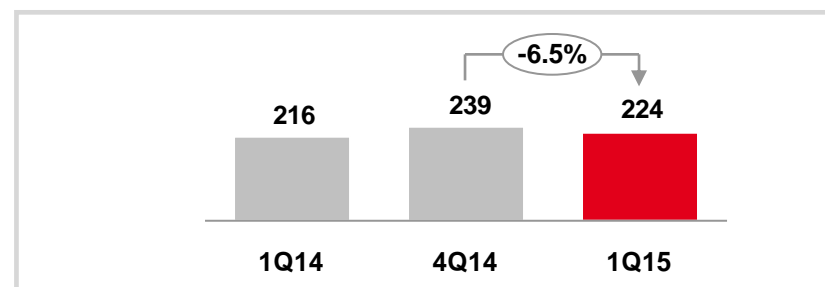
### Staff expenses, m



### Other administrative expenses<sup>(1)</sup>, m



### Depreciation & amortization, m



(1) Other administrative expenses net of expenses recovery.

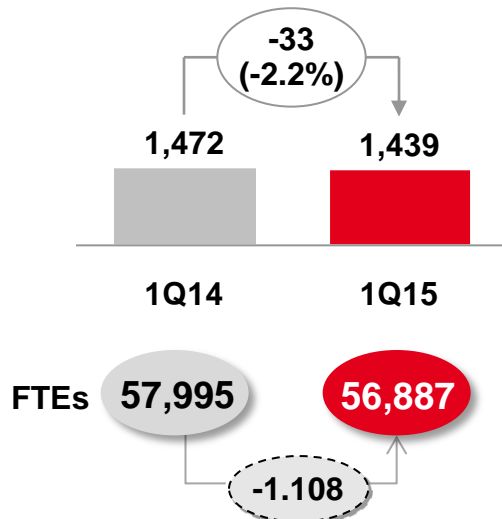


# Core bank – Key strategic pillars

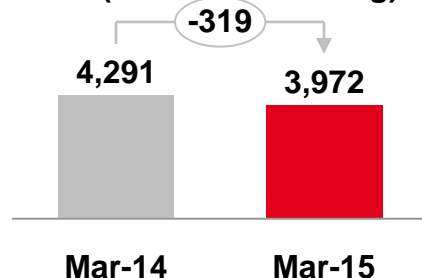
Execution is ongoing...

## Transform commercial bank<sup>(1)</sup>

### Direct Costs, m

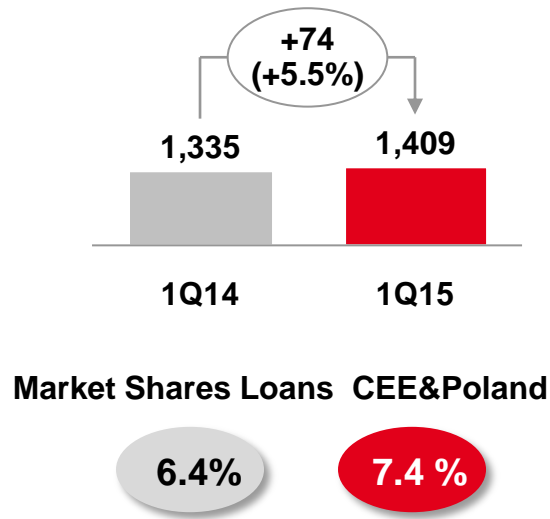


### Branches (MYP restructuring)

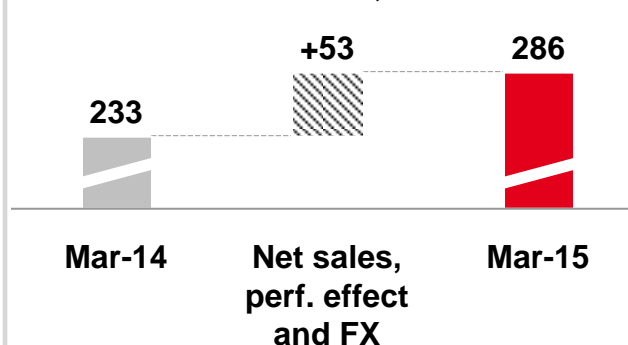


## Invest in Growth business

### Revenues CEE&Poland<sup>(2)</sup>, m

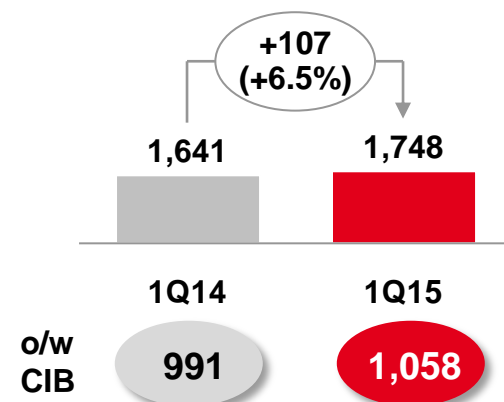


### TFA Pioneer & Fineco, bn

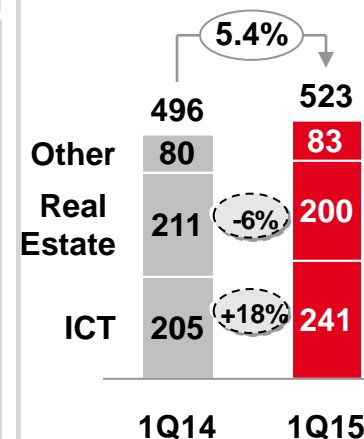


## Global platforms

### Revenues CIB incl. shadow<sup>(3)</sup>, m



### GBS OAE<sup>(4)</sup>, m



### IT Investments GBS<sup>(4)</sup>, m



Project driven

(1) Perimeter considered: Commercial Banks Italy, Germany and Austria.

(2) Market shares for 1Q15 refer to data as of Feb-15.

(3) Shadow includes Commercial Banks and CEE Revenues generated with the contribution of CIB specialists, which is compensated via cost reimbursement.

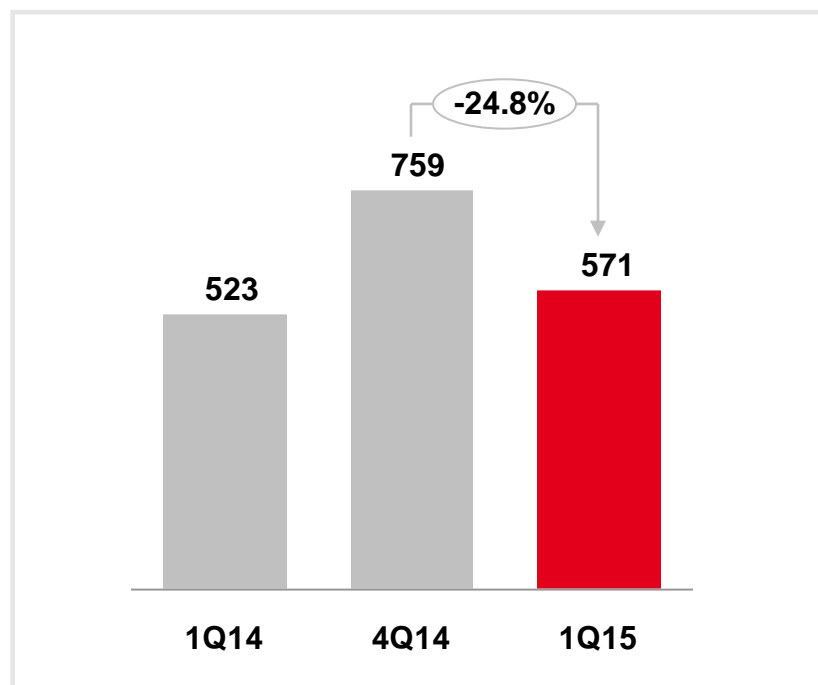
(4) Direct 'other administrative expenses' for GBS, the operating machine. Investments refer to FY14 and FY15 budget for GBS.



# Core Bank – Loan loss provisions

LLP down q/q, with CoR at 53bp decreasing across most divisions

## Loan loss provisions, m



Cost of risk

49bp

72bp

53bp

## Divisional breakdown – 1Q15 cost of risk, bp

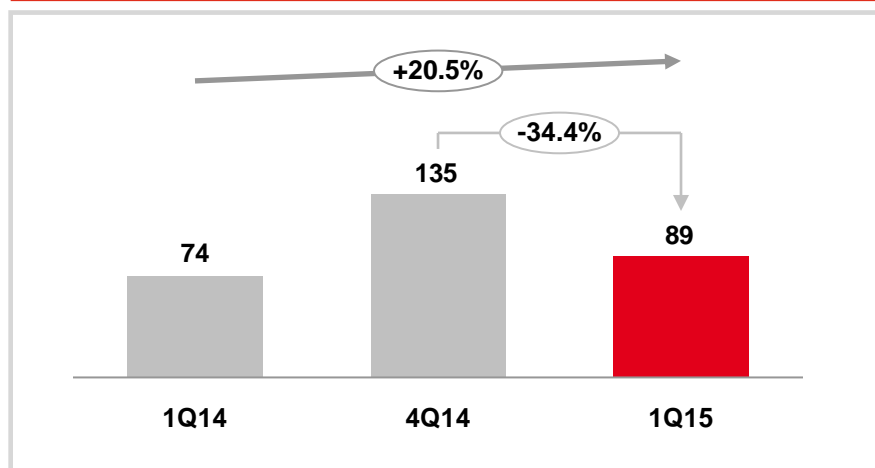
		q/q	y/y
CB Italy	85	-16bp	0bp
CB Germany	12	0bp	+5bp
CB Austria	23	-12bp	-17bp
Poland	47	-1bp	-9bp
CEE	120	-22bp	+15bp
CIB	12	-34bp	+12bp
AG (Fineco)	85	+16bp	+56bp
AM	n.m.	n.m.	n.m.



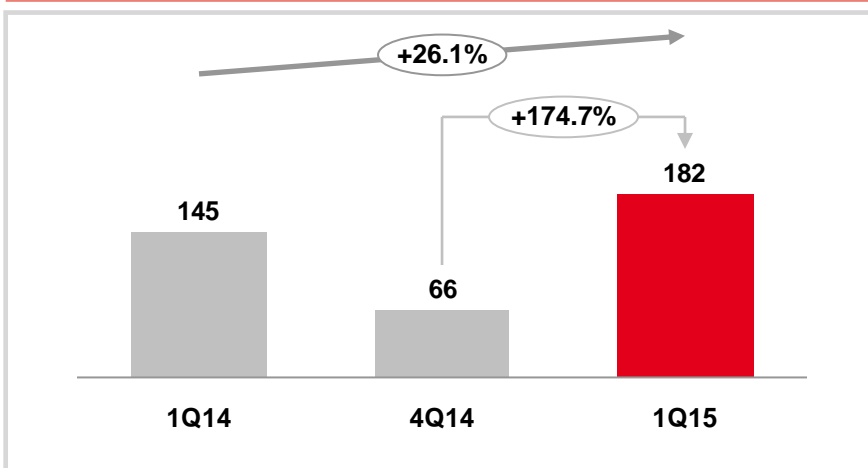
# Core Bank – CEE performance

Balanced contribution to operating performance across countries in CEE.  
South Eastern Europe and Central Europe gaining share within the division

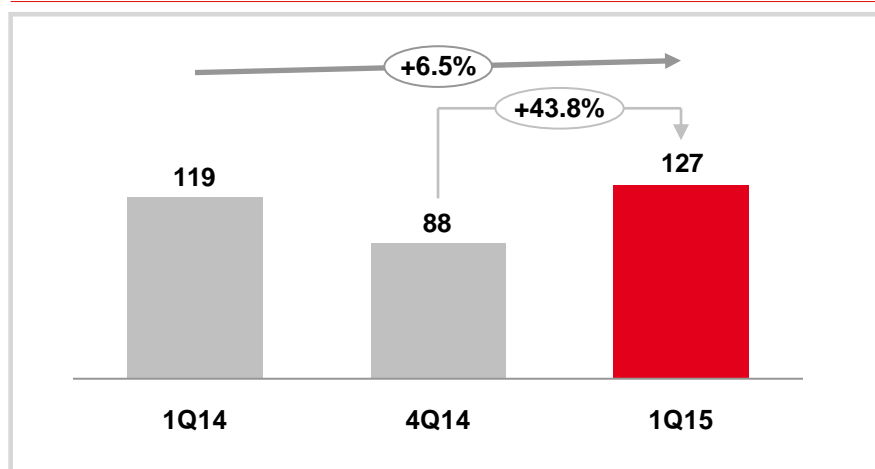
## Turkey<sup>(1), (2)</sup> - NOP, m const. FX



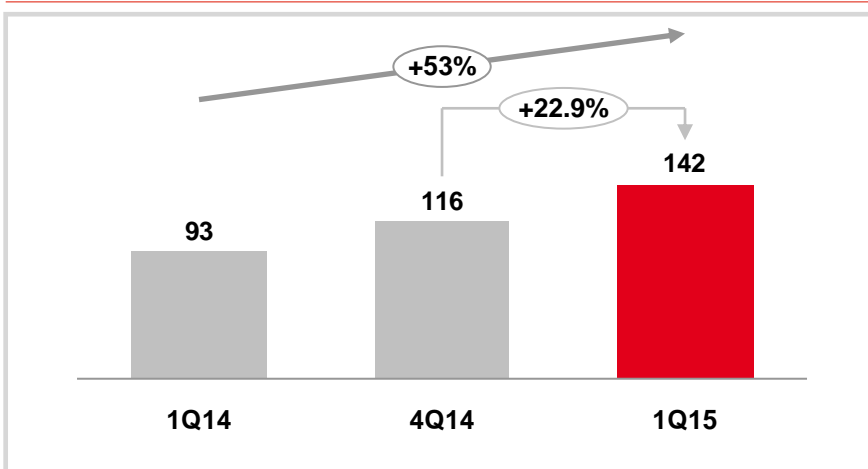
## South Eastern Europe<sup>(2), (3)</sup> - NOP, m const. FX



## Russia - NOP, m const. FX



## Central Europe<sup>(3), (4)</sup> - NOP, m const. FX



(1) Consolidated net operating profit for UCG. Following the consolidation of Yapi Kredi at equity, net profit is a managerial data.

(2) Constant FX as of end 2013.

(3) South Eastern Europe: Croatia, Romania, Bulgaria, Bosnia, Serbia.

(4) Central Europe: Czech Republic & Slovakia, Hungary, Slovenia.



# Core Bank – UniCredit Bank Russia

Resilient business with positive performance in 1Q15 confirms that UCG is better positioned than peers to weather a harsh environment

€, m	1Q14	4Q14	1Q15	Q/Q curr. FX	Q/Q const. FX	Y/Y curr. FX	Y/Y const. FX
<b>Revenues</b>	<b>195</b>	<b>133</b>	<b>166</b>	<b>+25.4%</b>	<b>+35.5%</b>	<b>-14.7%</b>	<b>+25.9%</b>
<i>o/w net interest</i>	<i>166</i>	<i>162</i>	<i>144</i>	<i>-11.0%</i>	<i>+4.1%</i>	<i>-13.2%</i>	<i>+28.2%</i>
<i>o/w fees</i>	<i>33</i>	<i>23</i>	<i>12</i>	<i>-47.1%</i>	<i>-41.3%</i>	<i>-62.4%</i>	<i>-44.5%</i>
<i>o/w trading profit</i>	<i>-5</i>	<i>-51</i>	<i>10</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
<b>Costs</b>	<b>66</b>	<b>55</b>	<b>51</b>	<b>-7.9%</b>	<b>+5.9%</b>	<b>-22.7%</b>	<b>+14.2%</b>
<b>Net operating profit</b>	<b>112</b>	<b>55</b>	<b>81</b>	<b>+46.0%</b>	<b>+43.8%</b>	<b>-27.9%</b>	<b>+6.5%</b>
<b>Consolidated profit</b>	<b>88</b>	<b>41</b>	<b>63</b>	<b>+56.1%</b>	<b>+50.3%</b>	<b>-27.7%</b>	<b>+6.8%</b>
<b>Cost/ Income</b>	<b>33.8%</b>	<b>41.7%</b>	<b>30.6%</b>	<b>-11.1pp</b>		<b>-3.2pp</b>	
<b>Cost of risk</b>	<b>56bp</b>	<b>69bp</b>	<b>112bp</b>	<b>+44bp</b>		<b>+56bp</b>	
<b>Loans to customers</b>	<b>11,908</b>	<b>11,384</b>	<b>13,242</b>	<b>+16.3%</b>	<b>+0.4%</b>	<b>+11.2%</b>	<b>+42.3%</b>
<b>Direct funding</b>	<b>11,287</b>	<b>12,058</b>	<b>13,321</b>	<b>+10.5%</b>	<b>-4.6%</b>	<b>+18.0%</b>	<b>+51.1%</b>
<b>Total RWA</b>	<b>18,042</b>	<b>15,690</b>	<b>17,431</b>	<b>+11.1%</b>	<b>-4.1%</b>	<b>-3.4%</b>	<b>+23.7%</b>

- Successful business model continuing to attract premium corporate and multinational customers
- Solid bank, net lender to Group with a further improved liquidity position
- Resilient results with limited impact of EU sanctions on revenues
- Proactive management of the lending portfolio with reduced exposures to retail unsecured and new healthy volumes from top rated corporates



# Agenda

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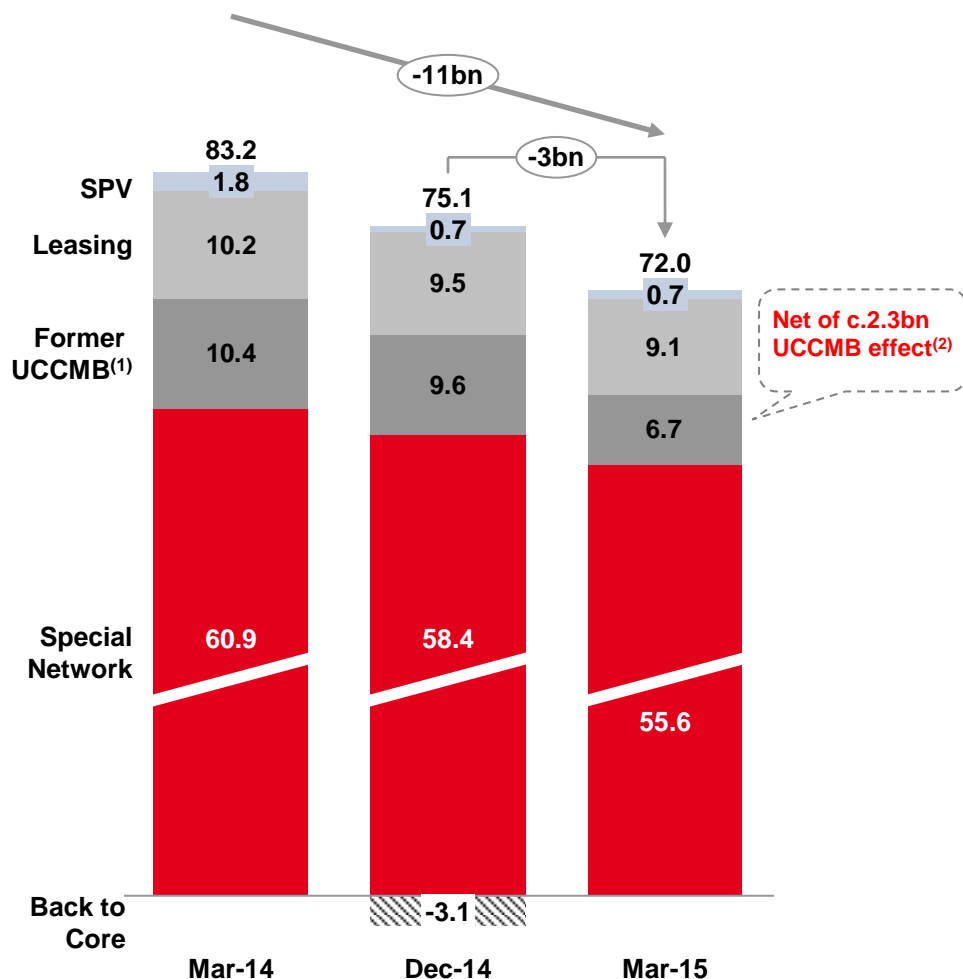
- Group
- Core Bank
- Non Core**
- Annex



# Non Core – Gross customer loans

Gross loans further down by 3bn in 1Q15 (-11bn y/y) due to the ongoing UCCMB disposal and continued de-risking

## Gross customer loans, bn



€, m	1Q14	4Q14	1Q15	Q/Q	Y/Y
Revenues	107	73	64	-12.4%	-40.0%
Costs	174	121	167	+38.2%	-4.2%
LLP	315	938	409	-56.4%	+29.7%
Net Loss	294	684	364	-46.8%	+24.0%
Net loans	52,037	47,322	42,650	-9.9%	-18.0%
RWA	35,933	39,545	36,399	-8.0%	+1.3%
FTE	1,981	1,849	1,763	-4.6%	-11.0%

- Gross customer loans at 72bn, down by 3bn q/q, mainly related to the ongoing UCCMB disposal<sup>(1)</sup>
- Lower volumes resulting in lower Net interest
- FTEs decrease by 5%
- Net loss down q/q due to lower LLP despite higher costs related to seasonality on account of recovery of expenses on a semiannual basis

(1) Perimeter of UCCMB assets spun-off into UniCredit SpA.

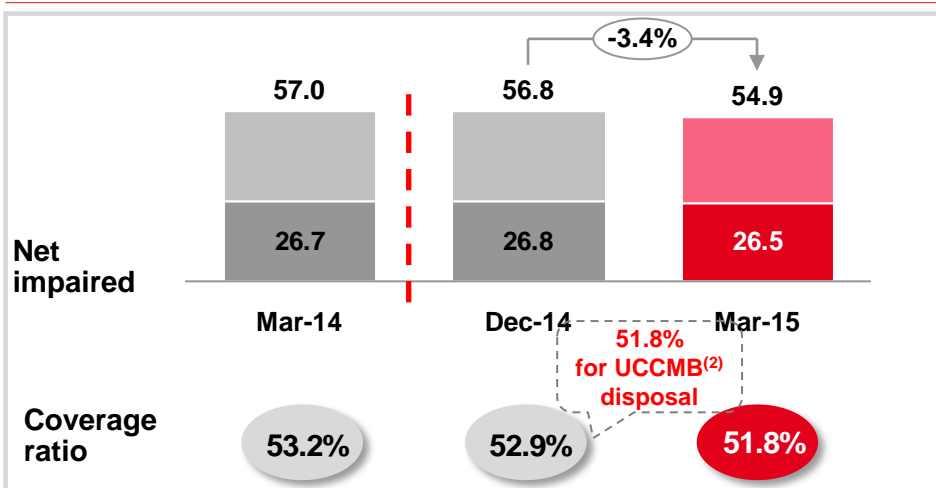
(2) Perimeter related to the portfolio of 2.3bn subject to sale.



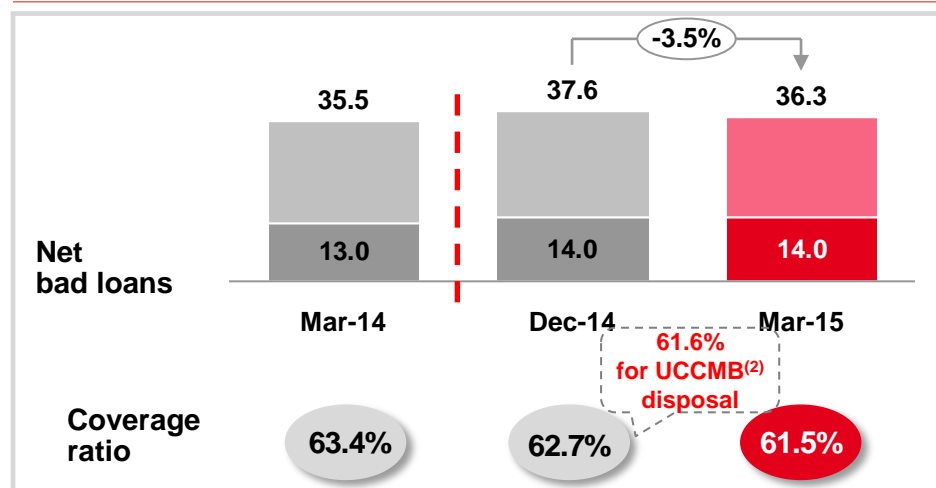
# Non Core – Asset quality

Impaired loans decreased both q/q and y/y. Gross impaired loans y/y confirm downward trend, driven by continued reduction of other impaired

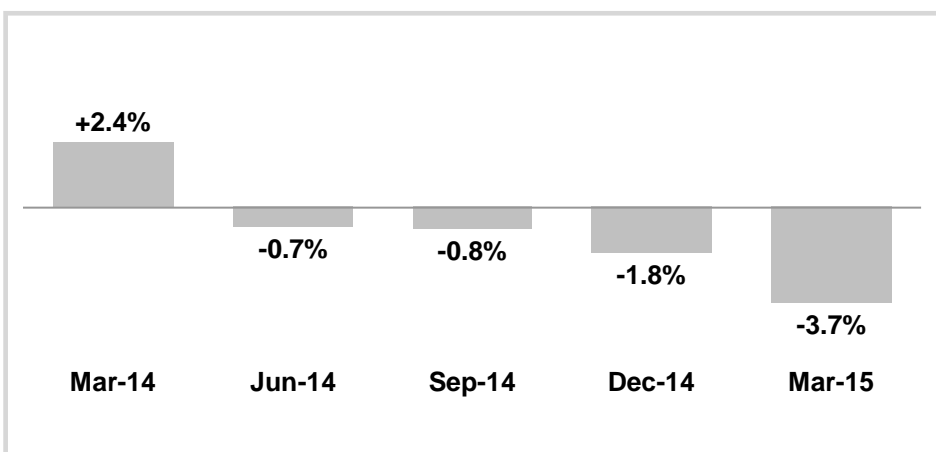
## Gross impaired loans<sup>(1)</sup>, bn



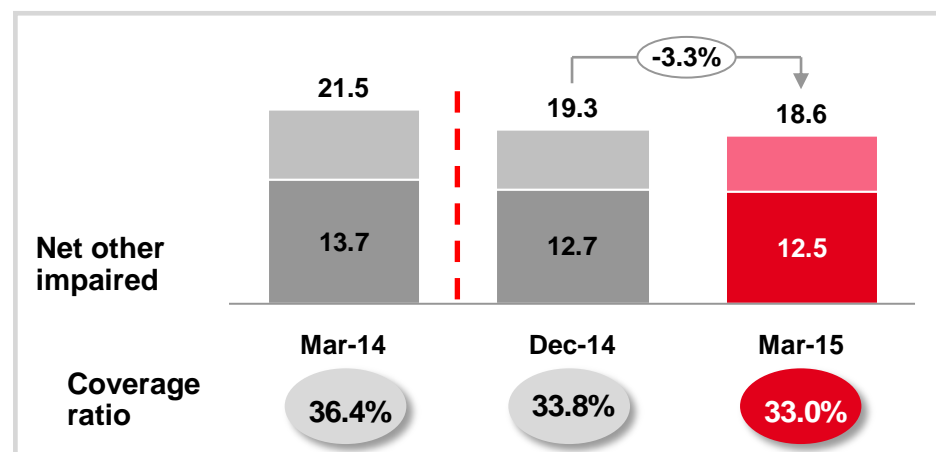
## Gross bad loans (sofferenze)<sup>(1)</sup>, bn



## Gross impaired loans – Yearly variations



## Other gross impaired loans<sup>(1)</sup>, bn



(1) The perimeter of impaired exposures as per instructions of BankIT Circular 272 is substantially equivalent to the perimeter of Non Performing Exposures (NPE) EBA. The new internal classification within impaired loans is illustrated on slide 34.

31

(2) In 1q15 UCCMB is classified under IFRS 5 net of the demerged assets into UniCredit SpA. Comparable coverage ratio as of Dec-14 at 51.8% on impaired loans and 61.6% on bad loans.



## Concluding remarks

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- Group net profit at 512m, with a sound performance of the Core bank and Non Core portfolio, despite additional charges related to the SRF, translating into a RoTE of 4.8%
- Core bank showed continued progress in earnings generation as a result of an increase in core revenues, cost containment and lower LLP
- Resilient capital with CET 1 ratio fully loaded up to 10.35% including Pioneer deal and Basel 3 leverage ratio fully loaded at 4.5%, among the best in Europe
- Asset quality further improving
- Non Core de-risking continued with gross loans further down



# Agenda

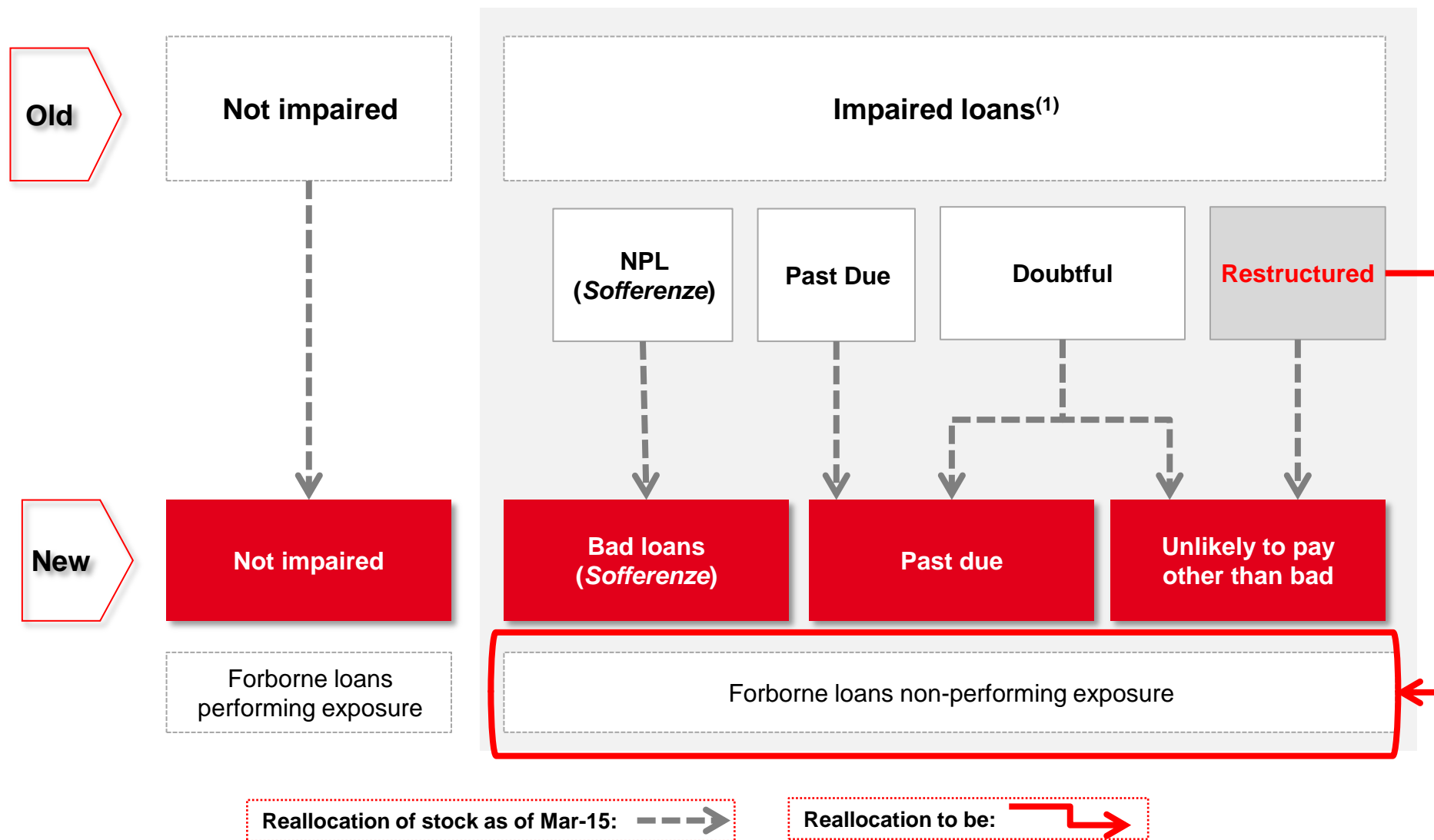
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- Group
- Core Bank
- Non Core
- Annex**



# New classifications of impaired loans

Substantially equivalent perimeter between EBA's Non Performing Exposures (NPE) and *Banca d'Italia*. Sub classifications have been revised



(1) IFRS impaired substantially equivalent to EBA non-performing exposure at Group level.

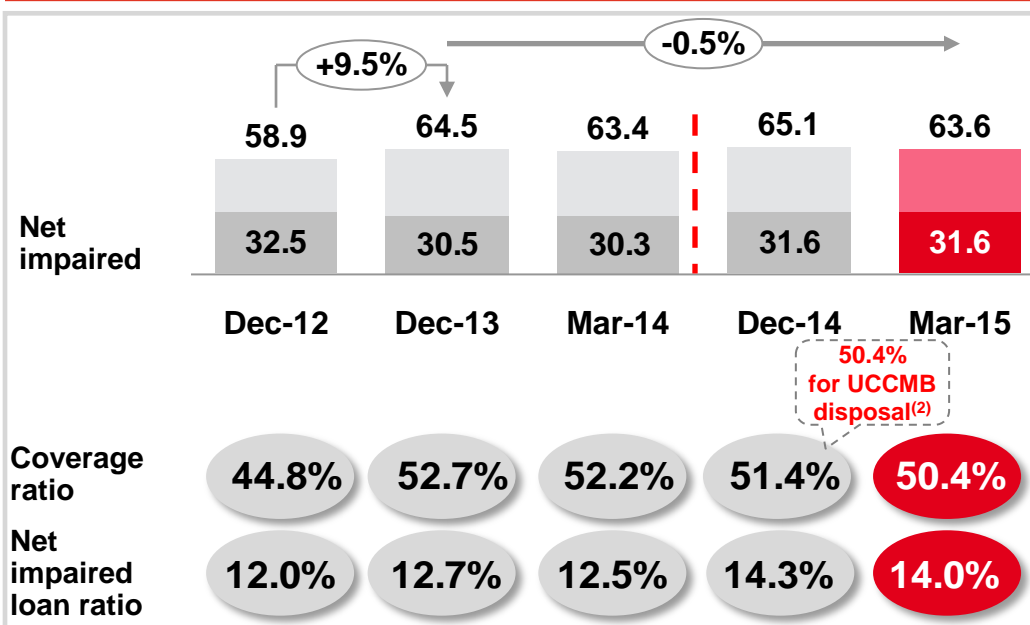


# Italy – Asset quality breakdown

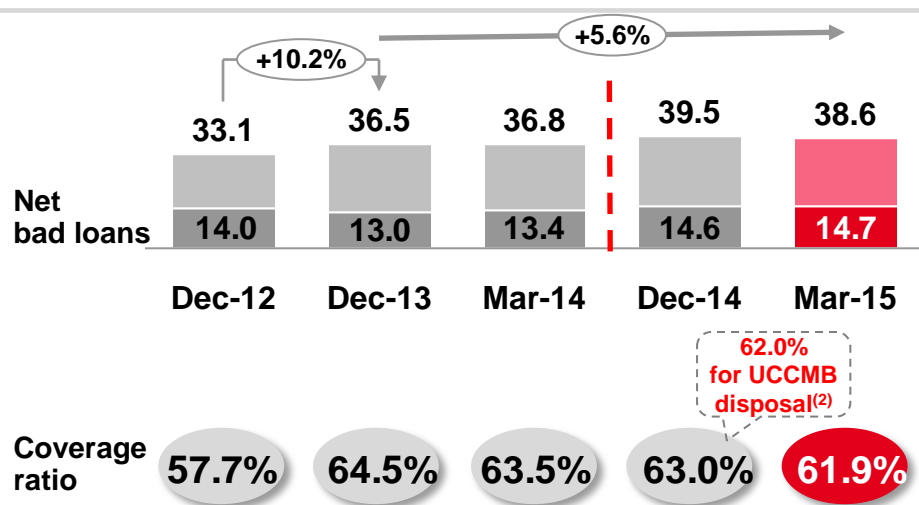
Gross impaired down also thank UCCMB deal.

Other gross impaired continued downward trend

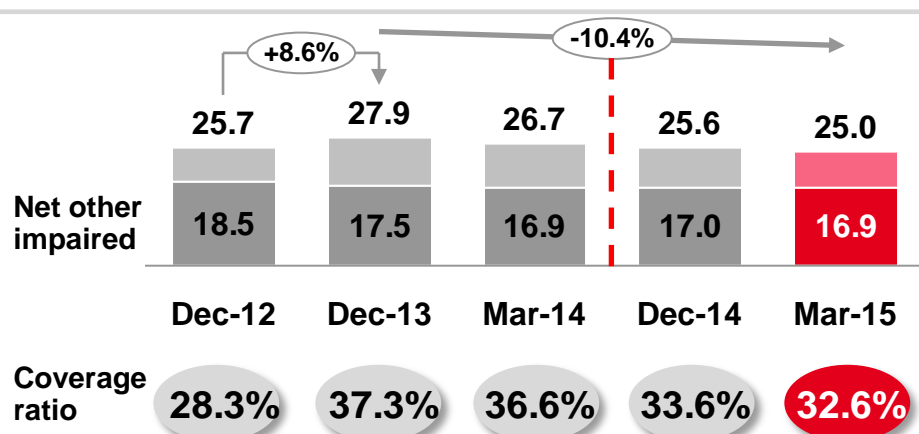
## Gross impaired loans, bn<sup>(1)</sup>



## Gross bad loans (*Sofferenze*), bn



## Other gross impaired loans, bn



(1) The perimeter of impaired exposures as per instructions of BankIT Circular 272 is substantially equivalent to the perimeter of Non Performing Exposures (NPE) EBA. The new internal classification within impaired loans is illustrated on slide 34.

(2) In 1q15 UCCMB is classified under IFRS 5 net of the demerged assets into UniCredit SpA. Comparable coverage ratio as of Dec-14 at 50.4% on impaired loans and 62.0% on bad loans.

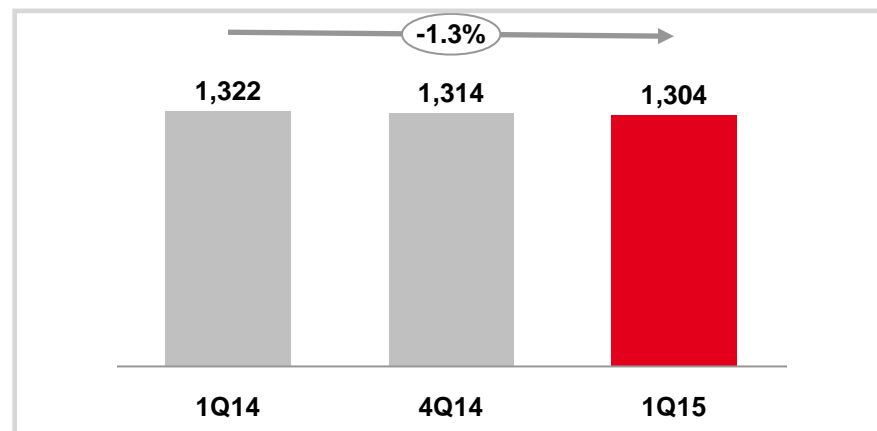


# Italian total perimeter<sup>(1)</sup>

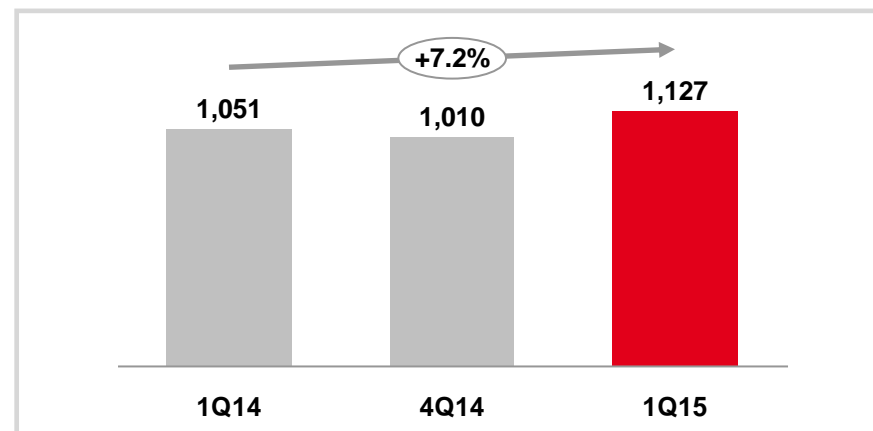
Italian businesses delivered a positive result in 1q15, supported by a strong operating performance more than offsetting the mild increase in NHR costs



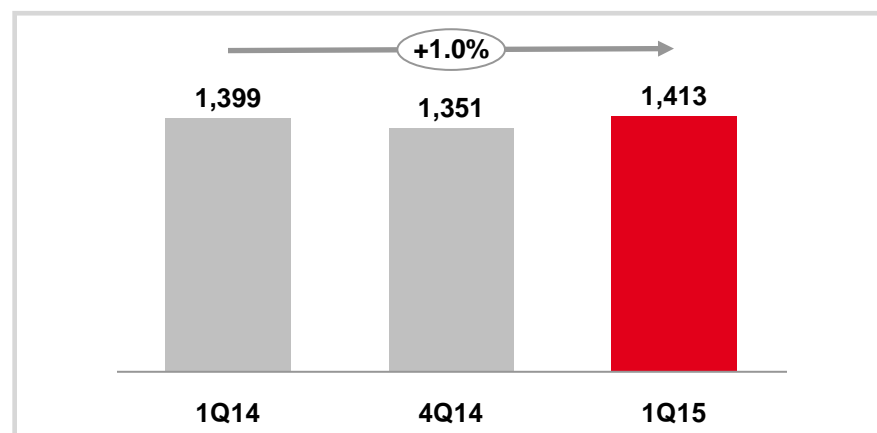
## Net interest, m



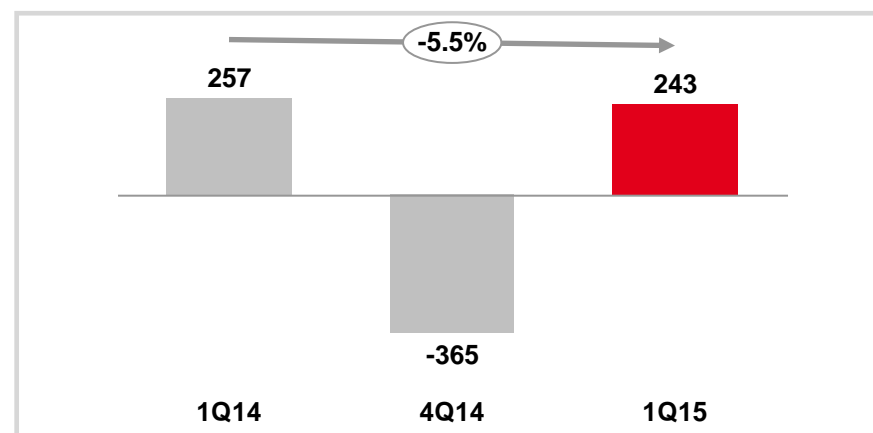
## Fees, m



## Costs, m



## Net profit, m



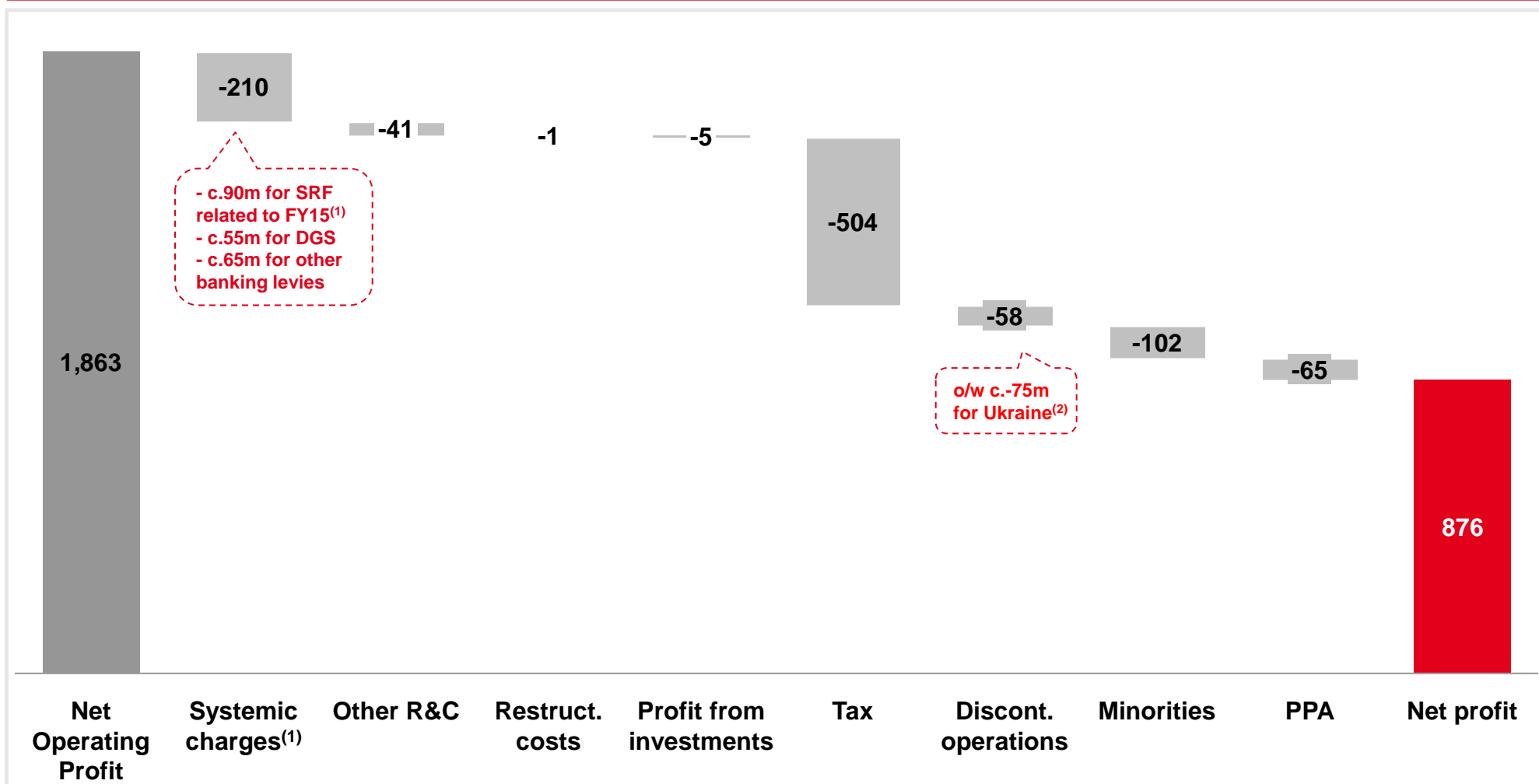
(1) Italian perimeter includes: Commercial Bank Italy, Non Core portfolio, CIB Italy, Asset Management related to funds distributed through the Italian network, Fineco, GBS related to relevant Italian activities, Corporate Center activities related to the Italian business.



## Core Bank – Non-operating items

Systemic charges include contributions to Deposit Guarantee Scheme (DGS), Single Resolution Fund and bank levies for a total of 210m. Tax rate at 31%

### Non-operating items bridge, m



(1) The contribution to the new Single Resolution Fund (c. 90m) for Germany and Austria booked in 1Q15 is related to FY15.

(2) Ukraine contribution based on a divisional view.

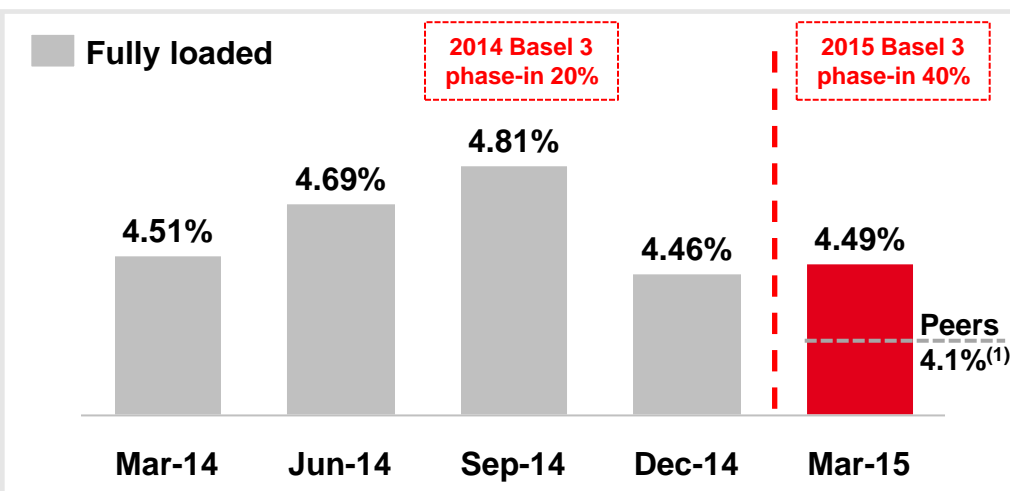


## Group – Leverage ratio

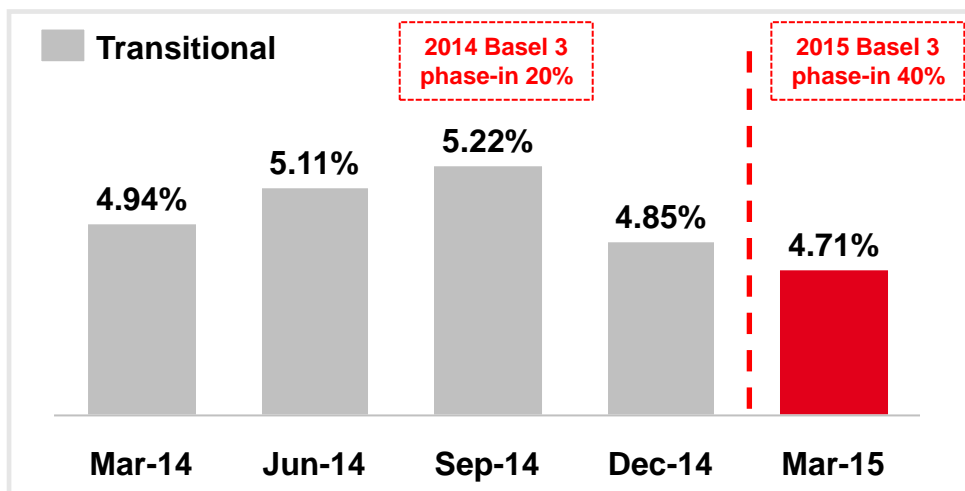
Basel 3 leverage ratio fully loaded at 4.5%, among the best in Europe.

Leverage ratio trans. at 4.7%, embedding a further phase-in of 40% for 2015

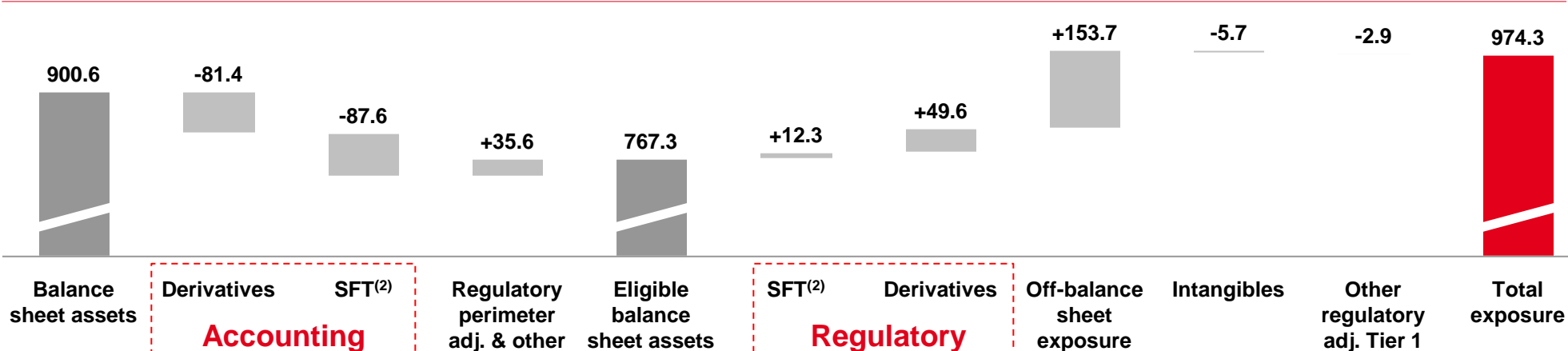
**Basel 3 leverage ratio fully loaded<sup>(1)</sup>**



**Basel 3 leverage ratio<sup>(1)</sup>**



**Basel 3 – Leverage ratio fully loaded: total exposure composition**



(1) Leverage ratio based on CRR definition not considering amendments of EC Delegated Act published in Jan-15. According to EBA proposal, the implementation for the amended LR reporting is not expected before Dec-15. Proforma for regulatory capital ratios.

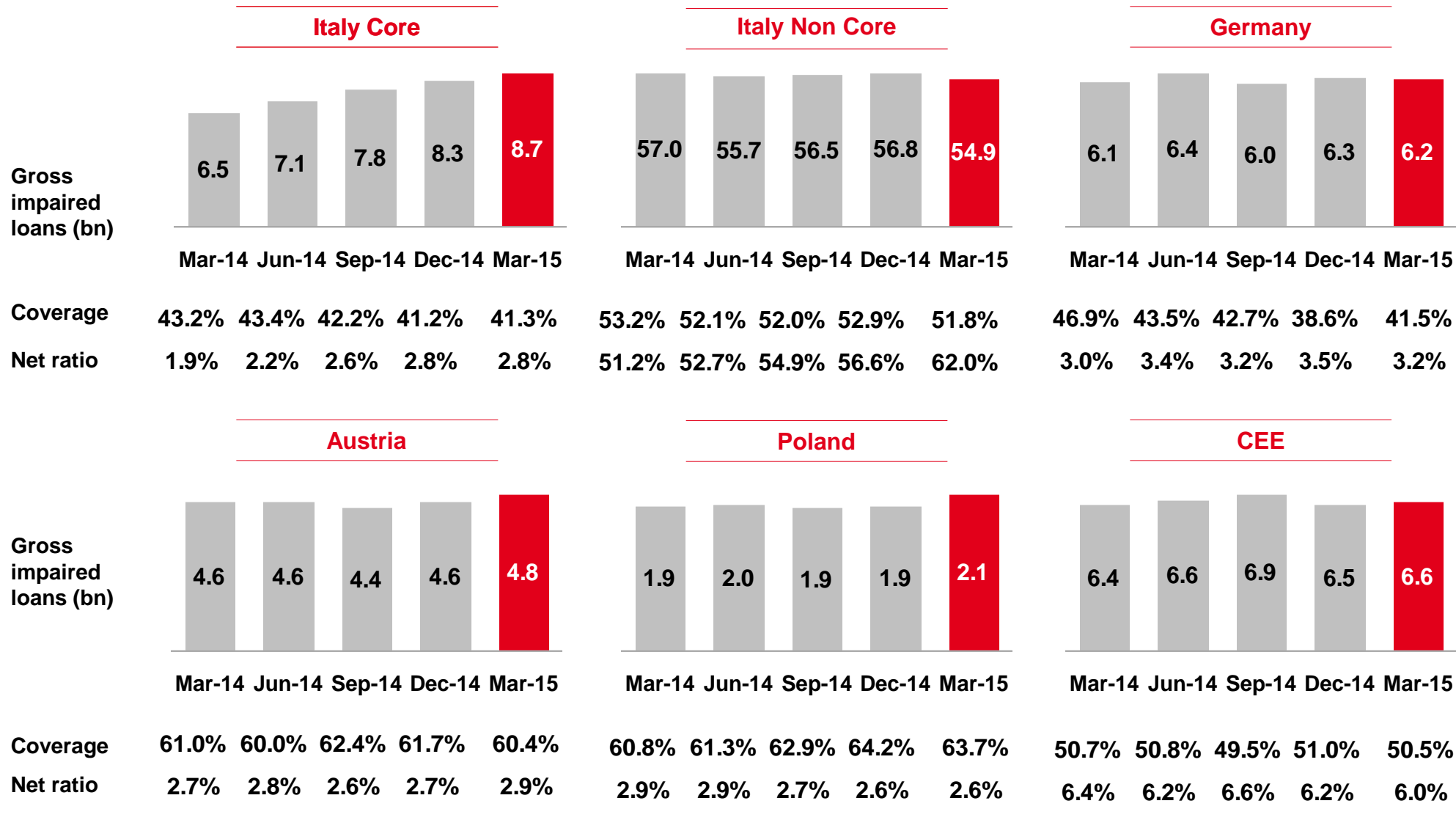
Peers include a sample of 10 European banks that have published 1Q15 results as of May11<sup>th</sup>.

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



# Group – Asset quality

All regions confirm a sound asset quality position





## Group – P&L and volumes

Net profit of 512m in 1q15, improving thanks to all P&L lines

<b>Euro (m)</b>	<b>1Q14</b>	<b>2Q14</b>	<b>3Q14</b>	<b>4Q14</b>	<b>1Q15</b>	<b>Δ % vs. 4Q14</b>	<b>Δ % vs. 1Q14</b>	
Total Revenues	5,588	5,798	5,561	5,604	5,749	+2.6%	▲	+2.9% ▲
Operating Costs	-3,410	-3,336	-3,328	-3,432	-3,418	-0.4%	▼	+0.2% ▲
Gross Operating Profit	2,178	2,462	2,233	2,172	2,331	+7.3%	▲	+7.0% ▲
LLP	-838	-1,003	-754	-1,697	-980	-42.2%	▼	+16.9% ▲
Profit Before Taxes	1,275	1,171	1,285	360	1,080	+200.2%	▲	-15.3% ▼
Net Profit	712	403	722	170	512	+200.8%	▲	-28.1% ▼
Cost / Income Ratio, %	61%	58%	60%	61%	59%	-2pp	▼	-2pp ▼
Cost of Risk, bp	69	84	64	144	82	-62bp	▼	+13bp ▲
RoTE	6.9%	3.8%	6.8%	1.6%	4.8%	+3.2pp	▲	-2pp ▼
Customer Loans	483,782	474,798	470,356	470,569	482,658	+2.6%		-0.2%
Direct Funding	560,163	561,005	554,908	560,688	573,758	+2.3%		+2.4%
Total RWA	418,871	398,702	401,238	409,223	420,637	+2.8%		+0.4%
FTE (#)	131,333	130,577	129,958	129,021	128,263	-0.6%		-2.3%



## Core Bank – P&L and volumes

Confirmed positive dynamics underpinned by operating profitability and lower cost of risk

<b>Euro (m)</b>	<b>1Q14</b>	<b>2Q14</b>	<b>3Q14</b>	<b>4Q14</b>	<b>1Q15</b>	<b>Δ % vs. 4Q14</b>	<b>Δ % vs. 1Q14</b>	
Total Revenues	5,481	5,686	5,476	5,531	5,685	+2.8%	▲	+3.7% ▲
Operating Costs	-3,236	-3,188	-3,183	-3,311	-3,251	-1.8%	▼	+0.5% ▲
Gross Operating Profit	2,245	2,498	2,293	2,220	2,434	+9.7%	▲	+8.4% ▲
LLP	-523	-599	-256	-759	-571	-24.8%	▼	+9.2% ▲
Profit Before Taxes	1,678	1,680	1,847	1,386	1,605	+15.8%	▲	-4.3% ▼
Net Profit	1,006	756	1,097	854	876	+2.5%	▲	-12.9% ▼
Cost / Income Ratio, %	59%	56%	58%	60%	57%	-3pp	▼	-2pp ▼
Cost of Risk, bp	49	56	24	72	53	-19bp	▼	+4bp ▲
RoAC	11.9%	8.1%	13.6%	9.6%	9.4%	-0.3pp	▼	-2.5pp ▼
Customer Loans	431,745	424,185	420,974	423,246	440,008	+4.0%		+1.9%
Direct Funding	557,852	558,655	552,571	558,343	571,528	+2.4%		+2.5%
Total RWA	382,938	365,115	367,925	369,677	384,237	+3.9%		+0.3%
FTE (#)	129,352	128,632	128,035	127,172	126,500	-0.5%		-2.2%



# Commercial Bank Italy – P&L and volumes

Positive progression thanks to sound earnings generation

<b>Euro (m)</b>	<b>1Q14</b>	<b>2Q14</b>	<b>3Q14</b>	<b>4Q14</b>	<b>1Q15</b>	<b>Δ % vs. 4Q14</b>	<b>Δ % vs. 1Q14</b>	
Total Revenues	2,132	2,165	2,047	2,063	2,203	+6.8%	▲	+3.3% ▲
Operating Costs	-1,055	-1,009	-991	-1,055	-1,059	+0.4%	▲	+0.3% ▲
Gross Operating Profit	1,077	1,156	1,056	1,007	1,144	+13.5%	▲	+6.2% ▲
LLP	-280	-294	-132	-329	-280	-14.8%	▼	+0.1% ▲
Profit Before Taxes	781	811	887	660	846	+28.3%	▲	+8.4% ▲
Net Profit	494	535	571	417	564	+35.1%	▲	+14.0% ▲
Cost / Income Ratio, %	50%	47%	48%	51%	48%	-3pp	▼	-1pp ▼
Cost of Risk, bp	85	89	40	101	85	-16bp	▼	- ▼
RoAC	26.7%	29.5%	29.4%	21.6%	27.1%	+5.4pp	▲	- ▲
Customer Loans	132,303	131,471	130,571	130,269	134,106	+2.9%		+1.4%
Direct Funding	147,921	144,132	142,516	145,347	144,209	-0.8%		-2.5%
Total RWA	79,108	78,327	80,114	80,591	83,200	+3.2%		+5.2%
FTE (#)	37,617	37,659	37,341	37,345	37,222	-0.3%		-1.0%



# Commercial Bank Germany – P&L and volumes

Positive progression of operating profitability and cost of risk.

Lower net profit after capital gain of DAB booked in 4Q14

<b>Euro (m)</b>	<b>1Q14</b>	<b>2Q14</b>	<b>3Q14</b>	<b>4Q14</b>	<b>1Q15</b>	<b>Δ % vs. 4Q14</b>	<b>Δ % vs. 1Q14</b>	
Total Revenues	692	674	637	637	645	+1.2%	▲	-6.9% ▼
Operating Costs	-511	-498	-522	-527	-518	-1.6%	▼	+1.4% ▲
Gross Operating Profit	181	176	115	110	126	+14.9%	▲	-30.2% ▼
LLP	-15	-5	18	-25	-24	-1.2%	▼	+62.1% ▲
Profit Before Taxes	158	166	107	236	65	-72.2%	▼	-58.5% ▼
Net Profit	105	111	73	215	42	-80.3%	▼	-59.6% ▼
Cost / Income Ratio, %	74%	74%	82%	83%	80%	-2pp	▼	+7pp ▲
Cost of Risk, bp	8	2	-9	13	12	-	▼	+5bp ▲
RoAC	14.4%	15.5%	10.4%	30.8%	6.2%	-24.6pp	▼	-8pp ▼
Customer Loans	78,537	78,783	78,765	78,416	79,256	+1.1%		+0.9%
Direct Funding	105,562	104,709	102,044	102,236	101,088	-1.1%		-4.2%
Total RWA	35,199	32,683	33,598	33,510	33,181	-1.0%		-5.7%
FTE (#)	13,574	13,494	13,568	13,409	13,051	-2.7%		-3.9%



# Commercial Bank Austria – P&L and volumes

Management actions in place deliver cost reduction to mitigate weak top line.  
Cost of risk confirmed the high quality of the loan book

<b>Euro (m)</b>	<b>1Q14</b>	<b>2Q14</b>	<b>3Q14</b>	<b>4Q14</b>	<b>1Q15</b>	<b>Δ % vs. 4Q14</b>	<b>Δ % vs. 1Q14</b>	
Total Revenues	394	440	376	410	301	-26.6%	▼	-23.6% ▼
Operating Costs	-345	-343	-329	-357	-339	-4.8%	▼	-1.6% ▼
Gross Operating Profit	49	96	47	53	-38	n.m.	▼	n.m. ▼
LLP	-48	-4	-17	-41	-27	-33.4%	▼	-43.3% ▼
Profit Before Taxes	19	49	-3	-37	-112	n.m.	▼	n.m. ▼
Net Profit	18	57	37	-65	-95	+46.6%	▼	n.m. ▼
Cost / Income Ratio, %	88%	78%	87%	87%	113%	+26pp	▲	+25pp ▲
Cost of Risk, bp	40	4	14	35	23	-12bp	▼	-17bp ▼
RoAC	3.1%	9.7%	6.0%	-14.7%	-16.3%	-1.6pp	▼	-19.3pp ▼
Customer Loans	47,877	48,083	47,442	47,379	48,744	+2.9%		+1.8%
Direct Funding	60,932	60,630	63,610	64,186	65,875	+2.6%		+8.1%
Total RWA	27,169	23,838	24,080	24,047	28,273	+17.6%		+4.1%
FTE (#)	6,803	6,634	6,751	6,701	6,614	-1.3%		-2.8%



# Poland – P&L and volumes

Operational excellence mitigating lower quarterly trend of revenues

<b>Euro (m)</b>	<b>1Q14</b>	<b>2Q14</b>	<b>3Q14</b>	<b>4Q14</b>	<b>1Q15</b>	<b>Δ % vs. 4Q14</b>	<b>Δ % vs. 1Q14</b>	
Total Revenues	431	448	450	440	433	-2.1%	▼	+0.6% ▲
Operating Costs	-200	-203	-202	-194	-190	-2.1%	▼	-4.8% ▼
Gross Operating Profit	230	245	248	246	242	-2.2%	▼	+5.3% ▲
LLP	-35	-34	-32	-32	-33	+2.5%	▲	-7.0% ▼
Profit Before Taxes	186	202	208	207	185	-11.0%	▼	-0.6% ▼
Net Profit	75	83	84	84	75	-11.4%	▼	-0.8% ▼
Cost / Income Ratio, %	47%	45%	45%	44%	44%	-	▲	-3pp ▼
Cost of Risk, bp	56	53	49	48	47	-	▼	-9bp ▼
RoAC	26.3%	29.1%	30.0%	29.1%	24.5%	-4.6pp	▼	-1.9pp ▼
Customer Loans	25,540	26,384	26,449	26,896	28,798	+2.4%		+10.4%
Direct Funding	27,439	28,362	29,685	30,178	30,670	-2.8%		+9.5%
Total RWA	25,311	24,760	25,234	25,894	26,862	-0.8%		+3.9%
FTE (#)	18,194	18,134	17,983	18,160	18,043	-0.6%		-0.8%

N.B. Variations at constant FX.



## CEE – P&L and volumes

Geographical diversification delivered positive quarterly progression of net profit underpinned by improved operating profitability and lower cost of risk

<b>Euro (m)</b>	<b>1Q14</b>	<b>2Q14</b>	<b>3Q14</b>	<b>4Q14</b>	<b>1Q15</b>	<b>Δ % vs. 4Q14</b>	<b>Δ % vs. 1Q14</b>	
Total Revenues	904	1,005	1,090	923	976	+9.1%	▲	+16.5% ▲
Operating Costs	-369	-369	-379	-393	-350	-8.1%	▼	+1.9% ▲
Gross Operating Profit	535	635	711	530	626	+21.6%	▲	+26.5% ▲
LLP	-148	-168	-156	-204	-174	-8.0%	▼	+29.4% ▲
Profit Before Taxes	327	406	455	292	392	+34.9%	▲	+29.8% ▲
Net Profit	263	309	336	130	247	+101.2%	▲	-26.3% ▼
Cost / Income Ratio, %	41%	37%	35%	43%	36%	-7pp	▼	-5pp ▼
Cost of Risk, bp	105	119	107	142	120	-15bp	▼	+16bp ▲
RoAC	14.4%	16.8%	19.1%	6.4%	11.8%	+5.3pp	▲	-2.6pp ▼
Customer Loans	55,822	57,781	58,384	57,009	59,081	-0.1%		+12.9%
Direct Funding	47,304	48,361	50,036	51,469	53,777	-0.4%		+22.0%
Total RWA	83,489	81,784	84,633	89,276	93,339	+1.7%		+18.1%
FTE (#)	30,623	30,097	29,576	29,040	28,918	-0.4%		-5.6%

N.B. Variations at constant FX.



## CIB – P&L and volumes

Net profit affected by costs, partially mitigated by higher revenues and improved LLP

<i>Euro (m)</i>	<i>1Q14</i>	<i>2Q14</i>	<i>3Q14</i>	<i>4Q14</i>	<i>1Q15</i>	<i>Δ % vs. 4Q14</i>	<i>Δ % vs. 1Q14</i>	
Total Revenues	991	905	814	1,037	1,058	+2.0%	▲	+6.7% ▲
Operating Costs	-435	-410	-414	-391	-443	+13.2%	▲	+1.7% ▲
Gross Operating Profit	556	495	400	646	615	-4.8%	▼	+10.6% ▲
LLP	0	-97	68	-100	-28	-72.5%	▼	n.m. ▲
Profit Before Taxes	572	303	464	477	526	+10.4%	▲	-7.9% ▼
Net Profit	389	201	267	398	363	-8.7%	▼	-6.7% ▼
Cost / Income Ratio, %	44%	45%	51%	38%	42%	+4pp	▲	-2pp ▼
Cost of Risk, bp	0	42	-32	46	12	-34bp	▼	+12bp ▲
RoAC	22.4%	11.3%	17.1%	21.0%	20.9%	-0.1pp	▼	-1.5pp ▼
Commercial Loans	49,865	49,291	47,372	50,173	49,966	-0.4%		+0.2%
Commercial Deposits	28,084	28,776	29,829	30,686	32,753	+6.7%		+16.6%
Total RWA	77,038	70,621	70,454	67,610	71,530	+5.8%		-7.2%
FTE (#)	4,050	3,958	3,950	3,955	3,963	+0.2%		-2.1%

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



# Asset Gathering (Fineco) – P&L and volumes

Solid and sustainable results with a double digit growth q/q and y/y.

Revenues up and net sales at record high level

<b>Euro (m)</b>	<b>1Q14</b>	<b>2Q14</b>	<b>3Q14</b>	<b>4Q14</b>	<b>1Q15</b>	<b>Δ % vs. 4Q14</b>	<b>Δ % vs. 1Q14</b>	
Total Revenues	113	113	107	118	137	+16.1%	▲	+20.9% ▲
Operating Costs	-52	-55	-51	-54	-60	+11.1%	▲	+15.9% ▲
Gross Operating Profit	61	58	56	64	77	+20.2%	▲	+25.1% ▲
LLP	0	-1	-1	-1	-2	+31.6%	▲	n.m. ▲
Profit Before Taxes	58	57	55	60	72	+19.8%	▲	+25.2% ▲
Net Profit	37	37	23	27	31	+17.5%	▲	-15.3% ▼
Cost / Income Ratio, %	46%	49%	48%	46%	44%	-2pp	▼	-2pp ▼
Cost of Risk, bp	28	48	39	69	85	+16bp	▲	+56bp ▲
RoAC	85.8%	93.1%	89.8%	107.2%	118.7%	+11.5pp	▲	+32.9pp ▲
TFA	45,607	47,196	48,181	49,341	53,711	+8.9%		+17.8%
o.w. AuM	20,281	21,563	22,563	23,636	26,121	+10.5%		+28.8%
Customer Loans	669	696	700	696	797	+14.6%		+19.1%
Direct Funding	13,969	14,344	14,097	14,254	14,922	+4.7%		+6.8%
Total RWA	1,905	1,635	1,624	1,742	1,735	-0.4%		-8.9%
FTE (#)	935	944	953	974	990	+1.6%		+5.8%



## Asset Management – P&L and volumes

Net profit strongly up q/q thanks to revenues more than offsetting costs.  
TFA materially up with Pioneer posting highest net sales ever

<b>Euro (m)</b>	<b>1Q14</b>	<b>2Q14</b>	<b>3Q14</b>	<b>4Q14</b>	<b>1Q15</b>	<b>Δ % vs. 4Q14</b>	<b>Δ % vs. 1Q14</b>	
Total Revenues	185	191	199	217	227	+4.9%	▲	+22.5% ▲
Operating Costs	-120	-123	-125	-129	-138	+6.6%	▲	+15.1% ▲
Gross Operating Profit	66	68	74	87	89	+2.4%	▲	+36.1% ▲
LLP	0	0	0	0	0	n.m.		n.m.
Profit Before Taxes	67	66	72	81	88	+8.4%	▲	+31.7% ▲
Net Profit	47	47	48	36	62	+72.8%	▲	+33.4% ▲
Cost / Income Ratio, %	65%	64%	63%	60%	61%	+1pp	▲	-4pp ▼
Cost of Risk, bp	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.		n.m.
RoAC	70.3%	70.3%	71.7%	54.3%	93.8%	+39.5pp	▲	+23.5pp ▲
Total RWA	2,097	1,619	1,520	1,693	1,749	+3.3%		-16.6%
TFA	187,020	193,230	203,546	208,694	231,810	+11.1%		+23.9%
o.w. AuM	179,463	185,522	195,713	201,030	224,960	+11.9%		+25.4%
FTE (#)	2,007	2,021	2,044	2,021	2,035	+0.7%		+1.4%



## Non Core – P&L and volumes

Loss at 364m in 1q15, improving q/q with lower cost of risk more than offsetting lower gross operating profit

<b>Euro (m)</b>	<b>1Q14</b>	<b>2Q14</b>	<b>3Q14</b>	<b>4Q14</b>	<b>1Q15</b>	<b>Δ % vs. 4Q14</b>	<b>Δ % vs. 1Q14</b>	
Total Revenues	107	112	85	73	64	-12.4%	▼	-40.0% ▼
Operating Costs	-174	-148	-145	-121	-167	+38.2%	▲	-4.2% ▼
Gross Operating Profit	-67	-36	-60	-47	-103	+116.4%	▼	+53.0% ▼
LLP	-315	-404	-498	-938	-409	-56.4%	▼	+29.7% ▲
Profit Before Taxes	-403	-510	-562	-1,026	-525	-48.8%	▲	+30.4% ▼
Net Profit	-294	-353	-375	-684	-364	-46.8%	▲	+24.0% ▼
Cost / Income Ratio, %	163%	132%	171%	165%	260%	+95pp	▲	+97pp ▲
Cost of Risk, bp	239	315	398	776	364	-412bp	▼	+124bp ▲
RoAC	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	▼	n.m. ▼
Customer Loans	52,037	50,613	49,382	47,322	42,650	-9.9%		-18.0%
Direct Funding	2,311	2,350	2,337	2,344	2,230	-4.9%		-3.5%
Total RWA	35,933	33,587	33,313	39,545	36,399	-8.0%		+1.3%
FTE (#)	1,981	1,945	1,923	1,849	1,763	-4.6%		-11.0%