One Bank
One
UniCredit

1Q17 results

Milan May 11th, 2017

Welcome to UniCredit

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This Presentation has been prepared on a voluntary basis since the financial disclosure additional to the half-year and annual ones is no longer compulsory pursuant to law 25/2016 in application of Directive 2013/50/EU, in order to grant continuity with the previous quarterly presentations. The UniCredit Group is therefore not bound to prepare similar presentations in the future, unless where provided by law.
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Agenda

Net profit 907m in 1Q17, up by 40.6% Y/Y thanks to resilient recurring revenues and cost excellence

Resilient recurring revenues thanks to strong business focus: net interest at 2,564m, in line with projections, and fees at 1,481m (+4.5% Y/Y)

Operating costs reduced by 3% Y/Y thanks to Transform 2019 actions

LLP down by 11.8% Y/Y at 670m with cost of risk at 60bp (-11.5% Y/Y)

Focus on Non Core de-risking, with NPE further down by 1.8% Q/Q, confirming positive AQ trends

Net profit at 907m, up by 40.6% Y/Y adjusted, with gross operating profit +14.6% Y/Y and net operating profit +36.1% Y/Y

Solid CET1 ratio at 11.45% fully loaded after successful 13bn right issues, above 12% considering Pioneer & Pekao disposals and RWA dynamics expected in 2017

Transform 2019 execution on track, delivering tangible results

Key financial figures – RoTE at 7% at Capital Markets Day perimeter in 1Q17 (9.4% stated)

Key Figures	Group				
	1Q16 adj.	4Q16 adj.[1]	1Q17	Delta % Q/Q	Delta % Y/Y
Total revenues	4,674	4,327	4,833	+11.7%	+3.4%
Operating expenses	-2,976	-2,930	-2,886	-1.5%	-3.0%
Loan loss provisions	-760	-1,486	-670	-54.9%	-11.8%
Net profit	645	-352	907	n.m.	+40.6%
Fully loaded CET1 ratio[2]	10.45%	11.15%	11.45%	+0.3pp	+1.0pp
RWA transitional[2], bn	394.4	390.6	385.3	-1.4%	-2.3%
Loans, excl. repos	421,077	417,868	419,267	+0.3%	-0.4%
Gross NPE	77,064	56,342	55,300	-1.8%	-28.2%
RoTE[3]	6.1%	n.m	9.4%	n.m.	+3.4pp
Cost income	63.7%	67.7%	59.7%	-8.0pp	-3.9pp
Cost of risk (bp)	67	132	60	-72bp	-8bp

(1) 4Q16 adj. for non recurring items of Transform 2019. Stated figures: Revenues: 4.2bn, Costs 3.6bn, LLP 9.6bn, Net loss -13.6bn. 1Q16 adj. for restructuring charges. C/I 4Q16 also adj. for temporary effect of IFRS5 at 64.5%. (2) 1Q16 CET1 ratio FL PF as published in 2Q16 results. CET1 and RWA 4Q16 PF for cap. increase. CET1 above 12% considering disposals of Pioneer & Pekao (c.1.5p.p.) and RWA dynamics expected in 2017. (3) 1Q17 figures include contribution to net profit from Pioneer & Pekao and exclude the full benefit of capital increase (given avg calculation) and M&A deal on tangible equity. RoTE at 7% at CMD perimeter.

Progress Transform 2019

STRENGTHEN AND OPTIMIZE CAPITAL

13bn rights issue

- Solid CET1 ratio at 11.45% fully loaded after successful 13bn capital increase, above 12% considering Pioneer & Pekao disposals and RWA dynamics expected in 2017

IMPROVE ASSET QUALITY

Balance sheet de-risking

- Reduced gross NPE to 55.3bn, with coverage ratio increased to 56.3%(1) in 1Q17
- Improved expected loss on performing stock, from 0.43% to 0.39% in 1Q17
- Operational plan on NPE finalized and consistent with both Transform 2019 and ECB guidelines
- Disposals of 0.3bn NPE portfolios in 1Q17 at Group level (additional 0.4bn in 2Q17, already classified held for sale in 1Q17)(2)

TRANSFORM OPERATING MODEL

FTE reduction

Branch reduction

- Reduced ~1,900 FTEs in 1Q17: decrease of ~4,500 since December 2015 (32% of target)
- Reduction of FTEs in support functions and operations by 7%, vs. target of 19% in 2019
- Branch closures in Western Europe on track with 36% of closures achieved out of target of 944

(1) Gross NPE at 24.4bn in the Group excl. Non Core in 1Q17 with a coverage ratio of 55.2%. Gross NPE at 30.9bn in the Non Core in 1Q17 with a coverage ratio of 57.2%.

(2) 1Q17 disposals of NPE at 0.2bn in the Group excl. Non Core (additional 0.4bn in 2Q17, already classified held for sale in 1Q17) and 0.1bn in the Non Core. Additional 0.5bn disposals of Non Core NPE already signed in 2Q17.

Progress Transform 2019

MAXIMIZE COMMERCIAL BANK VALUE

Simplification of Italy network

Strategic partnership

Multichannel offer/ customer experience

Capital markets

- Simplification of commercial network fully implemented, supported by 500 transformation agents
- Enabled a network of 600 merchants to accept payments from Chinese visitors with Alipay, further potential up to 120,000 merchants
- Extended UniCredit funds offer with Amundi products

- Strong focus on multichannel approach to clients across the Group, with positive results on:
  - –Number of remote sales, increased in Italy by c.60% Y/Y
  - –Number of online and mobile users, increased in CEE to 37.5% and 23.7% respectively

- Rank #1 in EMEA Bonds in Euro by number of transactions(1)
- Rank #1 in “Syndicated Loans in Italy, Germany and Austria”(1)
- Best trade finance house for Cash Management by Euromoney

ADOPT LEAN BUT STEERING CENTER

Holding organization

Group CC streamlining

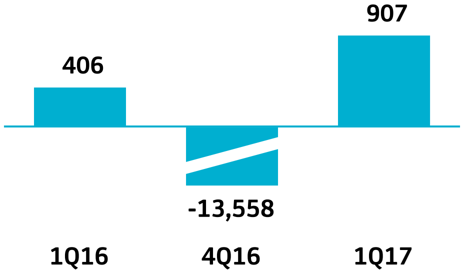
- New holding organization structure set up(2)
- Tangible results in 1Q17, with FTEs down by 5.6% Y/Y and costs down by 10.6% Y/Y

(1) Source: Dealogic Analytics, as of 3 April 2017. Period: 1 January – 31 March 2017. (2) Group Risk Management, Planning, Finance & Administration, Human Capital, Group Identity & Communication, Legal, Compliance, Group Institutional & Regulatory Affairs, Strategy and M&A.

Note: Full details of KPI in annex…

Group – 1Q17 net profit at 907m, with CIB, CEE and CBK Italy top contributors

Stated net profit, m

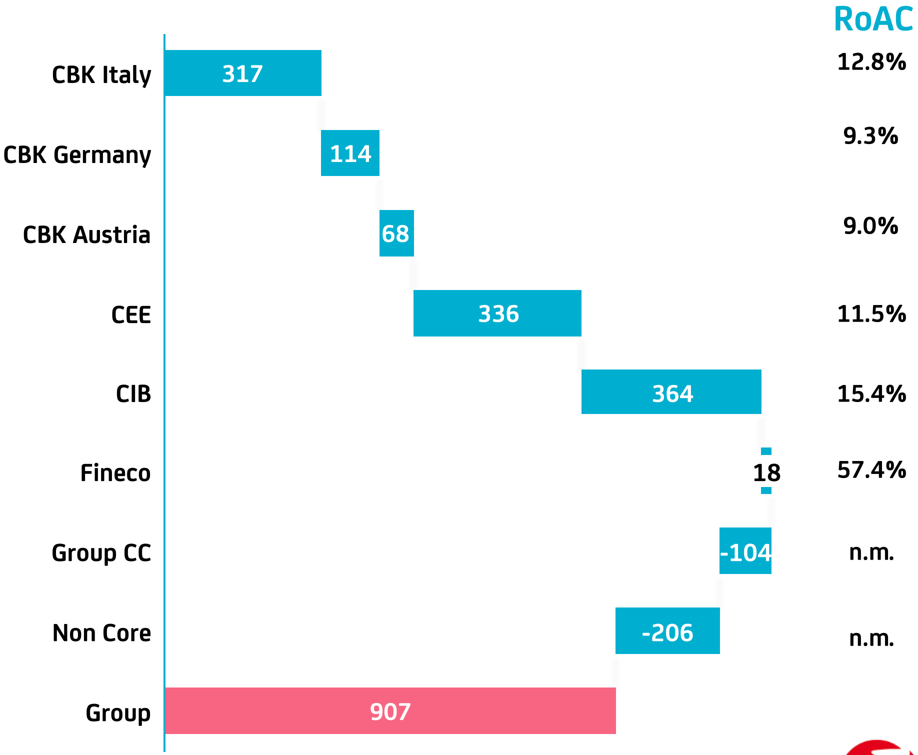


	1Q16	4Q16	1Q17
RoTE	3.8%	n.m.	9.4%

7% at CMD perimeter

- Net profit progressed Y/Y, underpinned by strong fee generation, some large client driven transactions in markets and lower LLP
- ROTE at 7% in 1Q17 at Capital Markets Day (CMD) perimeter, benefitting from seasonally positive performance in 1Q17

Net profit divisional breakdown, m



Group – Net profit increased supported by resilient recurring revenues and strong client driven transactions

Focus on expenses and cost of risk

- Net interest stabilized in 1Q17 after negative one-offs in 4Q16, in line with projections
- Fees improved Y/Y supported by investment and transactional services
- Trading income benefitting from some large client driven transactions in CIB
- Costs decrease confirms focus to deliver on Transform 2019
- LLP at 670m, confirming guidance of CoR at 65bp for full year 2017
- Systemic charges affected by Single Resolution Fund contributions related to full year 2017 entirely booked in 1Q17

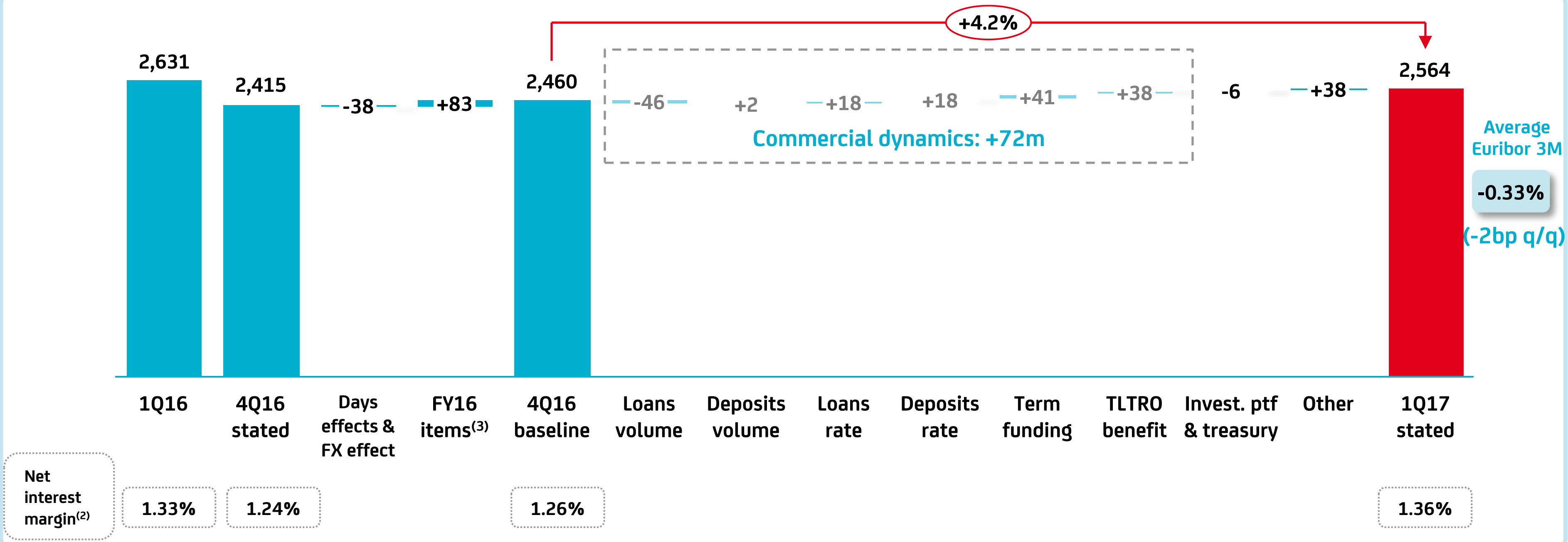
Euro (m)	*1Q16 adj.* (1)	*4Q16 adj.* (1)	*1Q17*	*Δ % vs. 4Q16 adj.*	*Δ % vs. 1Q16 adj.*
Total revenues	4,674	4,327	4,833	+11.7%	+3.4%
o/w Net interest	*2,631*	*2,415*	*2,564*	*+6.2%*	*-2.5%*
o/w Fees	*1,417*	*1,306*	*1,481*	*+13.5%*	*+4.5%*
o/w Trading	*337*	*459*	*590*	*+28.6%*	*+75.1%*
Operating costs	-2,976	-2,930	-2,886	-1.5%	-3.0%
Gross operating profit	1,698	1,397	1,947	+39.4%	+14.6%
Loan loss provisions	-760	-1,486	-670	-54.9%	-11.8%
Net operating profit	938	-89	1,277	n.m.	+36.1%
Other charges & provisions	-381	-244	-463	+89.9%	+21.6%
o/w Systemic charges	*-356*	*-55*	*-434*	*n.m.*	*+21.8%*
Profit before taxes	538	-509	833	n.m.	+54.7%
Income taxes	-197	-84	-212	*n.m.*	*+7.3%*
Net profit from discontinued op.(2)	398	364	376	*+3.5%*	*-5.5%*
Net profit	645	-352	907	n.m.	*+40.6%*

(1) 1Q16 net profit adjusted for the net additional impact of DBO in Austria and integration costs in Italy; 4Q16 net profit adjusted for non recurring items related to Transform 2019.

(2) Main components: (a) net profit for 1Q17 related to Pioneer; (b) net profit for 1Q17 related to Pekao (before minorities); (c) temporary effect following Pioneer & Pekao IFRS5 reclassification related to elimination of fees paid to the Commercial Banking Network (224m); this positive impact is compensated by an opposite negative adjustment of the same amount in the line Fees, being as a consequence neutral to the Group's bottom line.

Group – Net interest increased in 1Q17 with pricing pressure stabilizing. Positive commercial dynamics, confirming 10.2bn guidance for net interest in full year 2017

Net interest(1) bridge q/q, m



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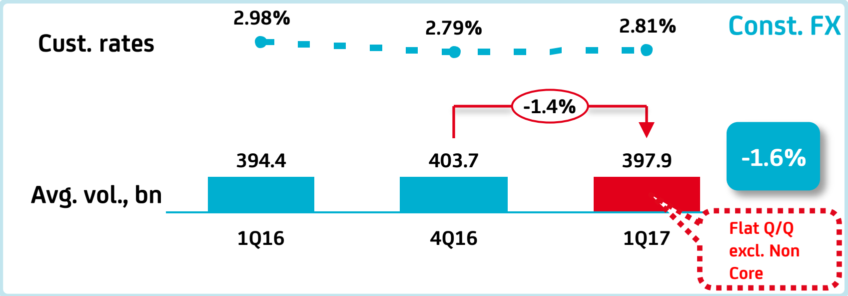
(1) Contribution from macro hedging strategy on non naturally hedged sight deposits in 1Q17 at 380m, -9m Q/Q and -3m Y/Y.

(2) Net interest margin calculated as interest income on earning assets minus interest expenses on earning liabilities.

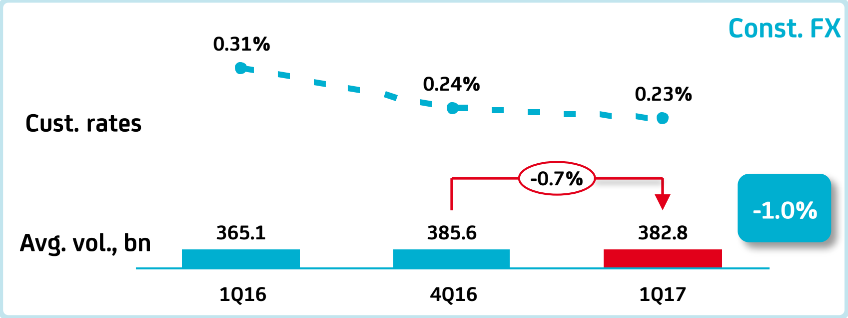
(3) Net interest in 4Q16 affected by charges previously booked as non operating items for c.100m related to FY16 entirely booked in 4Q16.

Group – Customer rates holding up well in the quarter with resilient loan volumes and spreads stabilizing across divisions

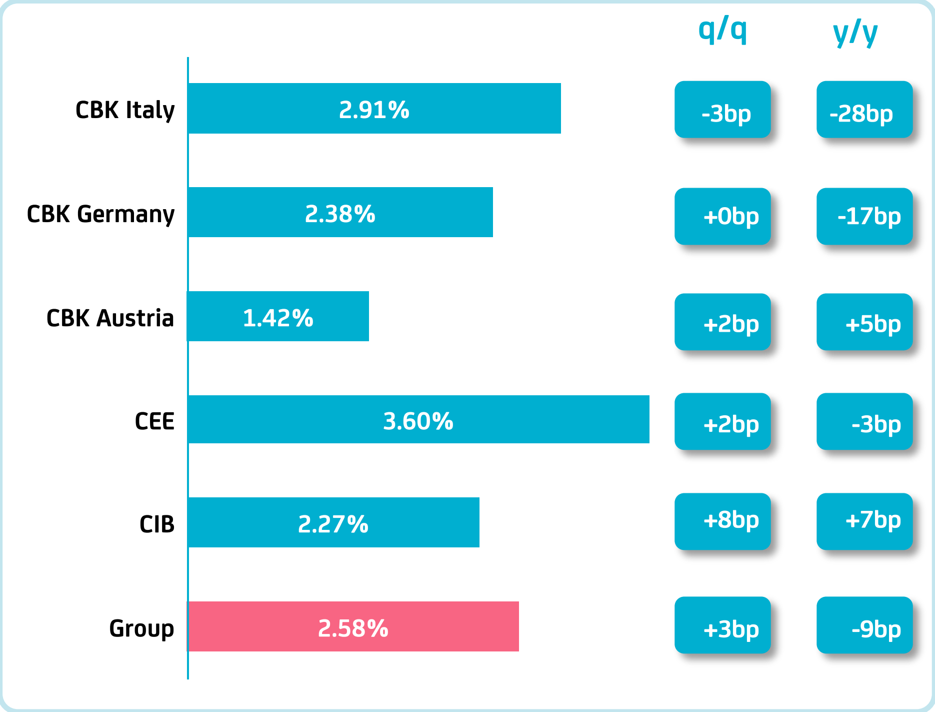
Avg commercial loans and rates



Avg commercial deposits and rates



Customer spreads[1] 1Q17

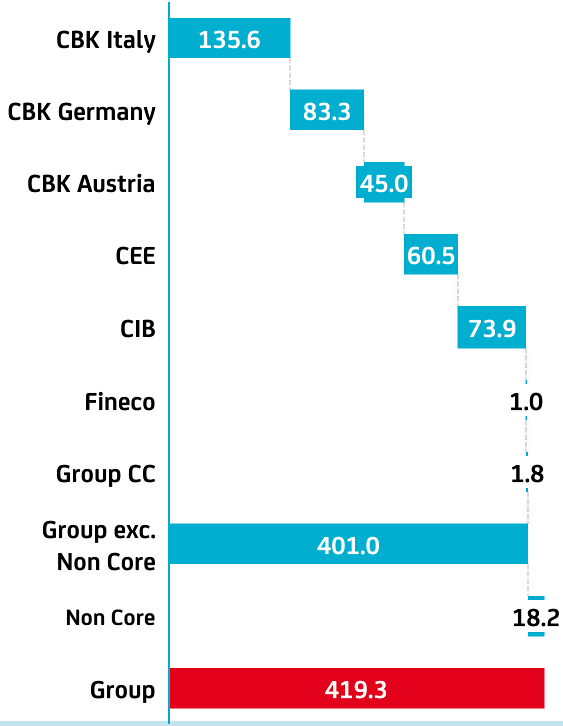


Note: average commercial volumes are managerial figures that exclude debt securities booked in loans and are calculated as daily averages. Loans net of provisions.

(1) Customer spreads defined the difference between Rate on customer loans and Rate on customer deposits.

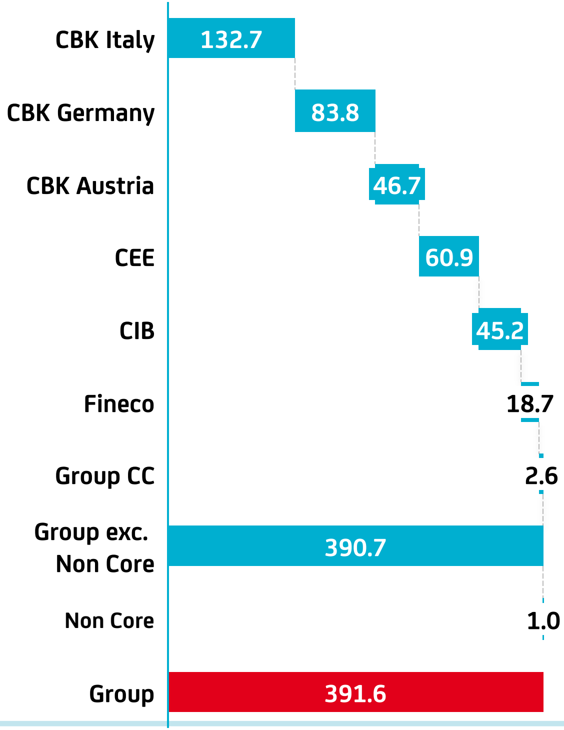
Group – End-of-period customer loans and deposits breakdown by division

Customer loans (end of period), bn



	q/q	y/y
CBK Italy	+0.5%	-0.0%
CBK Germany	+3.2%	+4.6%
CBK Austria	-0.1%	+0.6%
CEE	+0.9%	+4.7%
CIB	-2.1%	+9.0%
Fineco	+11.5%	+44.9%
Group CC	-9.6%	+1.5%
Group exc. Non Core	+0.5%	+3.4%
Non Core	-3.8%	-45.0%
Group	+0.3%	-0.4%

Customer deposits (end of period), bn

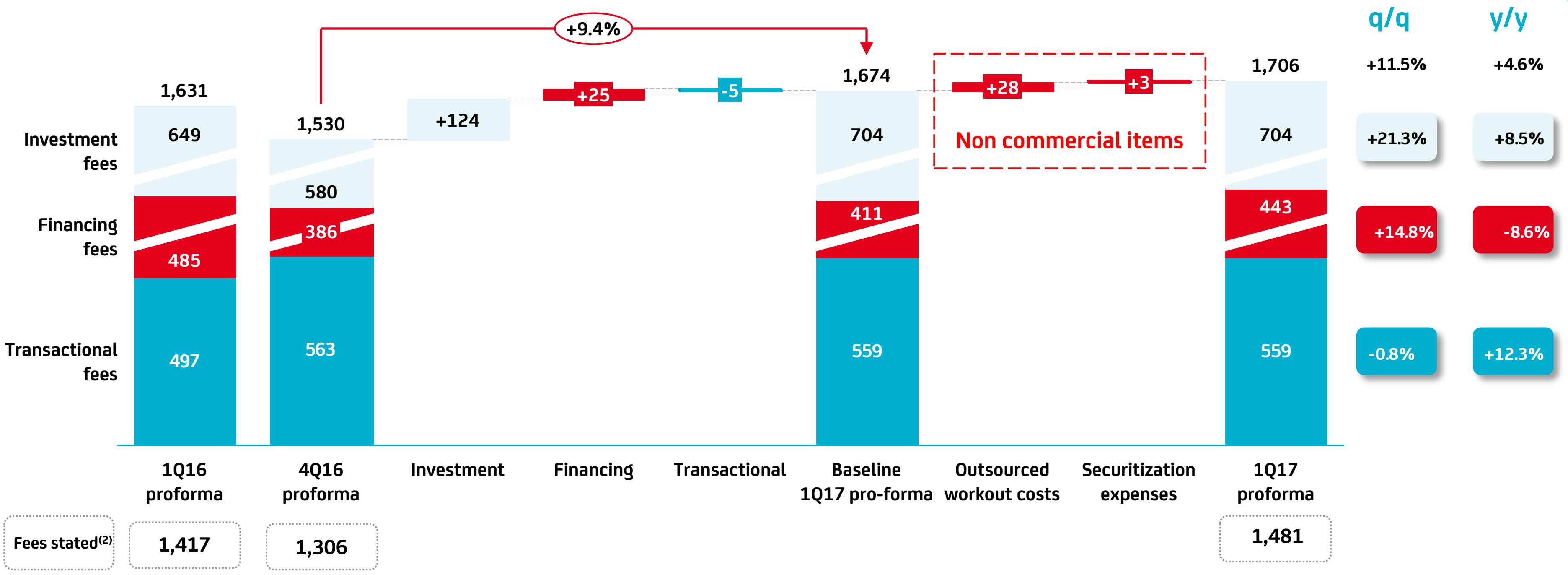


	q/q	y/y
CBK Italy	-1.4%	+5.8%
CBK Germany	-3.2%	+2.3%
CBK Austria	-0.8%	-1.1%
CEE	+3.0%	+5.3%
CIB	-1.2%	-1.9%
Fineco	+0.7%	+13.3%
Group CC	-20.3%	-17.6%
Group exc. Non Core	-1.1%	+3.3%
Non Core	+2.2%	-25.9%
Group	-1.1%	+3.2%

Note: end of period accounting volumes calculated excluding repos and intercompany items.

Group – Fees improved by 9.4% Q/Q supported by investment services and financing fees, benefitting from seasonality

Fees bridge in 1Q17, m – proforma(1) figures



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(1) Pro-forma data excluding the temporary effect of Pioneer & Pekao classified under IFRS5.

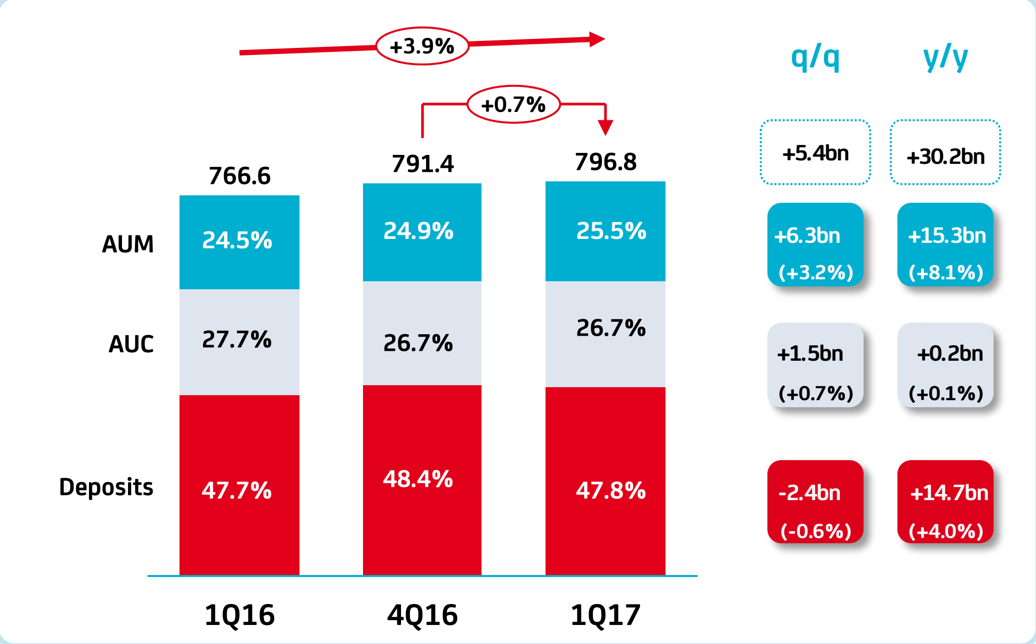
(2) Actual data, temporarily affected by the classification of Pioneer & Pekao under IFRS5.

Group – AUM increased Y/Y and Q/Q thanks to improved commercial dynamics

Main drivers

- TFAs at almost 797bn in 1Q17, up by over 30bn Y/Y thanks to higher AuM and deposits:
  i. CBK Italy up by 3.7bn Y/Y to 335bn with higher net sales of AUM
  ii. CBK Germany up by 11.7bn Y/Y to 165bn mainly thanks to AuC and deposits
  iii. CBK Austria up by 1.5bn Y/Y to 89bn thanks to focus on Private banking
  iv. Fineco up by 7.2bn Y/Y to 62bn mainly thanks to AuM

GROUP TFAs[1] 1Q17, bn



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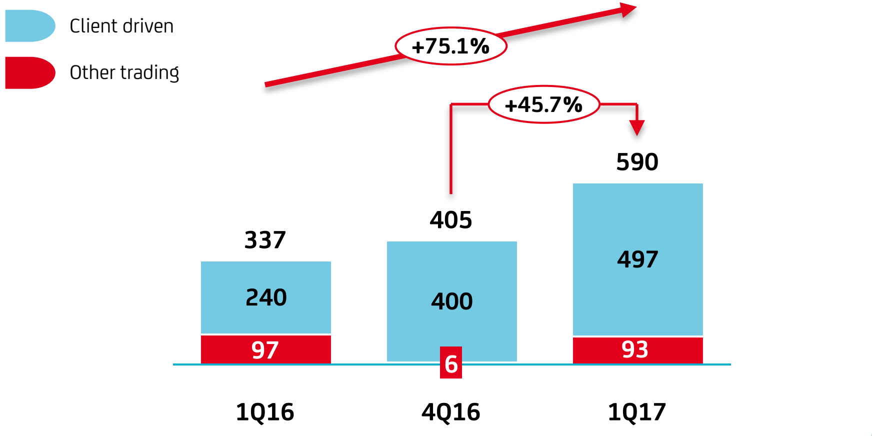
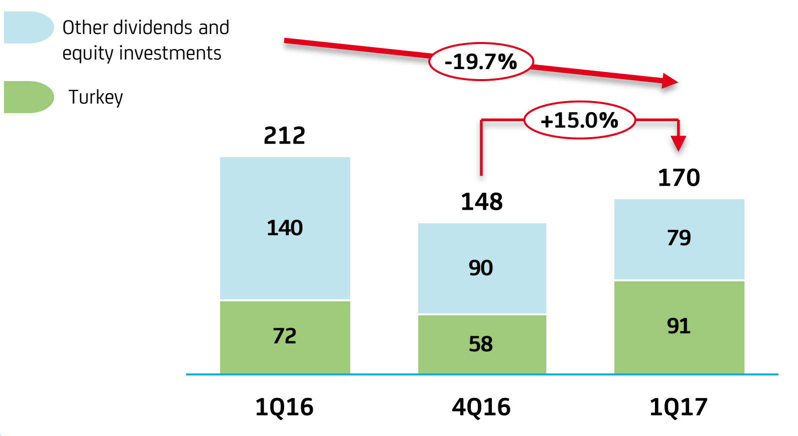
(1) Commercial Total Financial Assets.

Group –Trading income benefitting from large client driven transactions. Dividends increased thanks to a strong seasonal performance of Turkey

Trading income[(1)], m



Dividends[(2)], m



- Trading income benefitted from some large client driven transactions in CIB and realized gains

- Turkey's contribution increased by over 50% Y/Y at constant FX, mainly thanks to net interest (loan volumes up Y/Y and lower cost of funding) and fees
- Other dividends stable Y/Y net of positive non recurring items in 1Q16

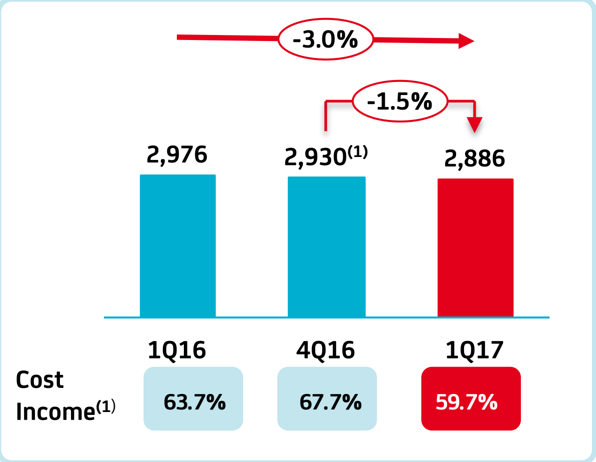
Note: balance of other operating income/expenses equal to +28m in 1Q17 (+79m Q/Q).

(1) Client driven trading includes value adjustments (excluding OCS) equal to -58m in 1Q17, 116m in 4Q16 and -29m in 1Q16. Other trading includes OCS adjustments equal to -25m in 1Q17, -21m in 4Q16 and +11m in 1Q16.

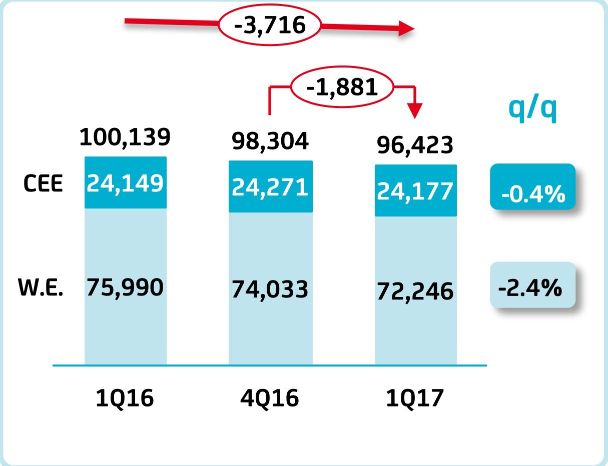
(2) Figures include dividends and equity investments. Turkey contribution based on a divisional view. Balance of other operating income/expenses equal to 28m in 1Q17, -51m in 4Q16 and 77m in 1Q16.

Group – Positive trend in cost reduction in line with Transform 2019 actions

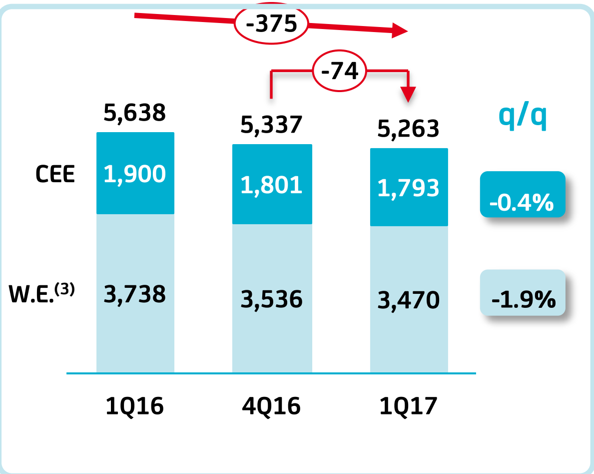
Costs, m



FTEs(2)



Branches



- Confirmed downward trend of costs, thanks to ongoing transformation

- FTEs reduced by almost 1,900 in 1Q17, c.4,500 since December 2015 (32% of target of 14,000)

- Branch closures in Western Europe on track with c.340 fewer branches since December 2015 (36% of target of 944)

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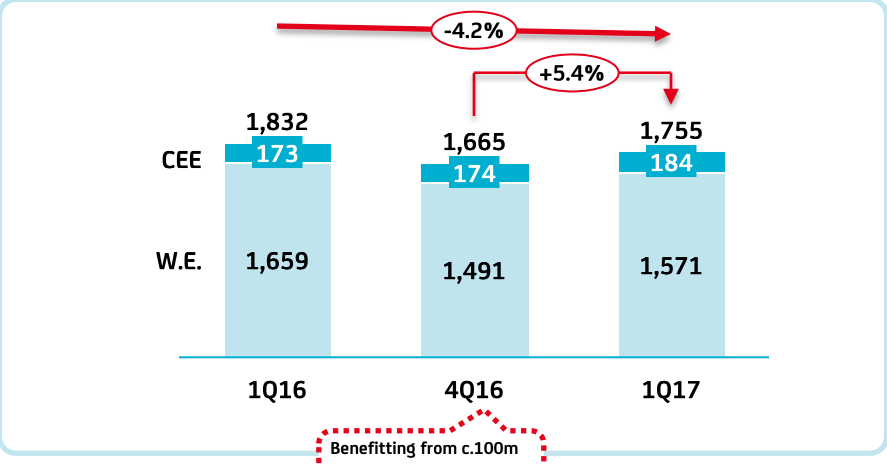
(1) Net of 4Q16 non recurring items related to Transform 2019. C/I adjusted for non recurring items and for the temporary effect of IFRS5 at 60.8% in 1Q16, 64.5% in 4Q16 and 57.0% in 1Q17

(2) Excluding FTEs related to industrial legal entities fully consolidated (402 in 1Q17).

(3) Branches figures consistent with CMD perimeter.

Group – Y/Y decrease of both Staff expenses and Non HR costs

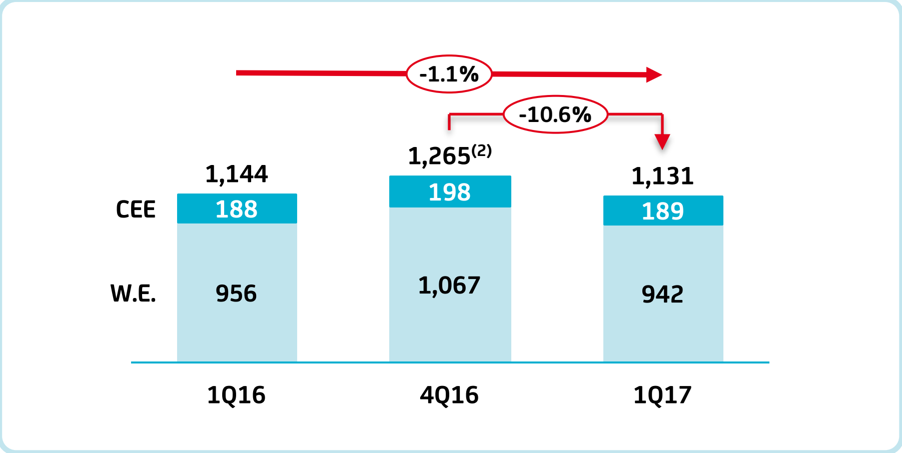
Staff expenses, m



Benefitting from c.100m realignment of variable compensation

- Staff expenses down Q/Q net of variable compensation release in 4Q16, confirming a continued reduction supported by lower FTE

Non HR Costs(1), m



- Non HR costs continued reduction with lower depreciation and administrative expenses Q/Q

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(1) Other administrative expenses net of expenses recovery and indirect costs, depreciation and amortization.

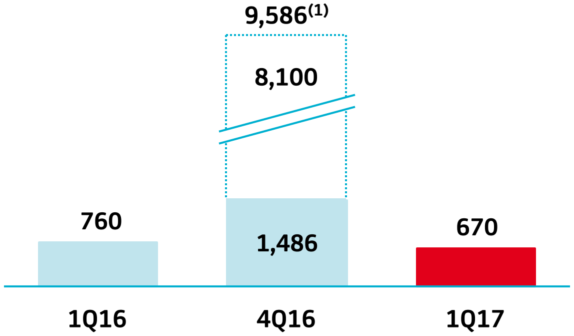
(2) Net of 4Q16 non recurring items related to Transform 2019.

Group – Lower loan loss provisions in 1Q17, confirming positive asset quality trends

Main drivers

- LLP at 670m in 1Q17 (-11.8% Y/Y), confirming guidance of 65bp for cost of risk in 2017
- Strengthened coverage ratio at 56.3% and gross NPE ratio down by 41bp
- LLP in CEE higher Y/Y following a prudent approach on some large files
- LLP in CBK Italy materially down Q/Q, higher Y/Y reflecting the Group's conservative approach to NPE
- CBK Germany and Austria continued to prove solid asset quality, with CoR at 10bp in Germany and write-backs in Austria
- CIB confirmed a good asset quality, with a low cost of risk of 27bp
- Non Core LLP substantially down at 201m in 1Q17

Loan loss provisions, m



	1Q16	4Q16	1Q17
Cost of risk[1]	67 bp	132 bp	60 bp
Cov. ratio gross NPE	51.4%	55.6%	56.3%
Gross NPE ratio	15.5%	11.8%	11.4%

(1) 4Q16 adjusted for 8.1bn one off LLP, CoR 4Q16 stated equal to 855bp.

CBK Italy – Better operating profitability and improved C/I ratio below 60%

Main drivers

- Positive net interest dynamics Q/Q after negative one-offs in 4Q16, also supported by the accrual of TLTRO benefit, while Y/Y net interest reduced mainly due to lower interest rates
- Loan volumes up by 0.5% Q/Q, with retail and leasing stable, corporate up by 3.6% Q/Q and seasonally weak factoring
- Positive progression of fees driven by investment products. In particular the placement of AuM products increased, resulting in higher fees, mainly upfront on mutual funds
- Confirmed cost efficiencies thanks to lower FTEs (-623 Q/Q) and branches (-59 Q/Q)
- LLP in CBK Italy materially down Q/Q, higher Y/Y reflecting a conservative approach to NPE
- Simplification of commercial network fully implemented, supported by 500 transformation agents
- Gross NPE ratio at 7%, with improving flows dynamics

Euro (m)	*1Q16*	*4Q16*	*1Q17*	*Δ % vs. 4Q16*	*Δ % vs. 1Q16*
Total revenues	1,932	1,679	1,858	+10.7%	-3.8%
o/w Net interest	*1,001*	*876*	*924*	*+5.4%*	*-7.7%*
o/w Fees	*930*	*810*	*947*	*+16.9%*	*+1.8%*
Costs	-1,174	-1,106	-1,111	+0.4%	-5.4%
Gross operating profit	758	573	748	+30.5%	-1.4%
LLP	-228	-1,292	-241	-81.3%	+5.9%
Net operating profit	531	-719	506	n.m.	-4.6%
Net profit	304	-1,420	317	n.m.	+4.3%
RoAC	11.5%	n.m.	12.8%	n.m.	+1.3pp
C/I	60.7%	65.9%	59.8%	-6.1pp	-1.0pp
CoR (bp)	68	380	71	n.m.	+3bp
Branches(1)	3,225	3,054	2,995	-1.9%	-7.1%
FTE	36,095	35,022	34,399	*-1.8%*	*-4.7%*
Gross NPE ratio	6.1%	6.8%	7.0%	+21bp	+96bp

(1) Branches figures consistent with CMD perimeter.

CBK Germany – Positive start of 2017 thanks to strong seasonal revenue performance in the quarter

Main drivers

- Resilient net interest supported by higher corporate loans & repricing of liabilities in the quarter
- Strong seasonal revenue performance in the quarter thanks to transactional & investment fees
- Confirmed cost reduction net of 4Q16 releases, thanks to lower FTEs and branches, leading to C/I ratio of 67.6% (-6pp Y/Y)
- Cost of risk at 10bp, confirming positive asset quality trends with lower gross NPE ratio at 2.6%

Euro (m)	*1Q16*	*4Q16*	*1Q17*	*Δ % vs. 4Q16*	*Δ % vs. 1Q16*
Total revenues	651	613	704	+14.9%	+8.2%
o/w Net interest	*394*	*343*	*397*	*+15.8%*	*+0.9%*
o/w Fees	*188*	*182*	*234*	*+29.1%*	*+24.3%*
Costs	-479	-471	-476	+1.0%	-0.6%
Gross operating profit	172	142	228	+61.1%	+32.8%
LLP	22	36	-20	n.m.	n.m.
Net operating profit	194	178	208	+17.1%	+7.4%
Net profit	108	-154	114	n.m.	+6.2%
RoAC	8.1%	n.m.	9.3%	n.m.	+1.2pp
C/I	73.6%	76.9%	67.6%	-9.3pp	-6.0pp
CoR (bp)	-11	-18	10	+28bp	+21bp
Branches[1]	342	341	341	+0.0%	-0.3%
FTE	11,220	10,953	10,805	*-1.4%*	*-3.7%*
Gross NPE ratio	3.2%	2.8%	2.6%	-26bp	-61bp

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(1) Branches figures consistent with CMD perimeter.

CBK Austria – Positive bottom line after restructuring actions affecting 2016

Main drivers

- Net interest flat Q/Q with resilient loans and repricing of deposits. Yearly comparison affected by negative rate environment
- Fees improved Y/Y thanks to progress in investment fees, with Q/Q trend affected by one-off booked in 4Q16
- Lower costs thanks to ongoing restructuring, supported by reduced FTEs and branches, resulting in improved C/I Y/Y
- Cost of risk at -44bp due to write-backs, in line with Y/Y dynamics, confirming sound asset quality with gross NPE ratio further down at 4.6%
- TFAs up by 1.5bn Y/Y to 89bn thanks to focus on Private banking and benefitting from new advisory approach

Euro (m)	*1Q16*	*4Q16*	*1Q17*	*Δ % vs. 4Q16*	*Δ % vs. 1Q16*
Total revenues	381	401	366	-8.7%	-3.9%
o/w Net interest	*200*	*170*	*171*	*+1.1%*	*-14.1%*
o/w Fees	*147*	*156*	*154*	*-1.6%*	*+4.9%*
Costs	-313	-309	-283	-8.2%	-9.5%
Gross operating profit	68	92	82	-10.5%	+21.6%
LLP	-4	-60	52	n.m.	n.m.
Net operating profit	64	32	134	n.m.	n.m.
Net profit	-207	-364	68	n.m.	n.m.
RoAC	n.m.	n.m.	9.0%	n.m.	n.m.
C/I	82.2%	77.1%	77.5%	+0.5pp	-4.7pp
CoR (bp)	3	49	-44	-93bp	-46bp
Branches(1)	171	141	134	-5.0%	-21.6%
FTE	5,764	5,596	5,424	*-3.1%*	*-5.9%*
Gross NPE ratio	5.5%	4.9%	4.6%	-32bp	-89bp

(1) Branches figures consistent with CMD perimeter.

CEE – Strong performance, confirming the role of growth engine of the Group

Main drivers

- Strong revenue generation in 1Q17:
  - i. net interest improved Y/Y sustained by lower cost of funding and higher loan volumes. Q/Q trend affected by lower loan volumes in Russia, reflecting a liquid market environment and a conservative underwriting approach
  - ii. fees improved mainly thanks to transactional banking
- Costs improved Y/Y and Q/Q at constant FX, with a C/I below 35%
- Asset quality improved with gross NPE ratio at 9.4% (-201bp Y/Y)
- Active NPE management, with 0.1bn disposals in 1Q17 (additional 0.4bn in 2Q17, already classified held for sale in 1Q17)
- LLP in CEE higher Y/Y following a prudent approach on some large files

Euro (m)	*1Q16*	*4Q16*	*1Q17*	*Δ const. % vs. 4Q16*	*Δ const % vs. 1Q16*
Total revenues	942	998	1,070	+6.5%	+9.9%
o/w Net interest	*596*	*639*	*647*	*-1.1%*	*+1.2%*
o/w Fees	*191*	*198*	*211*	*+5.5%*	*+6.8%*
Costs	-361	-371	-374	-0.8%	-1.1%
Gross operating profit	580	627	696	+10.8%	+16.8%
LLP	-139	-316	-185	-41.8%	+26.7%
Net operating profit	442	311	511	+62.4%	+13.7%
Net profit	316	198	336	+67.5%	+5.5%
RoAC	10.5%	6.7%	11.5%	+4.8pp	+1.0pp
C/I	38.4%	37.2%	34.9%	-2.3pp	-3.4pp
CoR (bp)	96	210	122	-88bp	+26bp
Branches	1,900	1,801	1,793	-0.4%	-5.6%
FTE	24,149	24,271	24,177	*-0.4%*	*+0.1%*
Gross NPE ratio	11.4%	9.9%	9.4%	-53bp	-201bp

Note: variations Q/Q and Y/Y at constant FX (ROAC, C/I, NPE and CoR variations at current FX).

CIB – Robust progression of performance thanks to client driven business

Main drivers

- Revenues increased thanks to strong flow business in GTB and Markets, with client related income improving from 72% to 77% vs. 1Q16
- Net interest decreased primarily due to lower contribution from the investment portfolio
- Strong market activity thanks to some large client driven transactions booked in the trading line
- Fees improved Q/Q driven by financing fees after a weak 4Q16
- Low C/I at 37.4%
- Solid asset quality confirmed, with a cost of risk of 27bp and improving gross NPE ratio

Euro (m)	*1Q16*	*4Q16*	*1Q17*	*Δ % vs. 4Q16*	*Δ % vs. 1Q16*
Total Revenues	1,079	971	1,148	+18.2%	+6.3%
o/w Net interest	*586*	*547*	*528*	*-3.4%*	*-9.9%*
o/w Fees	*159*	*125*	*142*	*+14.2%*	*-10.5%*
o/w Trading	*267*	*274*	*452*	*+65.2%*	*+69.6%*
Costs	-424	-426	-430	+0.7%	+1.3%
Gross operating profit	656	545	718	+31.8%	+9.6%
LLP	-62	-408	-72	-82.3%	+16.6%
Net operating profit	594	137	646	n.m.	+8.8%
Net profit	306	125	364	n.m.	+18.8%
RoAC	14.0%	4.5%	15.4%	+10.9pp	+1.4pp
C/I	39.3%	43.9%	37.4%	-6.5pp	-1.8pp
CoR (bp)	24	157	27	n.m.	+2bp
FTE	3,568	3,446	3,411	*-1.0%*	*-4.4%*
Gross NPE ratio	4.3%	4.0%	3.7%	-30bp	-64bp

Fineco – Key player in asset gathering business in Italy, with 1.1m digital customers

Main drivers

- Fineco TFAs up by 7.2bn Y/Y to 62bn in 1Q17 mainly thanks to AuM growth, mainly thanks to higher margin products
- Investment fees continued to increase Q/Q and Y/Y mainly thanks to management fees sustained by the successful shift towards high margin products
- Operating costs substantially flat Y/Y

Euro (m)	*1Q16*	*4Q16*	*1Q17*	*Δ % vs. 4Q16*	*Δ % vs. 1Q16*
Total revenues	140	138	142	+2.5%	+1.2%
o/w Net interest	*62*	*63*	*63*	*-0.8%*	*+1.0%*
o/w Fees	*58*	*66*	*65*	*-1.7%*	*+11.2%*
Costs	-60	-55	-61	+9.8%	+0.8%
Gross operating profit	80	83	81	-2.3%	+1.5%
LLP	-1	-1	-1	-20.5%	-62.5%
Net operating profit	78	82	80	-2.2%	+2.7%
Minorities	-33	-32	-33	+4.5%	+0.9%
Net profit	18	17	18	+4.5%	+0.9%
RoAC	68.0%	49.0%	57.4%	+8.4pp	-10.5pp
C/I	43.0%	40.0%	42.9%	+2.8pp	-0.2pp
AUM	25,565	28,608	29,742	+4.0%	+16.3%
AUM/TFA %	46.5%	47.5%	47.8%	+0.3pp	+1.3pp

Note: net profit reflects consolidated view, i.e. 35% ownership by UniCredit. Previous data restated.

Group Corporate Center – Reduction of the weight of Corporate Center, leading to lower net loss

Main drivers

- Net loss at 104m in 1Q17, improving by over 30% Y/Y thanks to net interest (benefiting from lower funding costs) and decreasing costs (-11% Y/Y)
- Decrease in FTEs as main driver of costs reduction, reflecting the ongoing restructuring initiatives
- Net profit from discontinued operations positively impacted by Pioneer & Pekao net profit for 1Q17 as well as intercompany fees related to Pioneer, under IFRS5(1)

Euro (m)	*1Q16*	*4Q16*	*1Q17*	*Δ % vs. 4Q16*	*Δ % vs. 1Q16*
Total revenues	-439	-446	-411	-7.8%	-6.4%
Costs	-123	-766	-110	-85.7%	-10.6%
Gross operating profit	-562	-1,211	-520	-57.0%	-7.3%
LLP	-6	12	-3	n.m.	-55.4%
Net operating profit	-567	-1,199	-523	-56.4%	-7.8%
Net profit from discontinued oper.(1)	389	-535	352	n.m.	-9.6%
Net loss	-151	-3,637	-104	-97.1%	-30.8%
FTE	17,649	17,441	16,652	-4.5%	-5.6%
Costs GCC/ Tot. costs(2)	3.9%	5.4%	3.7%	-1.7pp	-0.2pp

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(1) Main components: (a) net profit for 1Q17 related to Pioneer; (b) net profit for 1Q17 related to Pekao (before minorities); (c) temporary effect following Pioneer & Pekao IFRS5 reclassification related to elimination of fees paid to the Commercial Banking Network (224m); this positive impact is compensated by an opposite negative adjustment of the same amount in the line Fees, being as a consequence neutral to the Group's bottom line.

(2) Proforma for non recurring items related to Transform 2019 and the temporary effect of IFRS5 on fees.

Non Core – Continued reduction of gross loans down to 36.4bn in 1Q17

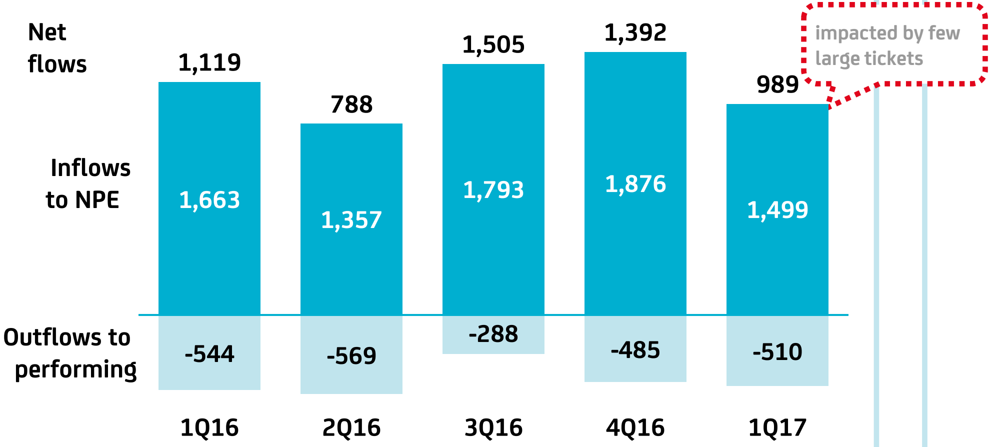
Main drivers

- 0.2bn net loss in 1Q17, down by 28.5% Y/Y
- Net operating loss improving Q/Q by 0.2bn adjusted for non recurring items in 4Q16, thank to revenues (lower funding costs related to lower volumes)
- LLP substantially down to 201m after Transform 2019 actions
- Net NPE continued reduction by 3.6% Q/Q, along with a strengthened coverage ratio at 57.2%
- NPE disposals for 0.1bn in 1Q17

Euro (m)	*1Q16*	*4Q16*	*1Q17*	*Δ % vs. 4Q16*	*Δ % vs. 1Q16*
Total revenues	-11	-131	-43	n.m.	n.m.
Costs	-42	-51	-43	-15.7%	+1.1%
Gross operating profit	-54	-182	-86	-52.8%	+60.3%
LLP	-343	-7,559	-201	n.m.	-41.5%
Net loss	-289	-8,324	-206	n.m.	-28.5%
Gross customer loans, bn	60,474	37,137	36,360	-2.1%	-39.9%
o/w NPE	51,355	31,476	30,920	-1.8%	-39.8%
o/w Performing	9,119	5,661	5,440	-3.9%	-40.3%
NPE coverage ratio, %	52.5%	56.4%	57.2%	+83bp	+468bp
Net NPE, bn	24,391	13,737	13,239	-3.6%	-45.7%
RWA, bn	29,103	26,196	25,230	-3.7%	-13.3%

Group excl. Non Core – Improvement of inflows to NPE and migration from UTP to Bad Loans both Q/Q and Y/Y

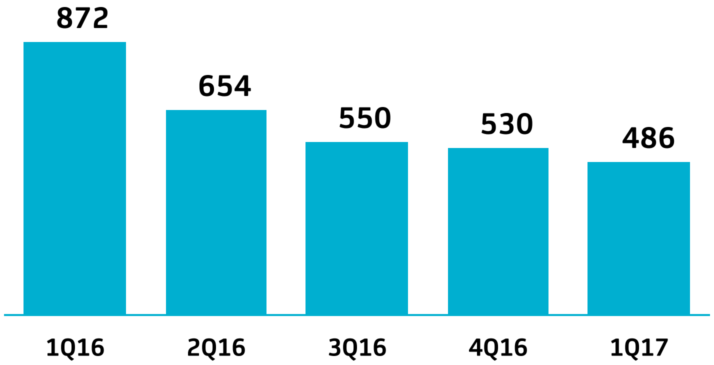
Group excl. Non Core – net flows to NPE, m



impacted by few large tickets

	1Q16	2Q16	3Q16	4Q16	1Q17
Default rate	1.7%	1.4%	1.8%	1.9%	1.4%
Cure rate	8.4%	8.8%	4.5%	7.5%	8.3%

Group excl. Non Core – Unlikely-to-pay to Bad, m



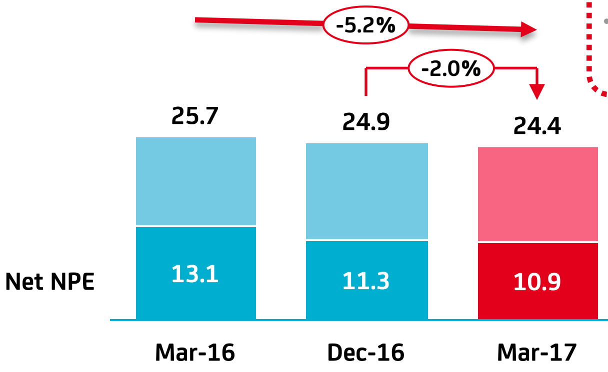
	1Q16	2Q16	3Q16	4Q16	1Q17
Migration rate	29.8%	22.3%	18.8%	18.1%	17.7%

NB: managerial figures.

NB: default rate: Net inflow to NPE for UC spa + Gross inflow to NPE for Factoring/Leasing on performing previous year; Cure Rate: Back to Performing on Stock of Non Performing of previous year.

Group excl. Non Core – Asset quality further improved in the quarter with lower NPE, improved NPE ratios and strengthened coverage ratios

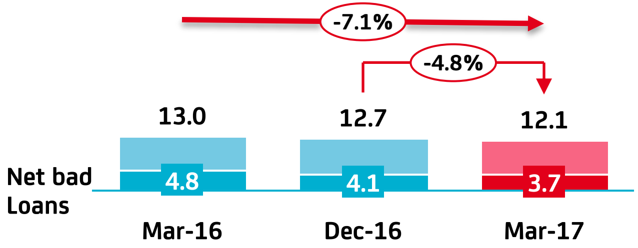
Non performing exposures, bn



- 0.2bn disposals in 1Q17
- Additional 0.4bn in 2Q17, already classified held for sale

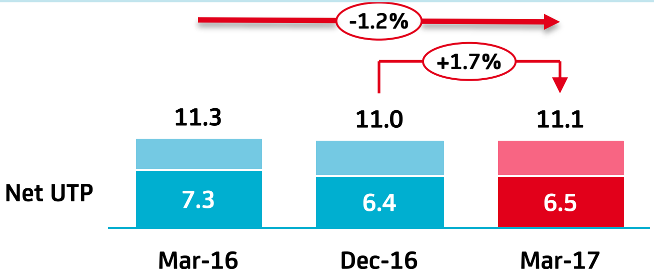
	Mar-16	Dec-16	Mar-17
Gross NPE ratio	5.9%	5.6%	5.4%
Net NPE ratio	3.1%	2.6%	2.5%
Coverage ratio	49.1%	54.7%	55.2%

o.w. Gross bad loans, bn



	Mar-16	Dec-16	Mar-17
Coverage ratio	63.1%	67.9%	69.8%

o.w. Gross unlikely to pay, bn

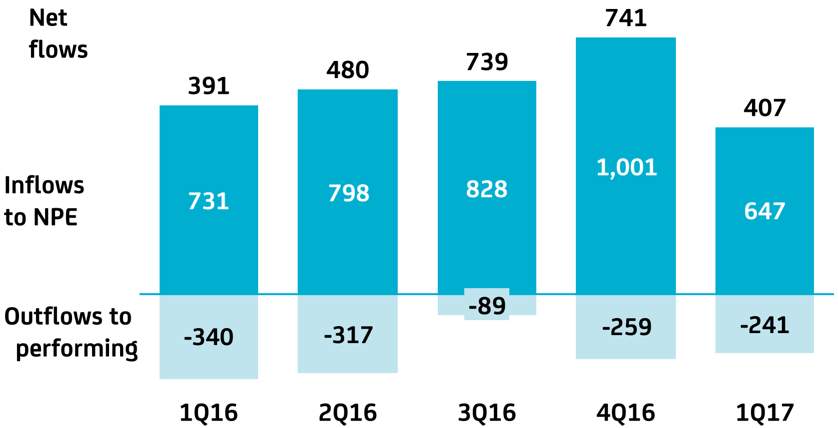


	Mar-16	Dec-16	Mar-17
Coverage ratio	35.2%	41.6%	41.6%

(1) Gross NPE including gross bad loans, gross unlikely-to-pay and gross Past due. Past due at 1.17bn in 1Q17 (-59m Q/Q and -264m Y/Y).

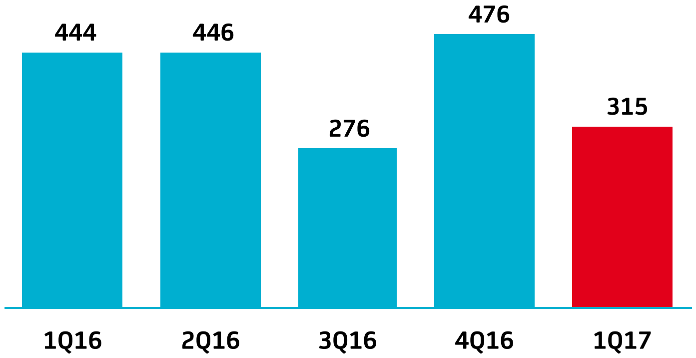
CBK Italy – Lowest inflows to NPE and migration rate over the last 5 quarters

CBK Italy – net flows to NPE, m



	1Q16	2Q16	3Q16	4Q16	1Q17
Default rate	2.3%	2.5%	2.6%	3.1%	2.0%
Cure rate	17.3%	16.1%	4.5%	13.2%	10.2%

CBK Italy – Unlikely-to-pay to Bad, m



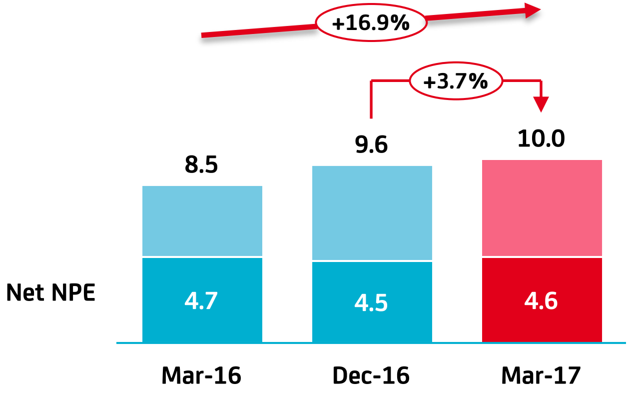
	1Q16	2Q16	3Q16	4Q16	1Q17
Migration rate	46.2%	46.4%	28.7%	49.5%	28.3%

Note: managerial figures.

Note: default rate: Net inflow to NPE for UC spa + Gross inflow to NPE for Factoring/Leasing on performing previous year; Cure Rate: Back to Performing on Stock of Non Performing of previous year.

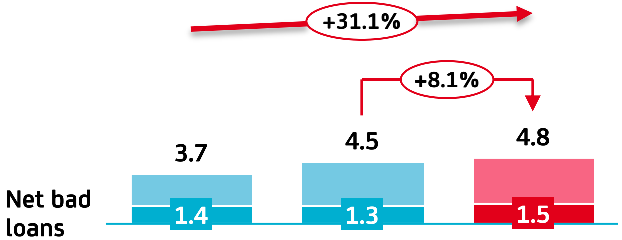
CBK Italy – Stable asset quality, with NPE affected by few individual names, along with strengthened coverage ratio thanks to a prudent stance

Non performing exposures, bn



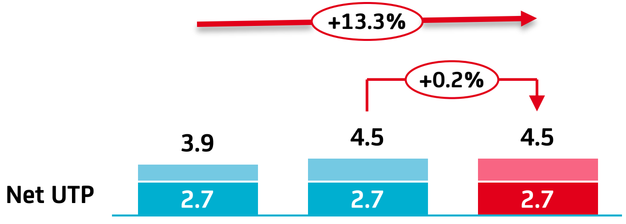
	Mar-16	Dec-16	Mar-17
Gross NPE ratio	6.1%	6.8%	7.0%
Net NPE ratio	3.5%	3.3%	3.4%
Coverage ratio	45.0%	53.3%	53.5%

o.w. Gross bad loans, bn



	Mar-16	Dec-16	Mar-17
Coverage ratio	63.4%	70.5%	69.6%

o.w. Gross unlikely to pay, bn



	Mar-16	Dec-16	Mar-17
Coverage ratio	31.9%	39.7%	39.9%

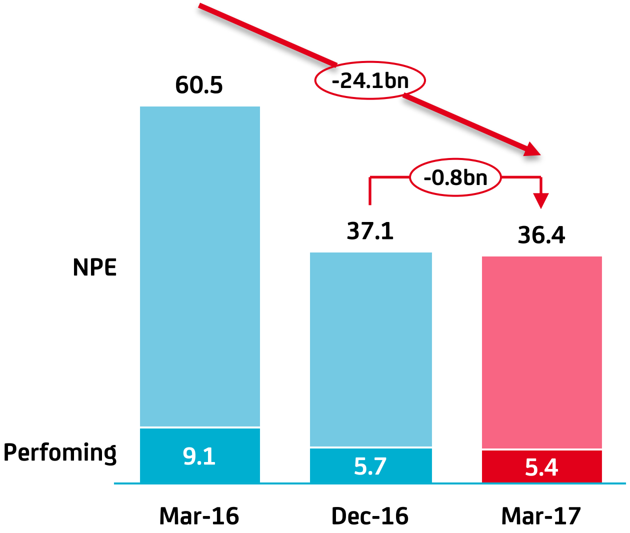
(1) Gross NPE including gross bad loans, gross unlikely-to-pay and gross Past due. Past due at 666m in 1Q17 (-14m Q/Q and -232m Y/Y).

Non Core – run down progressing mainly thanks to maturities, recoveries and write-offs

Actions of Non Core run down

FINO	Disposal of majority stake on track
Repayments	0.1bn in 1Q17
Disposals	0.1bn in 1Q17, additional 0.5bn disposals signed in 2Q17
Recoveries	0.3bn in 1Q17 with cash recovery rate continuing to improve in SpA
Write-offs	0.2bn in 1Q17

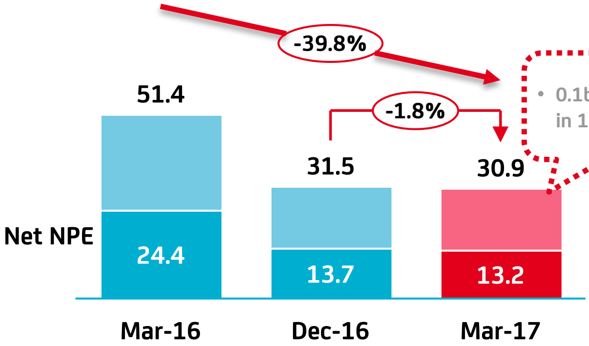
Gross loans, bn



Note: managerial figures.

Non Core – NPE continued to reduce Q/Q mainly thanks to improving flows. Coverage ratio up by 80bp Q/Q to 57.2%

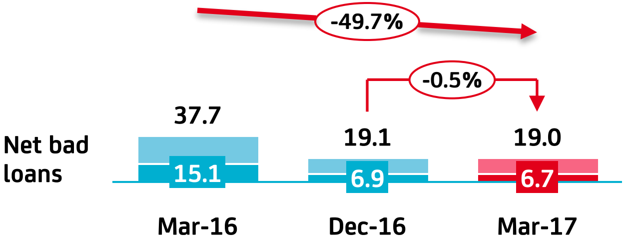
Non performing exposures[1], bn



- 0.1bn disposals in 1Q17

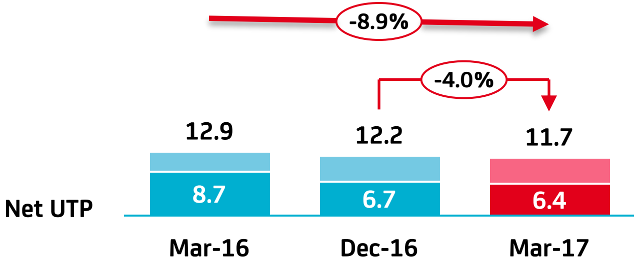
	Mar-16	Dec-16	Mar-17
Gross NPE ratio	84.9%	84.8%	85.0%
Net NPE ratio	73.5%	71.7%	71.7%
Coverage ratio	52.5%	56.4%	57.2%

o.w. Gross bad loans, bn



	Mar-16	Dec-16	Mar-17
Coverage ratio	60.0%	64.0%	64.6%

o.w. Gross unlikely to pay, bn

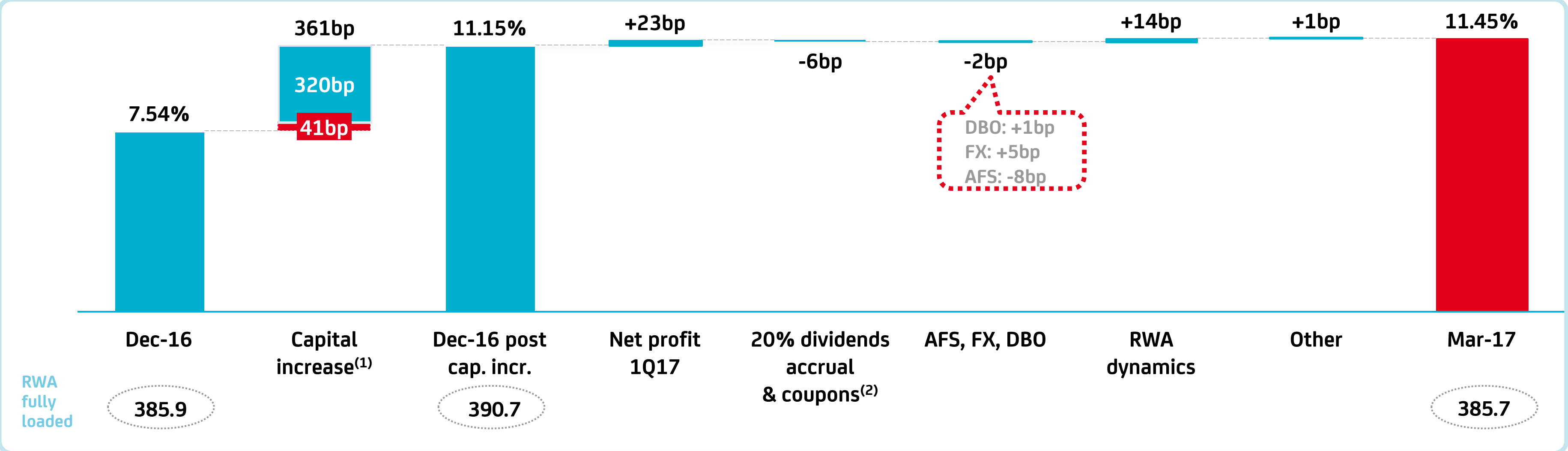


	Mar-16	Dec-16	Mar-17
Coverage ratio	32.2%	44.7%	45.7%

(1) Gross NPE including gross bad loans, gross unlikely-to-pay and gross Past due. Past due at 229m in 1Q17 (+26m Q/Q and -522m Y/Y).

Group – Solid CET1 ratio FL at 11.45% after successful 13bn capital increase, above 12% considering Pioneer & Pekao disposals and RWA dynamics expected in 2017

Fully loaded Common Equity Tier 1 ratio



- CET 1 ratio up by 361bp thanks to the successful completion of 13bn capital increase concluded in March
- Positive contribution of earning generation and RWA dynamics
- Dividend accrual for full year 2017 will be based on payout ratio of 20% on normalized earnings (excluding disposals)

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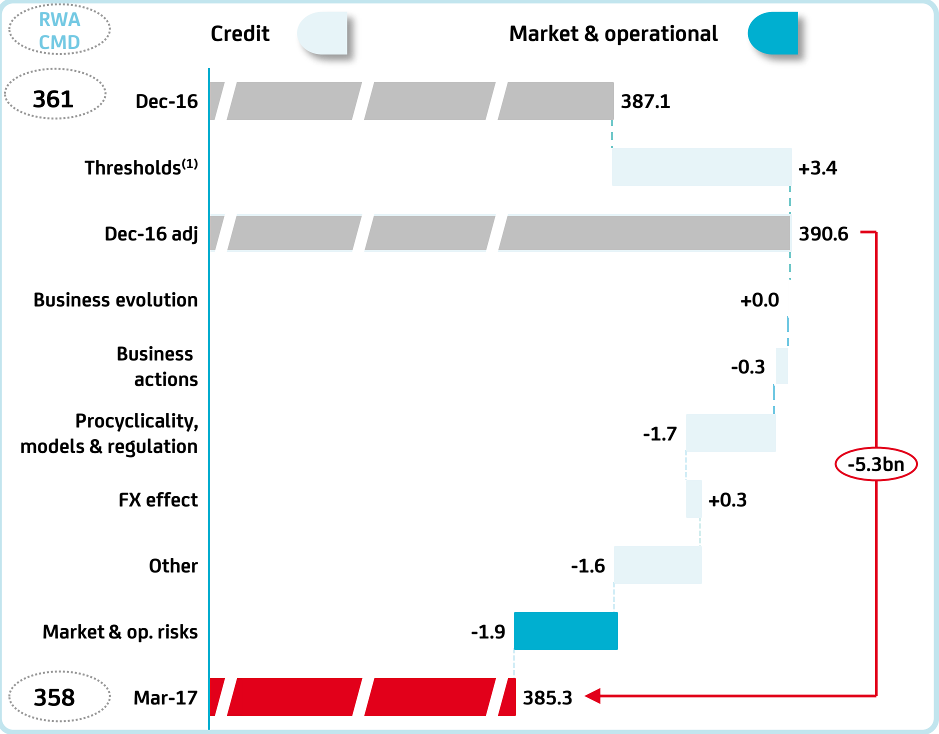
(1) Including the benefit of capital increase and of the reversal of thresholds related to financial participations and Deferred Tax Assets (41bp); Thresholds effect on CET1 ratio transitional is lower due to phase-in benefit.

(2) Coupons on Cashes and AT1 instruments paid in 1Q17 equal to 65.9m.

Group – RWA down in the quarter mainly thanks to regulatory effects on credit risk and lower market risk

Main drivers of RWA transitional



Credit RWA +0.1bn q/q

- **Thresholds:** +3.4bn from the reversal of thresholds post cap hike(1)
- **Business evolution**: flat with loans decreasing in higher risk weight exposures e.g. Russia
- **Business actions**: -0.3bn thanks to guarantees
- **Procyclicality & models**: broadly stable in 1Q17, expected to increase by over 10bn RWA in 2017
- **Regulation**: -1.6bn thanks to equivalence of Turkish govies to EU
- **FX**: +0.3bn, mainly related to Russia and Poland offsetting Turkish lira depreciation

Market RWA -2bn q/q

- **Market risk** -2bn Q/Q mainly thanks to regulatory changes

Operational RWA almost flat q/q

- **Operational risk** stable Q/Q at 38.5bn, down by 2.2bn Y/Y

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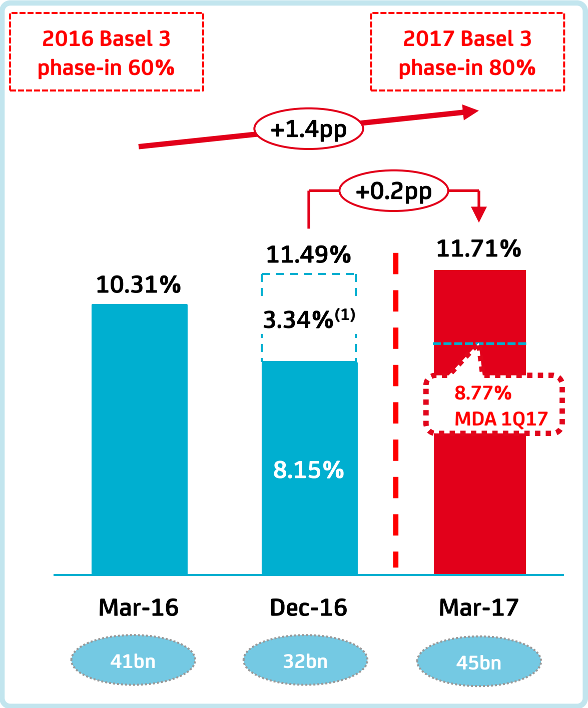
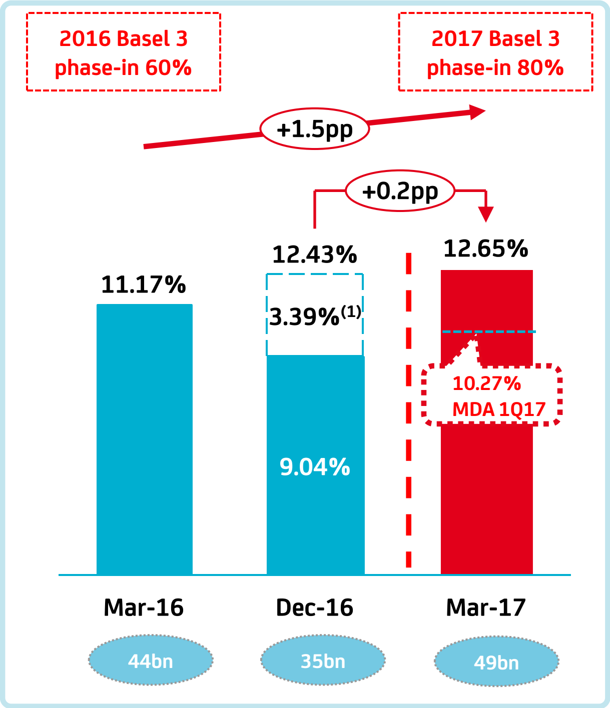
(1) Reversal of thresholds related to financial participations and DTA, previously deducted from CET1 and now risk weighted; threshold effect on CET1 ratio fully loaded is higher due to phase-in.
Business evolution: changes related to business development; **Business actions**: initiatives to proactively decrease RWA (mainly securitizations); **Models**: methodological changes to existing/ new models; **Procyclicality**: change in macro-economics framework or client's credit worthiness; **Regulation**: changes in regulation (eg. CRR or CRD); **FX**: translation of non-euro denominated exposures.

Group – Transitional ratios well above MDA after successful 13bn capital increase, above 12% considering Pioneer & Pekao disposals and RWA dynamics expected in 2017

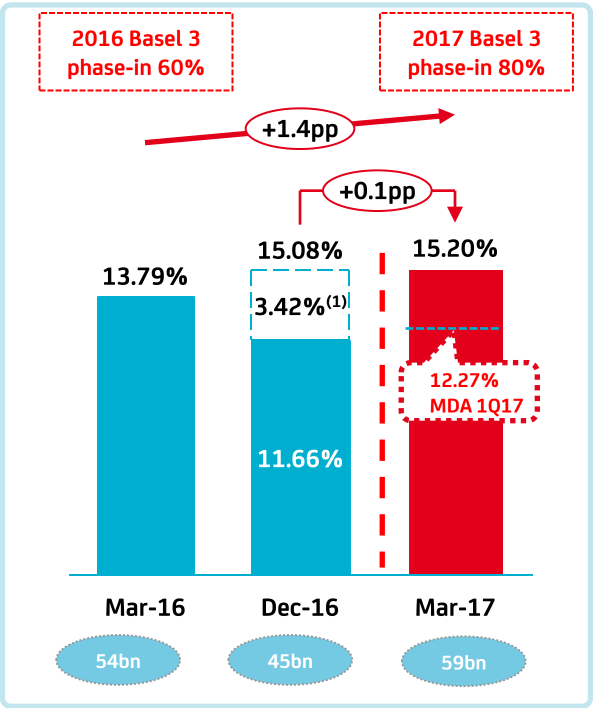
CET1 transitional



Tier 1 transitional



Total capital transitional

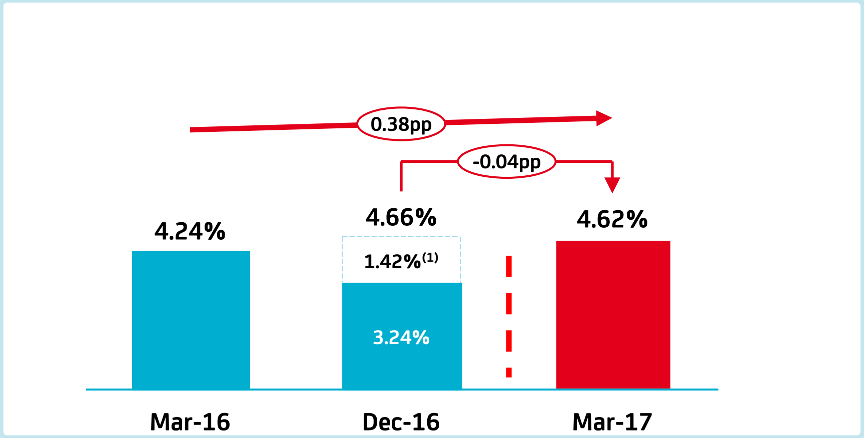


NB Phase-in of net liability related to Defined Benefit Obligation at 40% in 2016 and 60% in 2017.

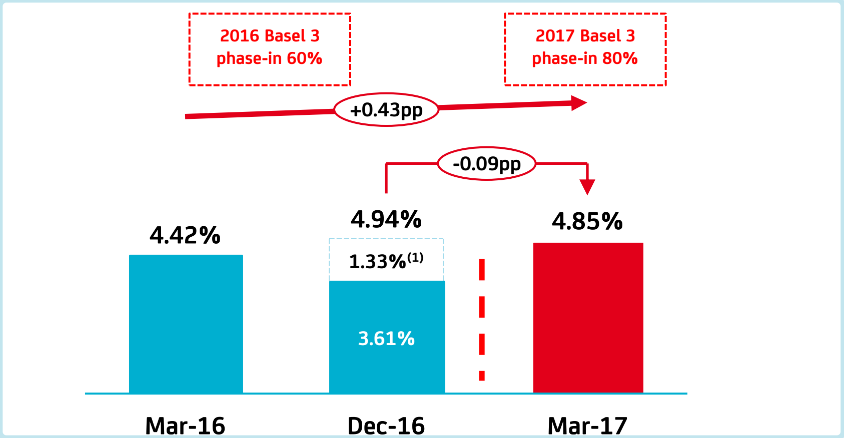
(1) Including the benefit of capital increase and of the reversal of thresholds related to financial participations and Deferred Tax Assets. Threshold effect on CET1 ratio transitional is lower due to phase-in benefit.

Group – Leverage ratio fully loaded at 4.62%, with higher T1 capital offset by increased exposure

Basel 3 leverage ratio fully loaded



Basel 3 leverage ratio transitional



- Leverage ratio fully loaded decreased by 4bp vs. 4Q16 proforma with T1 increase (+6bp Q/Q) offset by higher exposure (-10bp Q/Q), mainly related to cash / cash balances
- Leverage ratio transitional decreased by 9bp vs. 4Q16 proforma with T1 increase (+2bp Q/Q, affected by phase-in progression) offset by higher exposure (-11bp Q/Q)

NB Phase-in of DBO at 40% in 2016 and 60% in 2017. Leverage ratios for Mar-16 consistent with the disclosure provided with the application of the calculation rules set by the Delegated Act 2015/62.

(1) Including the benefit of capital increase and of the reversal of thresholds related to financial participations and DTA. Threshold effect on CET1 ratio transitional is lower due to phase-in benefit.

Concluding remarks

Resilient recurrent revenues thanks to strong business focus, with net interest stabilizing, strong trading profit and improved fees

Operating costs reduction confirmed thanks to Transform 2019 actions

Cost of risk at 60bp, confirming target for 2017 at 65bp

Non Core run down further continued with NPE down, confirming positive asset quality trends

Net profit at 907m, up by 40.6% Y/Y adjusted as a result of improved operating profitability

Solid CET1 ratio at 11.45% fully loaded after successful 13bn right issue, above 12% considering Pioneer & Pekao disposals and RWA dynamics expected in 2017

Transform 2019 target confirmed

Group – Monitoring KPIs

Group (bn)

	1Q17	2017	2019
Revenues	4.8	n.a.	20.4
Cost/income[1], %	57.0%	n.a.	<52%
Cost of Risk	60bp	65bp	49bp
Gross NPE stock	55.3	n.a.	44.3
Net NPE stock	24.2	n.a.	20.2
NPE coverage	56.3%	>54%	>54%
UTP coverage	43.7%	>38%	>38%
Bad loans cov.	66.6%	>65%	>63%
Net Income	0.91		4.7
RWA(2)	357.8	389.4	404.0
RoTE(3)	7.0%		>9%
CET1 ratio	11.45%		>12.5%

Risk Management & Capital Governance

	1Q17	2017	2019
Loan volumes	419.3		466.9
Deposits volumes	391.6		400.9

Note: 2017 and 2019 figures equal to CMD perimeter.

(1) 1Q17 adjusted for the temporary effect of IFRS5 on fees, in line with CMD perimeter.

(2) 1Q17 RWA figures equal to CMD perimeter.

(3) CMD perimeter. Actual ratio for 1Q17 equal to 9.4%.

Divisional monitoring KPIs for CBK Italy, Germany, Austria

	CBK Italy			CBK Germany			CBK Austria		
	1Q17	2017	2019	1Q17	2017	2019	1Q17	2017	2019
Revenues	1,858	7,378	7,613	704	2,461	2,441	366		1,636
Costs	-1,111	-4,504	-3,972	-476	-1,886	-1,698	-283		-1,015
Cost/income, %	59.8%	61.0%	52.2%	67.6%	76.6%	69.6%	77.5%		62.1%
Cost of Risk	71bp	67bp	53bp	10bp	15bp	15bp	-44bp		23bp
Loans(1)	135,597		154,322	83,273		90,794	44,960		49,117
RWA	78,747	87,845	90,687	36,436	35,674	36,871	22,423		24,446
ROAC, %	12.8%	11.5%	15.7%	9.3%	4.2%	7.1%	9.0%		13.3%
NPE ratio, %	7.0%		5.2%	2.6%		3.1%	4.6%		5.0%

Note: 2017 and 2019 figures equal to CMD presentation.

(1) Excluding Intercompany and repos.

Divisional monitoring KPIs for CIB, CEE

	CEE			CIB		
	1Q17	2017	2019	1Q17	2017	2019
Revenues	1,070	4,106	4,443	1,148	3,865	3,796
Costs	-374	-1,579	-1,647	-430	-1,723	-1,571
Cost/income, %	34.9%	38.5%	37.1%	37.4%	44.6%	41.4%
Cost of Risk	122bp	133bp	110bp	27bp	24bp	19bp
Loans(1)	60,458		69,377	73,882		89,221
RWA	91,098	100,519	108,390	71,730	85,199	88,277
ROAC, %	11.5%	10.5%	12.3%	15.4%	11.1%	11.0%
NPE ratio, %	9.4%		8.0%	3.7%		4.3%

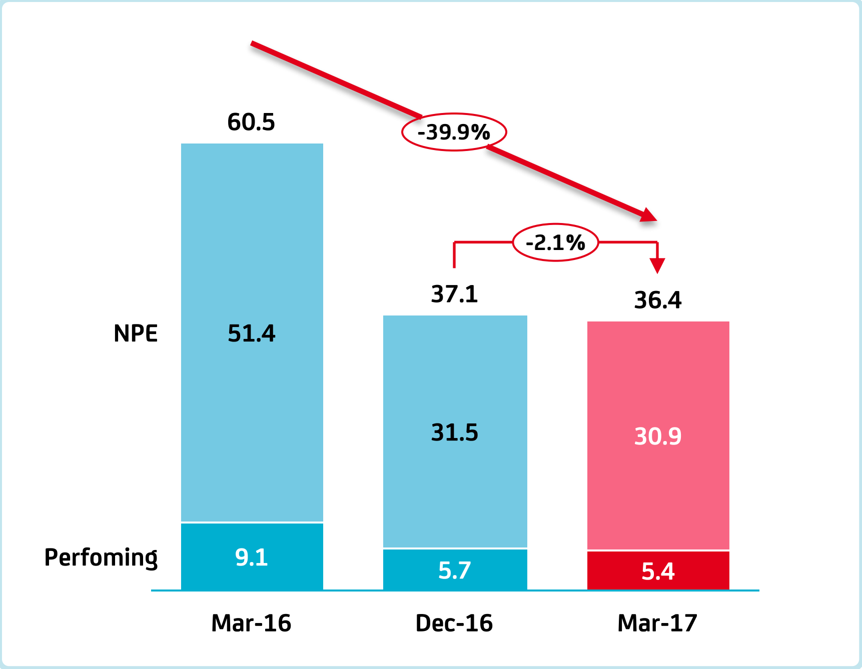
Note: 2017 and 2019 figures equal to CMD presentation.

(1) Excluding Intercompany and repos.

Divisional monitoring KPIs for Non Core

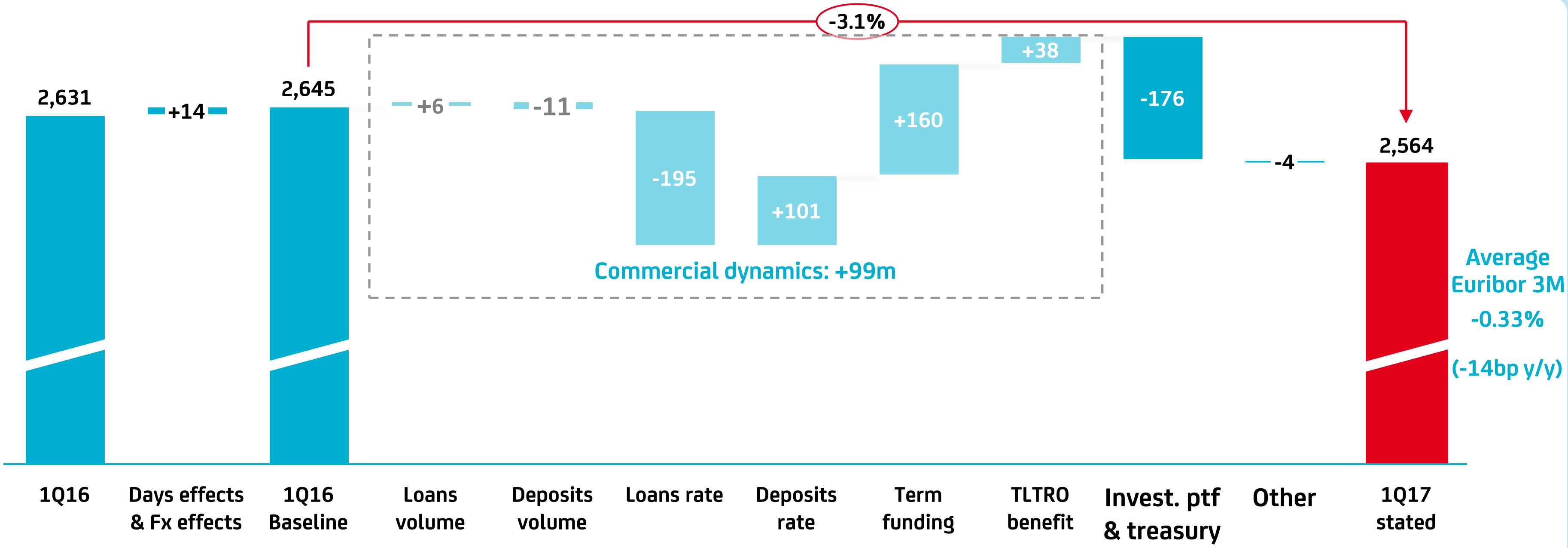
	1Q17	2019
Gross loans	36.4	19.2
Gross NPE	31	19.2
Net NPE	13	8.1
NPE cov. ratio	57.2%	>57%
UTP cov. ratio	45.7%	>38%
Gross bad loans	19.0	15.0
Bad loans cov. ratio	65%	>63%

Gross customer loans, bn



Group – Net interest yearly trend down in line with projections due to investment portfolio, confirming a positive commercial dynamics despite pressure on margins

Net interest[1] bridge y/y, m



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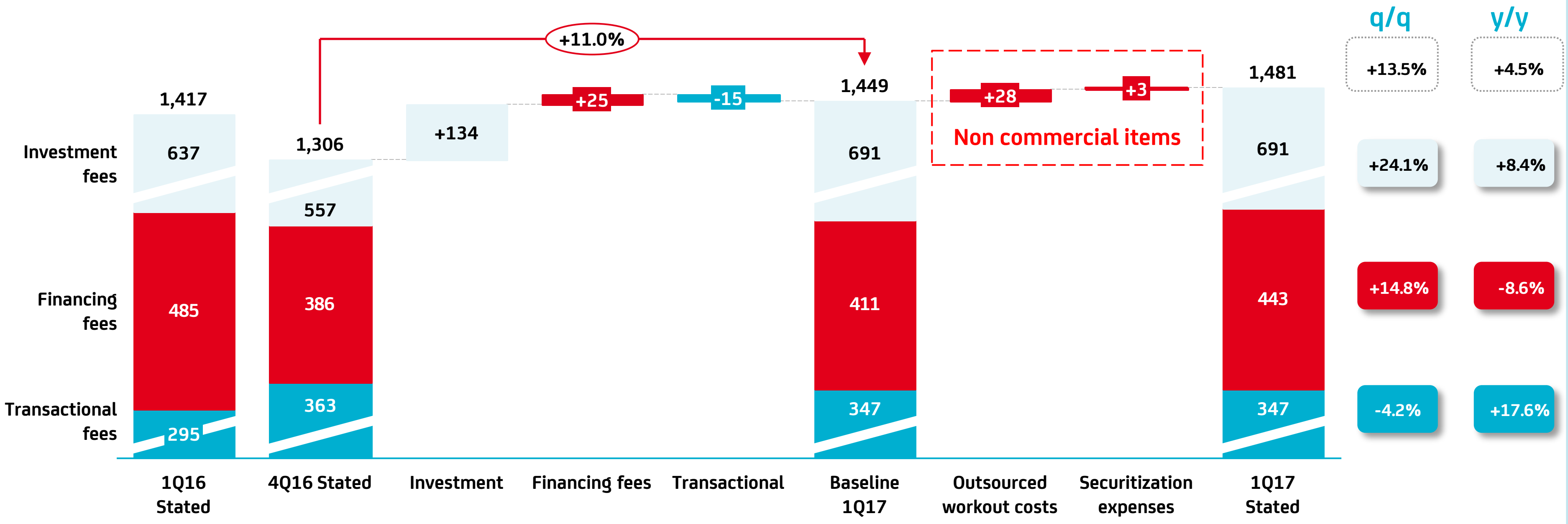
(1) Contribution from macro hedging strategy on non naturally hedged sight deposits in 1Q17 at 380m (-3m Y/Y).

Group – Fees and commission (stated figures) up by 11% Q/Q supported by investment services and financing fees, benefitting from seasonality

Fees bridge in 1Q17, m – stated figures

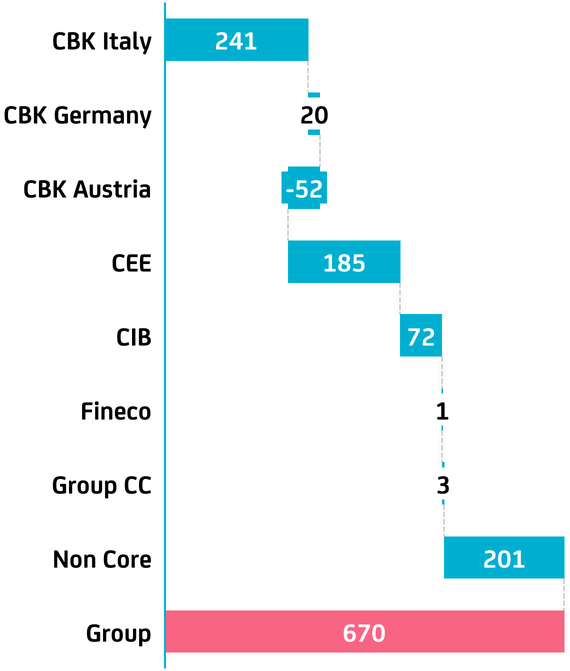


Systemic charges – Breakdown by division

1Q17, m	Systemic charges	o/w SRF	o/w DGS	o/w Bank levies
CBK Italy	*-34*	*-34*	*0*	*0*
CBK Germany	*-34*	*-25*	*-9*	*0*
CBK Austria	*-88*	*-29*	*-18*	*-41*
CIB	-101	-87	-3	-11
FINECO	0	0	0	0
CEE	-126	-77	-30	-19
Non core	-22	-23	0	0
Group CC	-30	-21	-15	7
Group	**-434**	**-295**	**-75**	**-64**

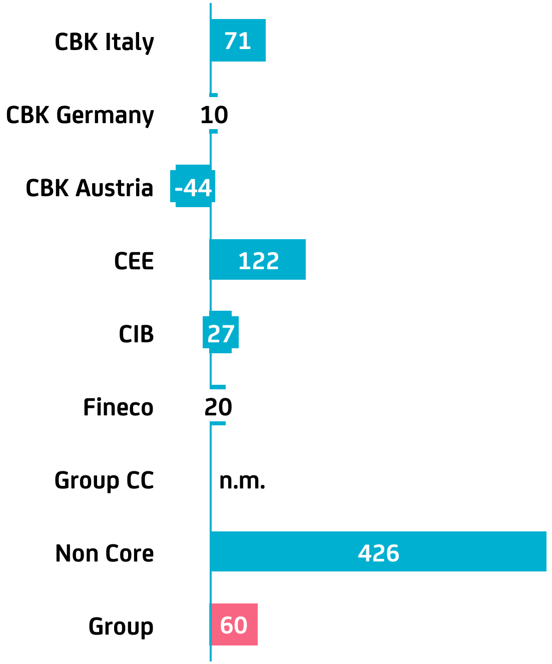
LLP and CoR by division

LLP breakdown, m



		q/q	y/y
CBK Italy	241	-81.3%	+5.9%
CBK Germany	20	n.m.	n.m.
CBK Austria	-52	n.m.	n.m.
CEE	185	-41.3%	+33.4%
CIB	72	-82.3%	+16.6%
Fineco	1	-20.5%	-62.5%
Group CC	3	n.m.	-55.4%
Non Core	201	-97.3%	-41.5%
Group	670	-93.0%	-11.8%

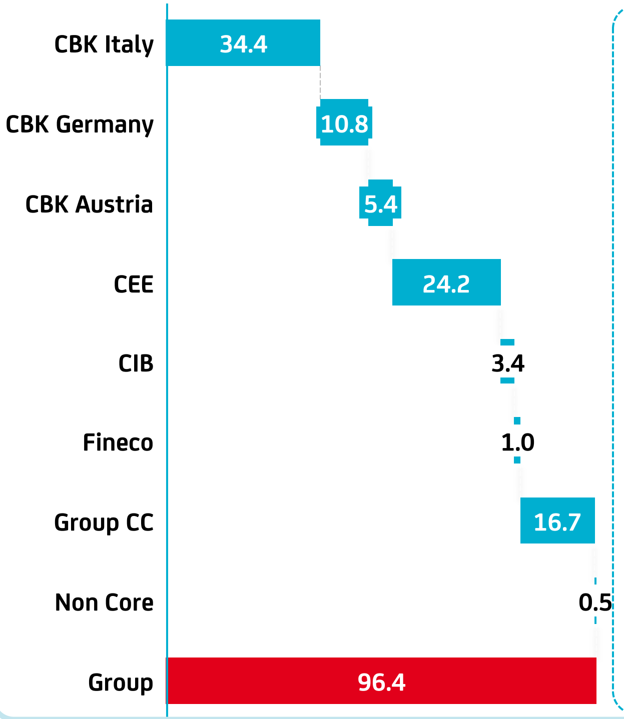
CoR breakdown, bp



		q/q	y/y
CBK Italy	71	n.m.	+3bp
CBK Germany	10	+28bp	+21bp
CBK Austria	-44	-93bp	-46bp
CEE	122	-88bp	+26bp
CIB	27	-130bp	+2bp
Fineco	20	-8bp	-46bp
Group CC	n.m.	n.m.	n.m.
Non Core	426	n.m.	+28bp
Group	60	n.m.	-8bp

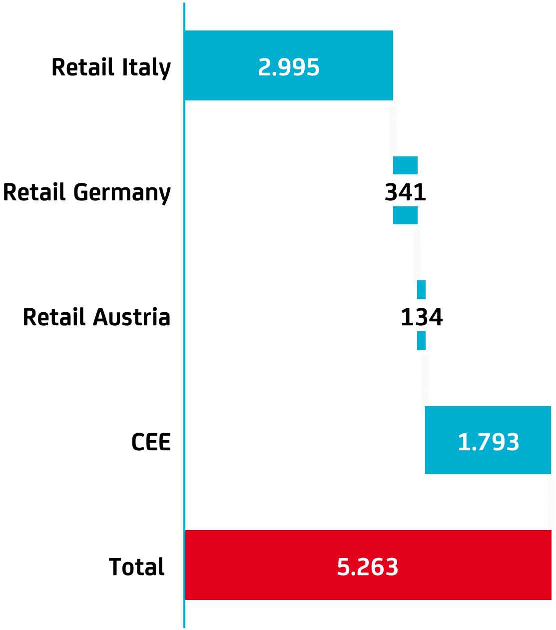
FTEs and branches by division

FTE[1] breakdown, k



	q/q	y/y
CBK Italy	-623	-1696
CBK Germany	-148	-415
CBK Austria	-173	-341
CEE	-94	+28
CIB	-34	-157
Fineco	-8	+23
Group CC	-788	-996
Non Core	-14	-162
Group	-1881	-3716

Branches[2] breakdown, k



	q/q	y/y
Retail Italy	-59	-230
Retail Germany	0	-1
Retail Austria	-7	-37
CEE	-8	-107
Total	-74	-375

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(1) Excluding FTEs related to industrial legal entities fully consolidated (402 in 1Q17).

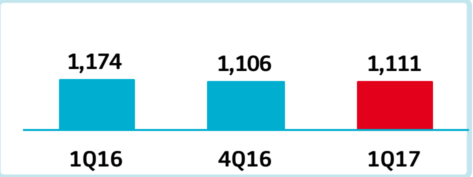
(2) Branches figures consistent with CMD perimeter.

CBK Italy – Key drivers

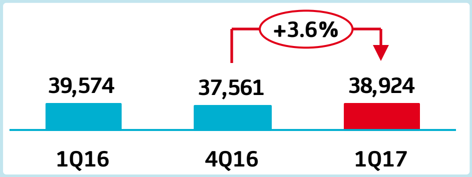
Key highlights

- Loans to corporates increased supported by short term, while in the medium long term new origination was compensated by run-offs
- Loans to retail volumes continued to gradually increase mainly thanks to personal loans
- Customer's spreads compression slowing down
- Cost cutting ongoing, supported by reduced branches and FTEs

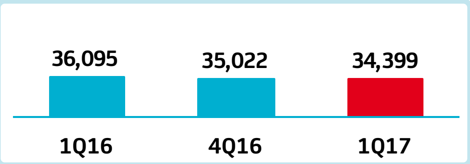
Costs,m



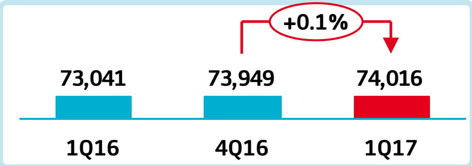
Loans to corporates[1], m



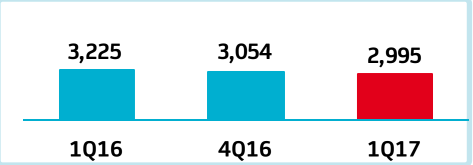
FTEs



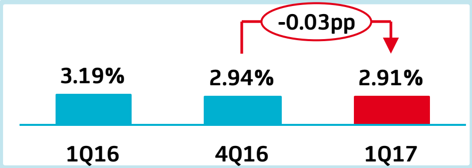
Loans to retail[1], m



Branches, k



Customer spread



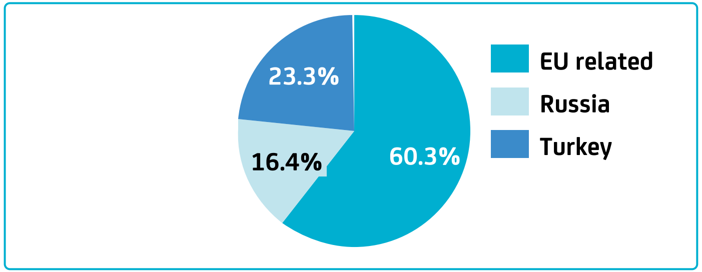
(1) Total loans in Commercial Bank Italy exclude repos & intercompanies and include: loans to retail, loans to Private, loans to Corporates, loans to leasing and loans to factoring for a total amount of 135.6bn as of 1Q17 (+0.5% Q/Q and flat Y/Y).

CEE key drivers

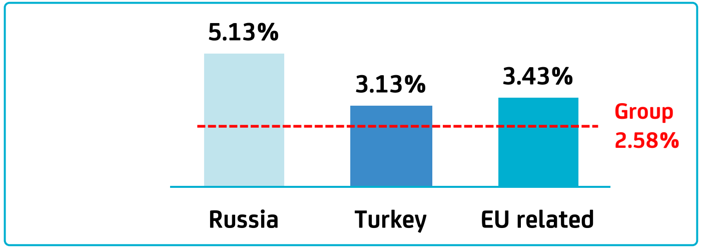
Main drivers

- High diversification of revenue base with EU related countries representing the major component
- Higher spreads across the region, confirming higher margin business in CEE resulting in ROAC of 11.5% in 1Q17
- Balanced loan/deposit ratio in CEE, with Russia confirming a sound liquidity position and Turkey improving

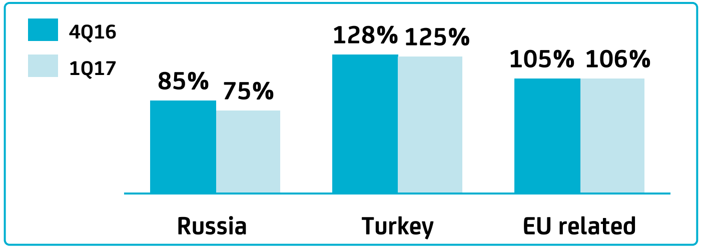
Revenues(1) in CEE, 1Q17



Customer spreads(2), 1Q17



Loans/Depos Mar-17



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(1) Managerial view. Turkey on a proportional basis.

(2) Customer spreads defined the difference between Rate on customer loans and Rate on customer deposits.

Turkey – Strong positive quarterly performance

Main drivers

- Higher revenues Y/Y thanks to net interest and fees
- Net interest supported Y/Y by higher volumes and spreads
- Cost income ratio at a low 38.4%
- Gross NPE ratio improved Q/Q to 5.2% thanks to improved inflow, recoveries and disposals

Euro (m)	*1Q16*	*4Q16*	*1Q17*	*Δ % vs. 4Q16*	*Δ % vs. 4Q16 (const. FX)*	*Δ % vs. 1Q16*	*Δ % vs. 1Q16 (const. FX)*
Total revenues	297	304	298	-1.9%	+7.8%	+0.1%	+20.7%
Costs	-130	-135	-114	-15.0%	-5.9%	-11.8%	+6.5%
Net operating profit	112	64	127	+99.5%	n.m	+13.8%	+36.4%
Net profit	72	58	91	+58.2%	+67.1%	+26.8%	+51.7%
Cost / Income Ratio, %	43.6%	44.4%	38.4%	-5.9pp	-5.6pp	-5.2pp	-5.1pp
Cost of Risk, bp	106	201	108	-93bp	-85bp	+1bp	+4bp
Customer loans	20,956	20,852	20,661	-0.9%	+3.8%	-1.4%	+18.7%
Customer deposits	16,643	16,350	16,466	+0.7%	+5.5%	-1.1%	+19.2%
Total RWA	28,461	29,092	28,659	-1.5%	+3.2%	+0.7%	+21.3%
FX loans/Total loans (%)	42.1%	42.4%	42.1%	-34bp	n.m.	+3bp	n.m.
Gross NPE ratio(1)	4.8%	5.3%	5.2%	-14bp	n.m.	+39bp	n.m.

Note: managerial view representing proportional contribution of Turkey to P&L (40.8%). In actual figures Turkey contributes to group net profit (through CEE division) only to the line "Dividends and equity investments income". RWA of Turkey contribute to Group RWA through CEE division, following the proportional consolidation of Turkey for regulatory purposes.

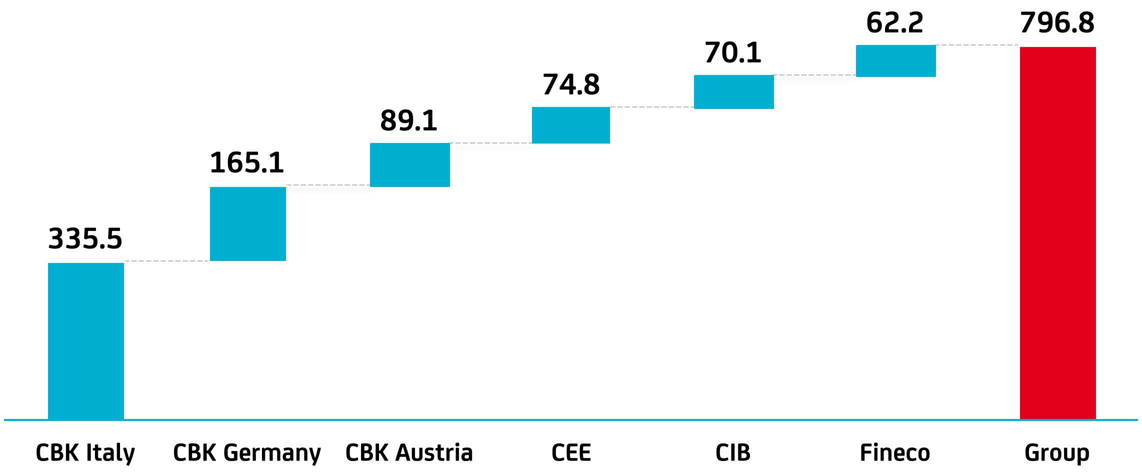
(1) NPE ratio not included in consolidated view following the equity accounting method.

TFAs – Division breakdown

Main drivers

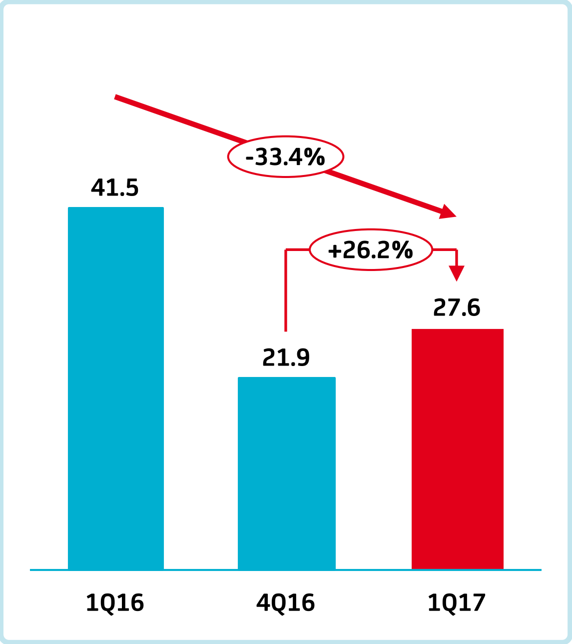
- TFAs at almost 797bn in 1Q17, up by over 30bn Y/Y thanks to higher AuM and deposits:
  - i. CBK Italy up by 3.7bn Y/Y to 335bn with higher net sales of AUM
  - ii. CBK Germany up by 11.7bn Y/Y to 165bn mainly thanks to AuC and deposits
  - iii. CBK Austria up by 1.5bn Y/Y to 89bn thanks to focus on Private banking
  - iv. Fineco up by 7.2bn Y/Y to 62bn mainly thanks to AuM

1Q17 TFAs divisional breakdown, bn

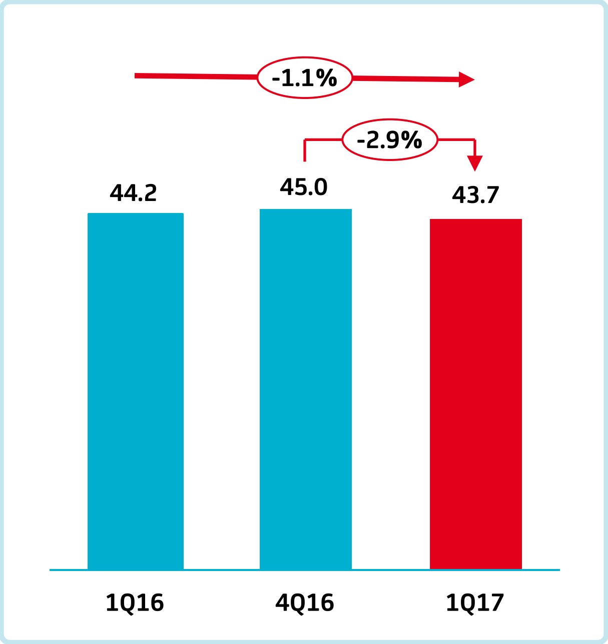


Group – Balance sheet

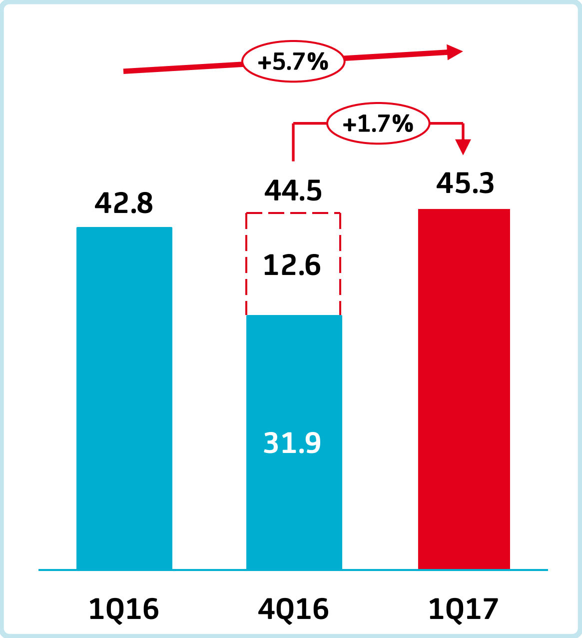
Loans - Deposits, bn



RWA on total assets, %



Tangible equity, eop(1), bn

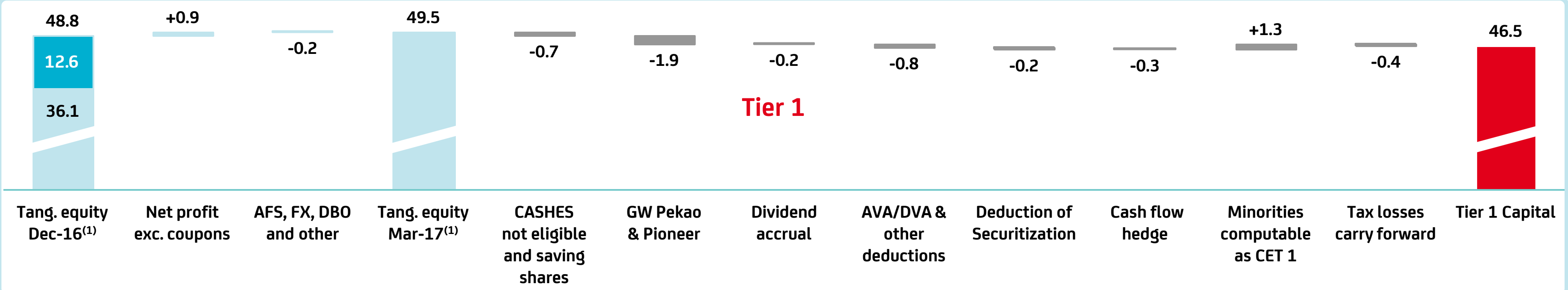


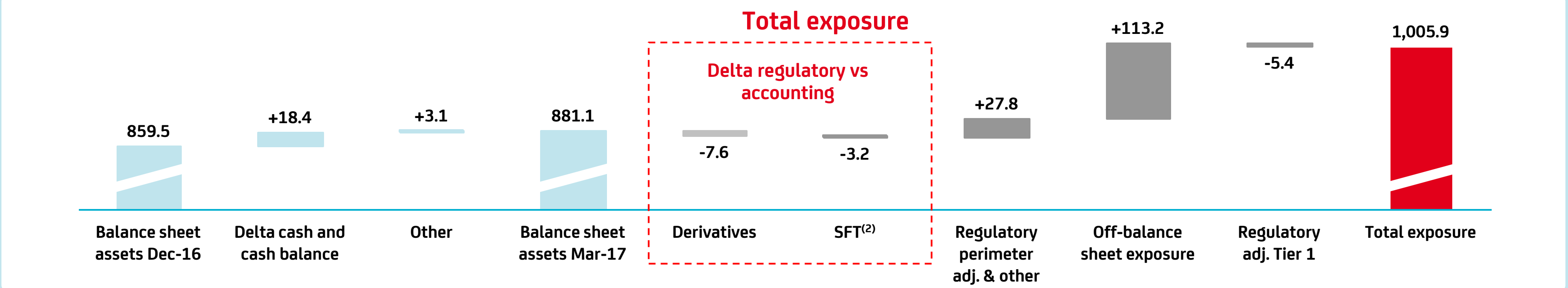
Note: loans and deposits excluding repos and intercompany.

(1) Net of intangibles related to Pioneer & Pekao classified under IFRS5. Average tangible equity at CMD perimeter at 40.5bn in 1Q17, 39.7bn in 4Q16 and 44.7bn in 1Q16.

Tier 1 increased, whilst total exposure increased mainly related to cash / cash balances

Tier 1 and total exposure for Basel 3 leverage ratio fully loaded



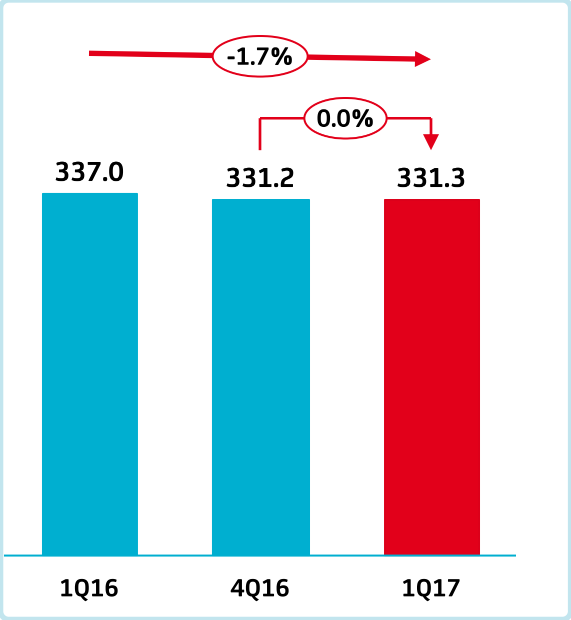


(1) Tangible equity including AT1 and goodwill related to Pioneer & Pekao classified under IFRS5 and excluded from Tier 1 capital in the regulatory walk.

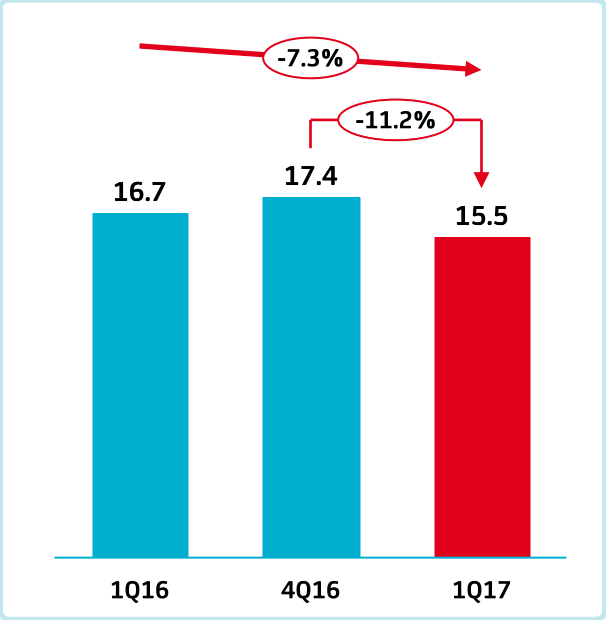
(2) SFT: Securities Financial Transactions, i.e. Repos.

Group – RWA breakdown

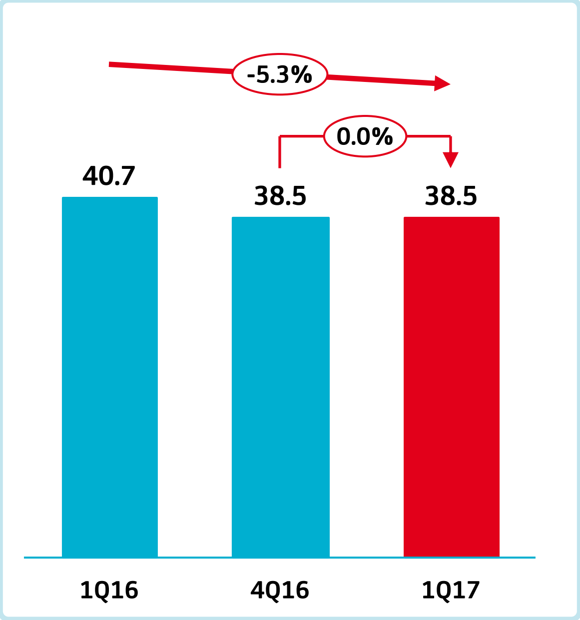
Credit RWA, bn



Market RWA, bn

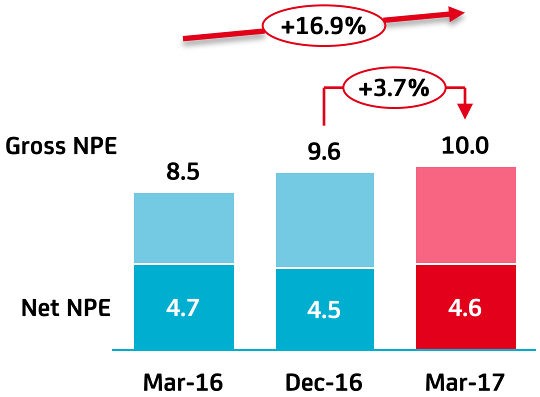


Operational RWA, bn



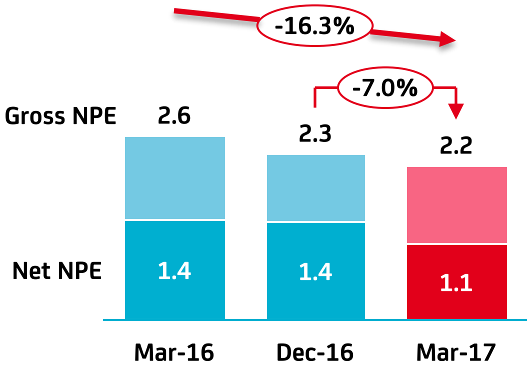
Asset quality in Commercial banks

CBK Italy, bn



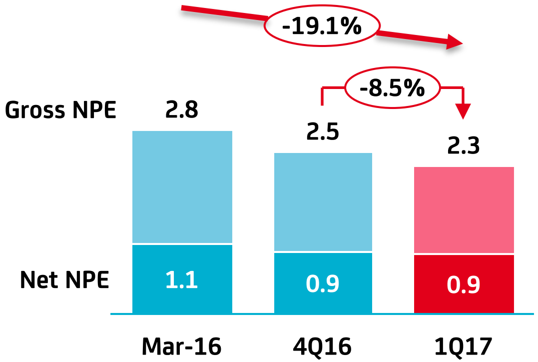
	Mar-16	Dec-16	Mar-17
Gross NPE ratio	6.1%	6.8%	7.0%
Net NPE ratio	3.5%	3.3%	3.4%
Coverage ratio	45.0%	53.3%	53.5%

CBK Germany, bn



	Mar-16	Dec-16	Mar-17
Gross NPE ratio	3.2%	2.8%	2.6%
Net NPE ratio	1.8%	1.7%	1.3%
Coverage ratio	45.8%	40.5%	50.8%

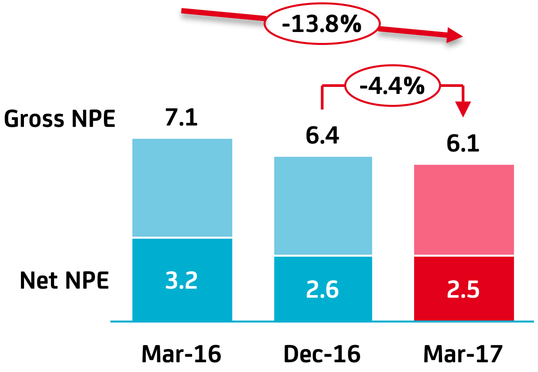
CBK Austria, bn



	Mar-16	4Q16	1Q17
Gross NPE ratio	5.5%	4.9%	4.6%
Net NPE ratio	2.2%	1.9%	1.9%
Coverage ratio	61.9%	62.2%	59.8%

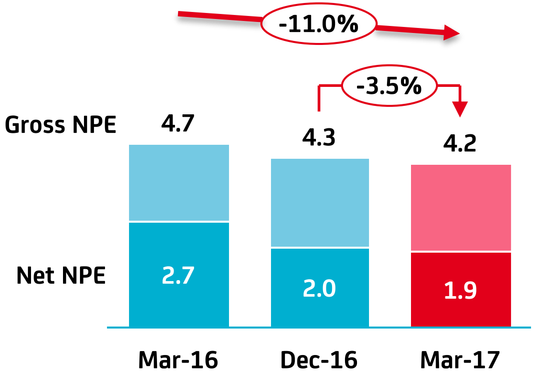
Asset quality in CEE, CIB and Non Core

CEE, bn



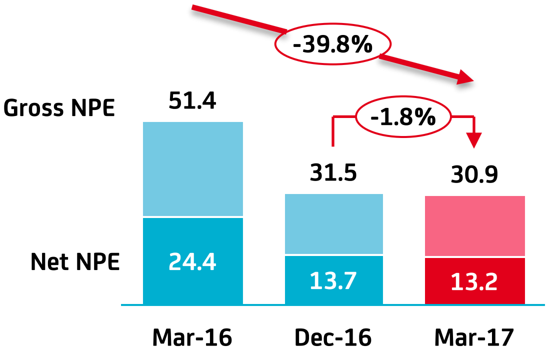
Gross NPE ratio	11.4%	9.9%	9.4%
Net NPE ratio	5.6%	4.3%	4.2%
Coverage ratio	54.6%	59.6%	58.4%

CIB, bn



Gross NPE ratio	4.3%	4.0%	3.7%
Net NPE ratio	2.5%	1.9%	1.7%
Coverage ratio	42.9%	53.4%	53.4%

Non Core, bn



Gross NPE ratio	84.9%	84.8%	85.0%
Net NPE ratio	73.5%	71.7%	71.7%
Coverage ratio	52.5%	56.4%	57.2%

Asset quality across all divisions

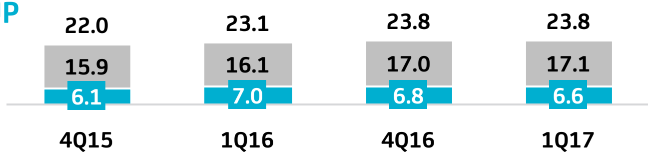
	Group, 1Q17	CBK Italy	CBK Germany	CBK Austria	CIB	CEE	Non Core
Gross Loans, bn	486,018	141,634	84,181	49,166	113,410	65,127	36,360
Gross NPE ratio, %	11.4%	7.0%	2.6%	4.6%	3.7%	9.4%	85.0%
Bad loans ratio, %	6.4%	3.4%	2.1%	2.3%	1.7%	4.0%	52.2%
UTP ratio, %	4.7%	3.2%	0.4%	2.3%	2.0%	5.0%	32.3%
Past due ratio, %	0.3%	0.5%	0.0%	0.1%	0.0%	0.5%	0.6%
NPE coverage, %	56.3%	53.5%	50.8%	59.8%	53.4%	58.4%	57.2%
Bad loans coverage, %	66.6%	69.6%	56.9%	84.9%	62.8%	79.0%	64.6%
UTP coverage, %	43.7%	39.9%	24.4%	35.7%	45.4%	44.1%	45.7%

NB total gross loans including repos and intercompanies on divisional data.

Asset quality – Forborne exposures by region

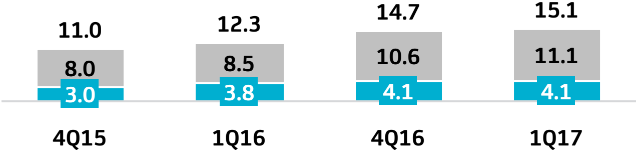
Forborne loans, bn

GROUP



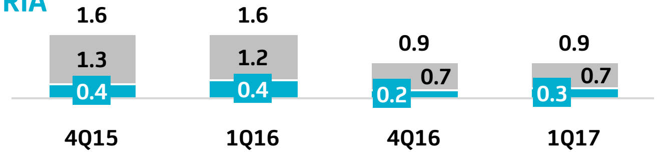
Coverage ratio	27.0%	26.5%	32.6%	33.4%

ITALY



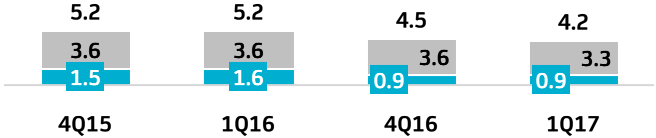
Coverage ratio	24.3%	23.5%	32.1%	33.2%

AUSTRIA



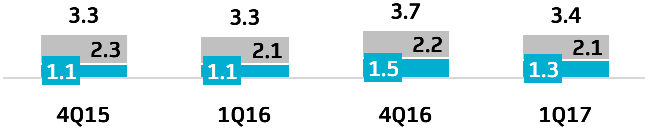
Coverage ratio	35.8%	34.8%	38.7%	35.2%

GERMANY



Coverage ratio	26.0%	26.2%	33.7%	34.8%

CEE



Coverage ratio	29.9%	30.2%	31.9%	32.4%

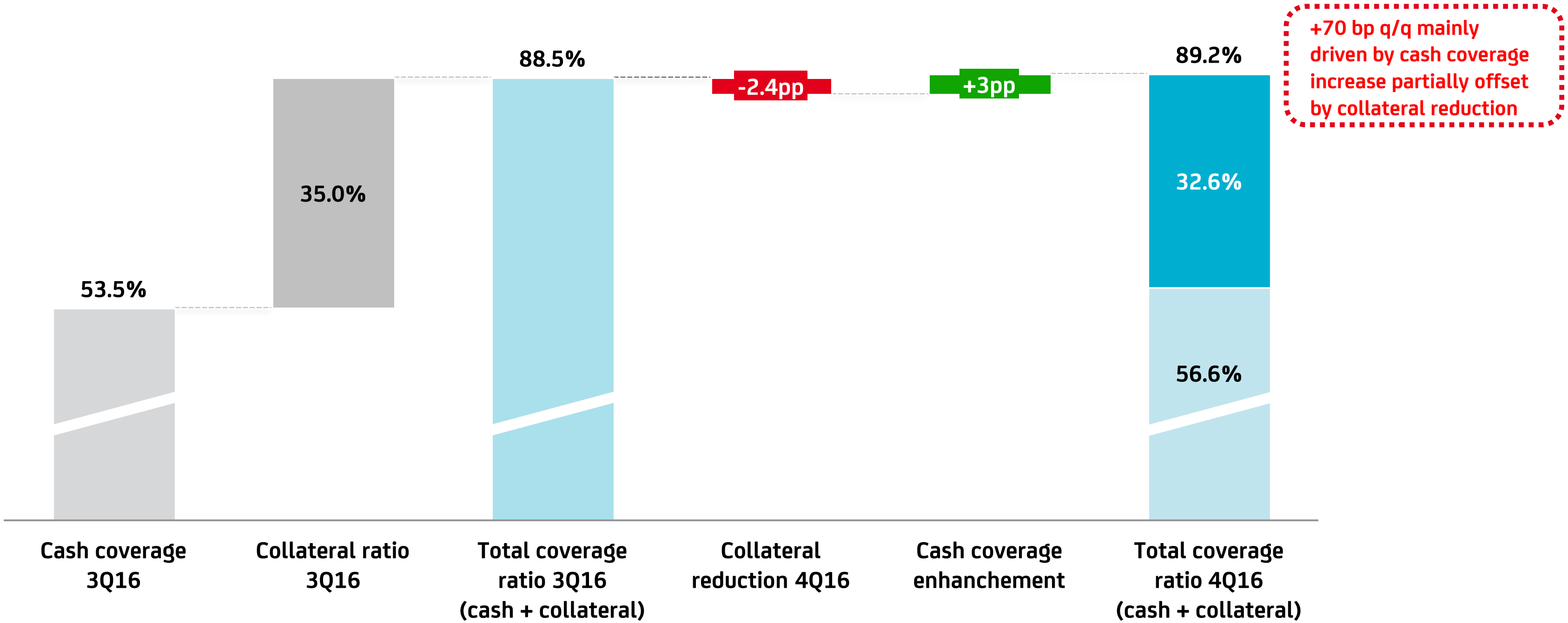
▨ NPEs

▨ Performing Exposure

Note: Regulatory reporting data.

UC Spa – Coverage ratio including collateral after NPE review

NPE Cash + Collateral coverage ratio walk (%)



+70 bp q/q mainly driven by cash coverage increase partially offset by collateral reduction

Note: Collateral ratio calculated as per EBA methodology, with collateral value capped at net loan level / Gross Loan.

Group – P&L and volumes

Euro (m)	1Q16	2Q16	3Q16	4Q16	1Q17	Δ % vs. 4Q16	Δ % vs. 1Q16
Total Revenues	4,674	5,262	4,642	4,223	4,833	+14.5%	+3.4%
Operating Costs	-2,976	-2,982	-2,940	-3,555	-2,886	-18.8%	-3.0%
Gross Operating Profit	1,698	2,280	1,702	667	1,947	n.m.	+14.6%
LLP	-760	-884	-977	-9,586	-670	-93.0%	-11.8%
Profit Before Taxes	288	837	445	-12,547	833	n.m.	n.m.
Net Profit from discontinued	398	379	378	-525	376	n.m.	-5.5%
Net Profit	406	916	447	-13,558	907	n.m.	n.m.
Cost / Income Ratio, %	63.7%	56.7%	63.3%	84.2%	59.7%	-24.5pp	-3.9pp
Cost of Risk, bp	67	77	85	855	60	n.m.	-8bp
RoTE	3.8%	8.6%	4.1%	n.m.	9.4%	n.m.	+5.6pp
Customer Loans	421,077	428,459	426,150	417,868	419,267	+0.3%	-0.4%
Customer Deposits	379,626	380,401	386,139	395,979	391,645	-1.1%	+3.2%
Total RWA	394,359	399,260	390,901	387,136	385,262	-0.5%	-2.3%
FTE (#)	100,139	99,831	99,183	98,304	96,423	-1.9%	-3.7%

Note: loans and deposits excluding repos.

Group excl. Non Core – P&L and volumes

Euro (m)	*1Q16*	*2Q16*	*3Q16*	*4Q16*	*1Q17*	*Δ % vs. 4Q16*	*Δ % vs. 1Q16*
Total Revenues	4,685	5,329	4,710	4,354	4,876	+12.0%	+4.1%
Operating Costs	-2,933	-2,962	-2,903	-3,504	-2,843	-18.9%	-3.1%
Gross Operating Profit	1,752	2,367	1,807	850	2,033	n.m.	+16.0%
LLP	-417	-482	-432	-2,027	-470	-76.8%	+12.5%
Profit Before Taxes	715	1,348	1,102	-4,757	1,144	n.m.	+60.1%
Net Profit	694	1,231	894	-5,234	1,114	n.m.	+60.4%
Cost / Income Ratio, %	62.6%	55.6%	61.6%	80.5%	58.3%	-22.2pp	-4.3pp
Cost of Risk, bp	40	45	40	191	44	-147bp	+4bp
RoAC	5.7%	10.0%	7.4%	n.m.	10.3%	n.m.	+4.6pp
Customer Loans	387,915	397,785	396,655	398,906	401,029	+0.5%	+3.4%
Customer Deposits	378,288	379,335	385,056	395,009	390,653	-1.1%	+3.3%
Total RWA	365,256	371,908	364,650	360,940	360,032	-0.3%	-1.4%
FTE (#)	99,466	99,283	98,650	97,780	95,913	-1.9%	-3.6%

Note: loans and deposits excluding repos and intercompany.

Commercial Bank Italy – P&L and volumes

Euro (m)	1Q16	2Q16	3Q16	4Q16	1Q17	Δ % vs. 4Q16	Δ % vs. 1Q16
Total Revenues	1,932	1,991	1,836	1,679	1,858	10.7%	-3.8%
Operating Costs	-1,174	-1,153	-1,145	-1,106	-1,111	+0.4%	-5.4%
Gross Operating Profit	758	838	691	573	748	+30.5%	-1.4%
LLP	-228	-243	-240	-1,292	-241	-81.3%	+5.9%
Profit Before Taxes	446	426	322	-1,747	455	n.m.	+1.9%
Net Profit	304	288	223	-1,420	317	n.m.	+4.3%
Cost / Income Ratio, %	60.7%	57.9%	62.4%	65.9%	59.8%	-6.1pp	-1.0pp
Cost of Risk, bp	68	71	70	380	71	n.m.	+3bp
RoAC	11.5%	11.1%	8.2%	n.m.	12.8%	n.m.	+1.3pp
Customer Loans	135,620	138,282	136,991	134,906	135,597	+0.5%	-0.0%
Customer Deposits	125,440	126,683	128,391	134,495	132,662	-1.4%	+5.8%
Total RWA	79,040	79,488	78,826	79,043	78,747	-0.4%	-0.4%
FTE (#)	36,095	36,156	35,359	35,022	34,399	-1.8%	-4.7%

Note: loans and deposits excluding repos and intercompany.

Commercial Bank Germany – P&L and volumes

Euro (m)	1Q16	2Q16	3Q16	4Q16	1Q17	Δ % vs. 4Q16	Δ % vs. 1Q16
Total Revenues	651	604	593	613	704	+14.9%	+8.2%
Operating Costs	-479	-480	-474	-471	-476	+1.0%	-0.6%
Gross Operating Profit	172	124	118	142	228	+61.1%	+32.8%
LLP	22	7	-21	36	-20	n.m.	n.m.
Profit Before Taxes	158	138	103	-221	173	n.m.	+9.5%
Net Profit	108	92	66	-154	114	n.m.	+6.2%
Cost / Income Ratio, %	73.6%	79.4%	80.0%	76.9%	67.6%	-9.3pp	-6.0pp
Cost of Risk, bp	-11	-3	10	-18	10	+28bp	+21bp
RoAC	8.1%	6.7%	4.5%	n.m.	9.3%	n.m.	+1.2pp
Customer Loans	79,593	80,508	80,721	80,660	83,273	+3.2%	+4.6%
Customer Deposits	81,943	85,769	87,442	86,603	83,804	-3.2%	+2.3%
Total RWA	34,770	35,372	35,015	36,109	36,436	+0.9%	+4.8%
FTE (#)	11,220	11,043	11,078	10,953	10,805	-1.4%	-3.7%

Note: loans and deposits excluding repos and intercompany.

Commercial Bank Austria – P&L and volumes

Euro (m)	1Q16	2Q16	3Q16	4Q16	1Q17	Δ % vs. 4Q16	Δ % vs. 1Q16
Total Revenues	381	446	412	401	366	-8.7%	-3.9%
Operating Costs	-313	-319	-295	-309	-283	-8.2%	-9.5%
Gross Operating Profit	68	126	117	92	82	-10.5%	+21.6%
LLP	-4	10	21	-60	52	n.m.	n.m.
Profit Before Taxes	-205	111	101	-342	52	n.m.	n.m.
Net Profit	-207	88	98	-364	68	n.m.	n.m.
Cost / Income Ratio, %	82.2%	71.7%	71.7%	77.1%	77.5%	+0.5pp	-4.7pp
Cost of Risk, bp	3	-9	-17	49	-44	-93bp	-46bp
RoAC	n.m.	11.0%	12.3%	n.m.	9.0%	n.m.	n.m.
Customer Loans	44,708	44,383	44,512	44,984	44,960	-0.1%	+0.6%
Customer Deposits	47,251	47,060	47,322	47,096	46,711	-0.8%	-1.1%
Total RWA	24,735	23,685	23,536	23,675	22,423	-5.3%	-9.3%
FTE (#)	5,764	5,671	5,645	5,596	5,424	-3.1%	-5.9%

Note: loans and deposits excluding repos and intercompany.

CIB – P&L and volumes

Euro (m)	1Q16	2Q16	3Q16	4Q16	1Q17	Δ % vs. 4Q16	Δ % vs. 1Q16
Total Revenues	1,079	1,133	1,063	971	1,148	+18.2%	+6.3%
Operating Costs	-424	-439	-435	-426	-430	+0.7%	+1.3%
Gross Operating Profit	656	694	628	545	718	+31.8%	+9.6%
LLP	-62	-67	-29	-408	-72	-82.3%	+16.6%
Profit Before Taxes	450	580	573	-249	536	n.m.	+19.0%
Net Profit	306	380	377	125	364	n.m.	+18.8%
Cost / Income Ratio, %	39.3%	38.7%	40.9%	43.9%	37.4%	-6.5pp	-1.8pp
Cost of Risk, bp	24	25	11	157	27	-130bp	+2bp
RoAC	14%	16%	16%	5%	15.4%	+10.9pp	+1.4pp
Customer Loans	67,755	73,035	72,024	75,470	73,882	-2.1%	+9.0%
Customer Deposits	46,074	43,616	44,631	45,770	45,211	-1.2%	-1.9%
Total RWA	72,730	79,604	74,187	74,977	71,730	-4.3%	-1.4%
FTE (#)	3,568	3,513	3,498	3,446	3,411	-1.0%	-4.4%

Note: loans and deposits excluding repos and intercompany.

CEE division – P&L and volumes

Euro (m)	*1Q16*	*2Q16*	*3Q16*	*4Q16*	*1Q17*	*Δ const.% vs. 4Q16*	*Δ const.% vs. 1Q16*
Total Revenues	942	1,169	1,057	998	1,070	+6.5%	+9.9%
Operating Costs	-361	-379	-383	-371	-374	-0.8%	-1.1%
Gross Operating Profit	580	790	674	627	696	+10.8%	+16.8%
LLP	-139	-187	-151	-316	-185	-41.8%	+26.7%
Profit Before Taxes	373	570	503	265	384	+42.7%	+1.1%
Net Profit	316	459	437	198	336	+67.5%	+5.5%
Cost / Income Ratio, %	38.4%	32.5%	36.3%	37.2%	34.9%	-2.3pp	-3.4pp
Cost of Risk, bp	96	128	102	210	122	-88bp	+26bp
RoAC	10.5%	15.4%	14.6%	6.7%	11.5%	+4.8pp	+1.0pp
Customer Loans	57,721	58,919	59,541	59,935	60,458	-0.2%	+1.1%
Customer Deposits	57,874	56,524	57,522	59,175	60,929	+1.1%	+0.4%
Total RWA	92,452	94,277	93,421	91,403	91,098	+0.4%	+1.5%
FTE (#)	24,149	24,236	24,460	24,271	24,177	-0.4%	+0.1%

Note: loans and deposits excluding repos and intercompany.

Note: variations Q/Q and Y/Y at constant FX (ROAC, C/I, NPE and CoR variations at current FX).

Fineco – P&L and volumes

Euro (m)	*1Q16*	*2Q16*	*3Q16*	*4Q16*	*1Q17*	*Δ % vs. 4Q16*	*Δ % vs. 1Q16*
Total Revenues	140	149	132	138	142	+2.5%	+1.2%
Operating Costs	-60	-58	-53	-55	-61	+9.8%	+0.8%
Gross Operating Profit	80	91	78	83	81	-2.3%	+1.5%
LLP	-1.44	-1.36	-0.72	-0.68	-0.5	-20.5%	-62.5%
Profit Before Taxes	77	89	66	74	78	+5.6%	+1.5%
Net Profit	18	24	16	17	18	+4.5%	+0.9%
Cost / Income Ratio, %	43.0%	38.7%	40.6%	40.0%	42.9%	+2.8pp	-0.2pp
Cost of Risk, bp	66	64	31	27	20	-8bp	-46bp
RoAC	68.0%	84.9%	56.6%	49.0%	57.4%	+8.4pp	-10.5pp
Customer Loans	701	781	815	910	1,015	+11.5%	+44.9%
Customer Deposits	16,513	16,981	17,029	18,570	18,707	+0.7%	+13.3%
Total RWA	1,838	1,805	1,778	1,890	1,937	+2.5%	+5.4%
FTE (#)	1,021	1,025	1,033	1,052	1,044	-0.7%	+2.3%

Note: loans and deposits excluding repos and intercompany.

Note: net profit reflects consolidated view, i.e. 35% ownership by UniCredit. Previous data restated.

Non Core – P&L and volumes

Euro (m)	*1Q16*	*2Q16*	*3Q16*	*4Q16*	*1Q17*	*Δ % vs. 4Q16*	*Δ % vs. 1Q16*
Total Revenues	-11	-66	-68	-131	-43	-67.2%	n.m.
Operating Costs	-42	-20	-36	-51	-43	-15.7%	+1.1%
Gross Operating Profit	-54	-87	-104	-182	-86	-52.8%	+60.3%
LLP	-343	-401	-545	-7,559	-201	-97.3%	-41.5%
Profit Before Taxes	-427	-511	-657	-7,791	-311	-96.0%	-27.1%
Net loss	-289	-316	-447	-8,324	-206	-97.5%	-28.5%
Cost / Income Ratio, %	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Cost of Risk, bp	398	503	724	12,424	426	n.m.	+28bp
RoAC	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Customer Loans	33,163	30,674	29,495	18,962	18,237	-3.8%	-45.0%
Customer Deposits	1,339	1,066	1,083	970	992	+2.2%	-25.9%
Total RWA	29,103	27,352	26,251	26,196	25,230	-3.7%	-13.3%
FTE (#)	673	548	533	524	510	-2.6%	-24.1%

Note: loans and deposits excluding repos and intercompany.

Corporate Center & Other – P&L and volumes

Euro (m)	*1Q16*	*2Q16*	*3Q16*	*4Q16*	*1Q17*	*Δ % vs. 4Q16*	*Δ % vs. 1Q16*
Total Revenues	-439	-162	-382	-446	-411	-7.8%	-6.4%
Operating Costs	-123	-134	-117	-766	-110	-85.7%	-10.6%
Gross Operating Profit	-562	-296	-499	-1,211	-520	-57.0%	-7.3%
LLP	-6	-1	-11	12	-3	n.m.	-55.4%
Profit Before Taxes	-584	-565	-566	-2,538	-533	-79.0%	-8.7%
Net loss	-151	-100	-323	-3,637	-104	-97.1%	-30.8%
Cost / Income Ratio, %	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Cost of Risk, bp	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Customer Loans	1,817	1,877	2,052	2,041	1,844	-9.6%	+1.5%
Customer Deposits	3,192	2,702	2,719	3,300	2,630	-20.3%	-17.6%
Total RWA	59,691	57,677	57,887	53,843	57,661	+7.1%	-3.4%
FTE (#)	17,649	17,640	17,578	17,441	16,652	-4.5%	-5.6%

Note: loans and deposits excluding repos and intercompany.

Glossary

Glossary (1/5)

Adj.	Data adjusted for non recurring items related to Transform 2019 in 4Q16 and restructuring actions in 1Q16
AFS	Available for Sales
AuC	Asset under Custody
AuM	Asset under Management
Bad Loans	Exposures to borrowers in a state of insolvency or in an essentially similar situation, regardless of any loss forecasts made by the bank
Branches	Consistent with CMD perimeter
CBK	Commercial Banking
CEE	Central Eastern Europe includes: Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bosnia and Herz., Serbia, Russia, Romania, Bulgaria, Turkey (at equity), Baltics (Latvia, Lithuania, Estonia) only for Leasing
CET1 Ratio	Common Equity Tier 1 ratio fully loaded throughout the document unless otherwise stated
CIB	Corporate & Investment Banking

Glossary (2/5)

CMD	Capital Markets Day
Cost/income	Ratio between operating expenses and total revenues
CoR	Cost of Risk calculated as LLP of the period analized / Average loans volume in the period analized
Customer spread	Rate on customer loans – Rate on customer deposits
DBO	Defined Benefit Obligation
DGS	Contribution to Deposit Guarantee Scheme
De-risking	De-risking refers to the phenomenon of financial institutions terminating or restricting business relationships with clients or categories of clients to avoid, rather than manage, risk
DTA	Deferred Tax Asset
EL	Expected Loss
EPS	Earning per shares

Glossary (3/5)

Forborne Loan	Exposure to which forbearance measures have been applied, i.e. concessions towards a debtor who is facing or about to face financial difficulties
FTE	Full time Equivalent (net of industrial)
Group Corporate Center (Group CC)	Corresponding to the divisional database section: "Global Corporate Center" including Corporate Center, GBS and Elisions
KPIs	Key performance indicators
LCR	Liquidity Coverage Ratio (amount of liquidity available for a bank to meet its short term liquidity needs)
Leverage ratio	The leverage ratio is defined as Tier 1 capital divided by a non-risk-based measure (exposure) of an institution’s on- and off-balance sheet items
LLP	Loan Loss Provisions
Net Inflows	Inflows (from gross performing loans to gross impaired loans) – outflows (collections and flows from gross impaired loans back to gross performing loans)
Net Outflows	Outflows (collections and flows from gross impaired loans back to gross performing loans) – inflows (from gross performing loans to gross impaired loans)

Glossary (4/5)

Non Core	In 2013 UniCredit ring-fenced the so-called "Non-Core" portfolio in Italy with a target to reduce clients exposure considered as not strategic; selected assets in Italy to be managed with a risk mitigation approach
NPE	Non-Performing Exposures shall be classified in the following risk classes: Bad Loans (“Sofferenze”), Unlikely to Pay ("Inadempienze Probabili") and Past Due ("Esposizioni scadute e/o sconfinanti deteriorate")
Non HR costs	Other administrative expenses net of expenses recovery and indirect costs, depreciation and amortization
NSFR	Net Stable funding ratio
Past Due	Problematic exposures that, at the reporting date, are more than 90 days past due on any material obligation
Pro-forma	Pro-forma data excluding the temporary effect of Pioneer & Pekao classified under IFRS5
RoAC	Return on Allocated Capital (Annualized net profit / Allocated Capital), Allocated Capital based on RWA equivalent figures calculated with a CET1 ratio target of 12.5% as for plan horizon, including deductions for shortfall and securitizations.
RoTE	Return on Tangible Equity (Annualized Net income / Average Tangible Equity)
RWA	Risk Weighted Assets

Glossary (5/5)

SFT	Securities financing transaction
SRF	Contribution to Single Resolution Fund
Tangible equity	Tangible equity excluding AT1
TFAs	Total Financial Assets, commercial figures
UTP	Unlikely To Pay: the classification in this category is the result of the judgment of the bank about the unlikeliness, without recourse to actions such as realizing collaterals, that the obligor will pay in full (principal and / or interest) its credit obligations
WE	Western Europe includes: Italy, Germany and Austria