2Q18 and 1H18 Results

One Bank One UniCredit

Milan, 7 August 2018

Banking that matters. | UniCredit

Agenda

Resilient commercial dynamics delivering sustainable results

Core Bank strong performance with 1H18 Group Core net profit at 2.6bn, up 4.2% 1H/1H vs. adjusted(1). 1H18 Group Core RoTE at 10.9%, up 0.2p.p. 1H/1H vs. adjusted(1). 2Q18 Group Core gross NPE ratio improving, down 85bps Y/Y to 4.4%

2Q18 Group net profit at 1.0bn, down 13.3% Y/Y vs. adjusted(1) due to higher other charges & provisions. Sustained underlying financial performance with 2Q18 Group net operating profit at 1.8bn, up 7.9% Y/Y. 1H18 Group RoTE at 8.7%, up 0.4p.p. 1H/1H vs. adjusted(1). FY19 Group RoTE target >9% confirmed

2Q18 Group net interest at 2.7bn (+1.6% Q/Q). Positive commercial dynamics with higher lending volumes (+9.0bn Q/Q Group Core) and positive net AuM sales (+3.2bn in 2Q18 Group) despite challenging markets. Resilient Group fees (-0.3% Y/Y) with transactional fees compensating lower investment and financing fees

2Q18 Group costs at 2.7bn, down 7.0% Y/Y and 2.9% Q/Q. Achieved 87% of FTE reduction target and 84% of branch closure target, ahead of schedule. 1H18 Group Cost/Income ratio at 53.6%

2Q18 Group CoR at low 45bps mainly driven by non-recurring write-backs in CIB. FY18 Group CoR expected to be below 68bps

2Q18 Group gross NPE ratio improved to 8.7% (-243bps Y/Y) with Group gross NPEs down 10.2bn Y/Y and 2.0bn Q/Q, of which 1.1bn disposals in 2Q18. 2Q18 Non Core gross NPEs at 22.2bn, new target 19bn for year end 2018

2Q18 Group CET1 ratio at 12.51%, impacted by -35bps from FVOCI(2). Fully loaded CET1 ratio for year end 2018 confirmed between 12.3% and 12.6%, at current BTP spread levels(3)

(1) Group and Group Core adjusted net profit and RoTE exclude the net impact of the Pekao disposal (-310m 2Q17) and the net profit from Pekao and Pioneer (+48m in 1Q17, +73m in 2Q17). RoTE calculated at CMD perimeter, taking into account the capital increase and Pekao and Pioneer disposals as of 1 January 2017.

(2) In 2Q18 CET1 ratio impact from FVOCI -35bps, o/w -30bps due to BTP spread widening.

(3) As of 29 June 2018. BTP sensitivity: +10bps parallel shift of BTP asset swap spreads has a -3.8bps (or -137m) pre and -2.6bps (or -95m) post tax impact on the fully loaded CET1 ratio (capital).

Group – 1H18 net profit 2.1bn, up 4.7% 1H/1H vs. adjusted(1)

Group key figures	2Q17	1Q18	2Q18	Δ % vs. 1Q18	Δ % vs. 2Q17	1H17	1H18	Δ % vs. 1H17
Total revenues, m	5,172	5,114	4,947	-3.3%	-4.3%	10,323	10,061	-2.5%
Operating costs, m	-2,858	-2,738	-2,659	-2.9%	-7.0%	-5,744	-5,396	-6.1%
Loan loss provisions, m	-661	-496	-504	+1.5%	-23.7%	-1,427	-1,000	-29.9%
Net profit, m	945	1,112	1,024	-7.9%	+8.3%	1,853	2,136	+15.3%
Adjusted net profit(1), m	1,182	1,112	1,024	-7.9%	-13.3%	2,041	2,136	+4.7%
Fully loaded CET1 ratio	12.80%	13.06%	12.51%	-0.6p.p.	-0.3p.p.	12.80%	12.51%	-0.3p.p.
RWA transitional, bn	352.7	353.3	360.7	+2.1%	+2.3%	352.7	360.7	+2.3%
Loans, exc. repos, bn	411.2	414.9	422.9	+1.9%	+2.9%	411.2	422.9	+2.9%
Gross NPE, bn	52.8	44.6	42.6	-4.4%	-19.3%	52.8	42.6	-19.3%
Adjusted RoTE(1)	9.5%	8.9%	8.5%	-0.4p.p.	-1.0p.p.	8.3%	8.7%	+0.4p.p.
C/I	55.3%	53.5%	53.7%	+0.2p.p.	-1.5p.p.	55.6%	53.6%	-2.0p.p.
Cost of risk, bps	60	45	45	-0bps	-15bps	65	45	-20bps

(1) Group adjusted net profit and RoTE exclude the net impact of the Pekao disposal (-310m 2Q17) and the net profit from Pekao and Pioneer (+48m in 1Q17, +73m in 2Q17). RoTE calculated at CMD perimeter, taking into account the capital increase and Pekao and Pioneer disposals as of 1 January 2017.

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Transform 2019 achievements (1/2)

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Transform 2019 update

STRENGTHEN AND OPTIMISE CAPITAL	**Strong capitalisation**	• 2Q18 Group fully loaded CET1 ratio at 12.51%, impacted by -35bps from FVOCI(1) • Fully loaded CET1 ratio for year end 2018 confirmed between 12.3% and 12.6%(2) • 2019 fully loaded CET1 ratio target confirmed >12.5%(2)
IMPROVE ASSET QUALITY	**Ongoing de-risking** **Accelerated Non Core rundown by 2021**	• 2Q18 Group gross NPE ratio improved to 8.7% (-243bps Y/Y) with Group gross NPEs down 10.2bn Y/Y and 2.0bn Q/Q, of which 1.1bn(3) disposals in 2Q18 • Group Core gross NPE ratio 4.4% down 85bps Y/Y, getting closer to the EBA average(4) • Accelerated Non Core rundown proceeding as planned. 2Q18 Non Core gross NPEs at 22.2bn, new target 19bn for year end 2018
TRANSFORM OPERATING MODEL	**Branch and FTE reductions ahead of schedule**	• 58 branch closures Q/Q and 790 since December 2015 in Western Europe. 84% of 944 Transform 2019 target achieved • FTEs down by 1,725 Q/Q and 12,312 since December 2015. 87% of the 14k Transform 2019 target achieved

(1) In 2Q18 CET1 ratio impact from FVOCI -35bps, o/w -30bps due to BTP spread widening.

(2) At current BTP spread levels as of 29 June 2018. BTP sensitivity: +10bps parallel shift of BTP asset swap spreads has a -3.8bps (or -137m) pre and -2.6bps (or -95m) post tax impact on the fully loaded CET1 ratio (capital).

(3) Of which 0.5bn in Non Core.

(4) Weighted average of EBA sample banks is 3.9%. Source: EBA risk dashboard (data as of 1Q18).

Transform 2019 achievements (2/2)

1 2 3 4 5 6 7 8

Transform 2019 update

MAXIMISE COMMERCIAL BANK VALUE	**Commercial partnerships**	• In CEE, two strategic Bancassurance partnerships signed with Allianz and Generali • In Italy, consumer finance partnership formed with Poste Italiane • UniCredit first bank to offer cross-border instant payments • First transaction on we.trade blockchain trade platform, of which UniCredit is a founding partner
	Multichannel offer/ customer experience	• In Italy remote sales(1) increased further by 6.1p.p. Y/Y, reaching 23.5% of total bank sales(2) • In CEE, the mobile user penetration(3) improved by 2.1p.p. Q/Q to 36% • Signed partnership with Meniga to offer new digital services to improve digital customer experience, starting in Italy and Serbia
	E2E redesign and streamlining	• In Italy, the E2E process redesign continues to be successfully executed: 2 additional processes launched; in total, 13 E2E redesigns have been launched so far
	Leading Debt and Trade Finance house in Europe	• Leading franchise confirmed: Ranking #1 in "All Bonds in EUR" in Italy and Germany, #2 in "EMEA All Bonds in EUR" by number of transactions, #3 combined Bonds and Loans in EMEA EUR. Furthermore #1 in Financial Advisory by number of deals in Germany, Italy and CEE (#2 in Austria) demonstrating the strength of the fully plugged-in CIB platform(4)
ADOPT LEAN BUT STEERING CENTRE	**Group CC streamlining**	• Weight of Group Corporate Centre of total costs at 3.4% 1H18, -0.5p.p. 1H/1H (FY15 actual: 5.2%, FY19 target(5): 3.6%)

(1) Transactions concluded through ATM, online, mobile or Contact Centre.

(2) Percentage of remote sales calculated on total bank products that have a direct selling process.

(3) Including Yapi at 100%. Ratio defined as number of retail mobile users as percentage of active customers.

(4) Source: Dealogic, as of 4 July 2018. Period 1 January – 30 June 2018; rankings by volume, unless otherwise stated.

(5) FY15 actual and FY19 target recasted as of June 2018, previously 5.1% and 3.5% respectively.

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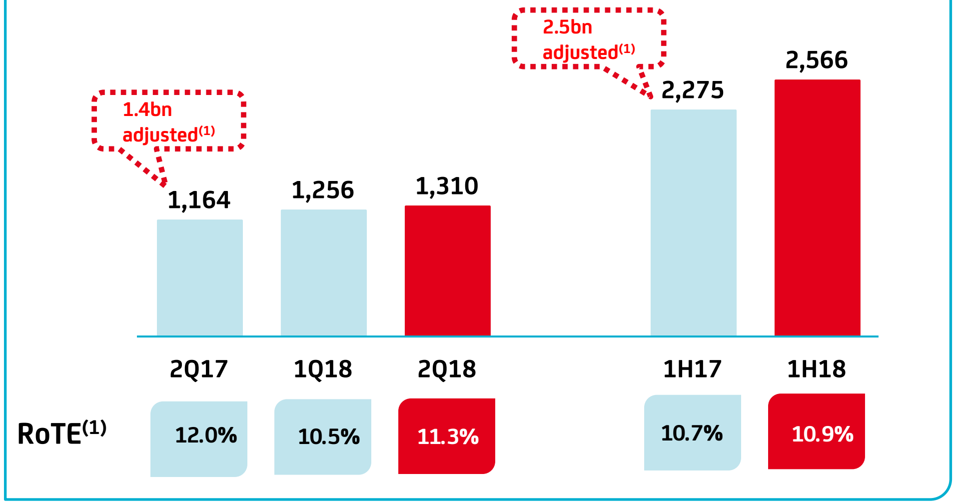
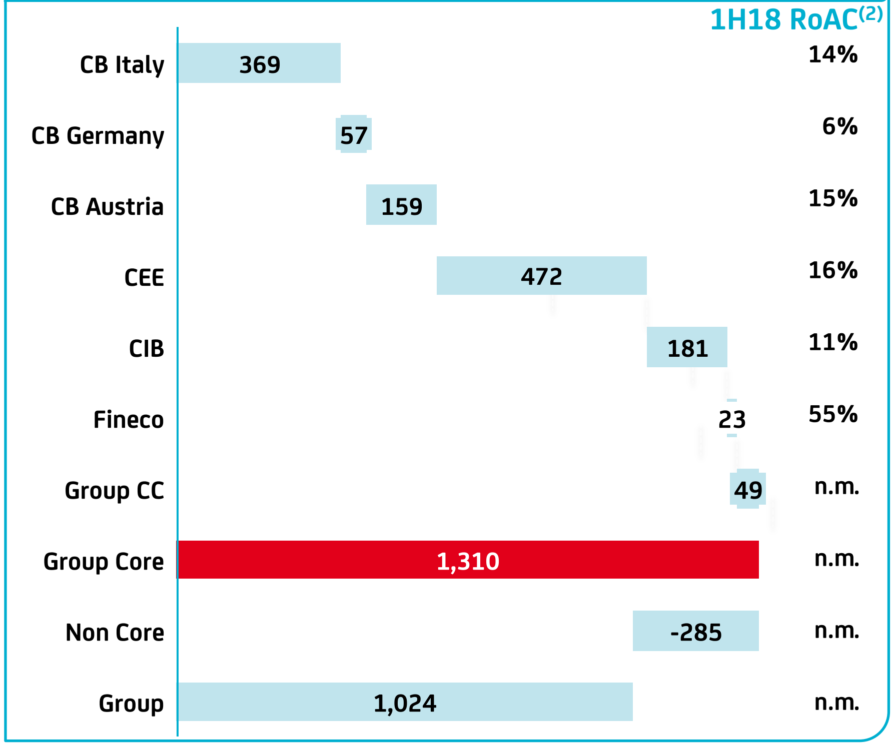
Group Core – 1H18 RoTE 10.9%, up 0.2p.p. 1H/1H vs. adjusted(1)

Group Core net profit, m



Net profit by division 2Q18, m



- 1H18 Group Core RoTE at 10.9%, up 0.2p.p. 1H/1H vs. adjusted(1). CEE and CB Italy as main drivers
- FY19 Group Core RoTE target >10% confirmed

(1) Group Core adjusted net profit and RoTE exclude the net impact of the Pekao disposal (-310m 2Q17) and the net profit from Pekao and Pioneer (+48m in 1Q17, +73m in 2Q17). RoTE calculated at CMD perimeter, taking into account the capital increase and Pekao and Pioneer disposals as of 1 January 2017.

(2) Normalised 1H18 RoAC: CIB 10.6%, CB Germany 5.0%. Adjustments for 1H18 summarised in Annex on page 43.

Group Core – 1H18 net profit 2.6bn, up 4.2% 1H/1H vs. adjusted[(1)]

1 2 3 4 5 6 7 8

Group results highlights

Main drivers

- Revenues at 5.0bn in 2Q18 (-3.9% Y/Y), impacted by lower trading (-27.1% Y/Y), and a 90m positive one-off[(2)] net interest item in 2Q17
- Resilient commercial revenues: net interest (+1.7% Q/Q, -0.9% Y/Y) and fees (-0.7% Y/Y). Good performance in fees in CB Italy, up 0.9% Y/Y
- Costs down 6.9% Y/Y and 2.4% Q/Q thanks to continued strong focus on cost discipline. 1H18 C/I ratio at 53.0%, down 2.3p.p. 1H/1H
- LLPs down 65.7% Y/Y to 116m as supportive risk environment led to write-backs in CIB, CB Austria and CEE, resulting in a low CoR of 11bps in 2Q18
- Gross NPE ratio 4.4%[(3)], down by 85bps Y/Y
- 2Q18 net profit at 1.3bn, down 6.4% Y/Y vs. adjusted[(1)]. 2Q18 net profit up 12.6% Y/Y on a stated basis

Data in m	*2Q17*	*1Q18*	*2Q18*	*Δ % vs.1Q18*	*Δ % vs.2Q17*	*1H17*	*1H18*	*Δ % vs. 1H17*
Total revenues	5,156	5,132	4,957	-3.4%	-3.9%	10,283	10,089	-1.9%
o/w Net interest	*2,684*	*2,615*	*2,659*	*+1.7%*	*-0.9%*	*5,296*	*5,274*	*-0.4%*
o/w Fees	*1,754*	*1,761*	*1,742*	*-1.1%*	*-0.7%*	*3,474*	*3,503*	*+0.8%*
o/w Trading	462	501	337	-32.7%	-27.1%	1,048	838	-20.1%
Operating costs	-2,837	-2,705	-2,641	-2.4%	-6.9%	-5,682	-5,346	-5.9%
Gross operating profit	2,319	2,426	2,317	-4.5%	-0.1%	4,600	4,743	+3.1%
LLP	-338	-371	-116	-68.7%	-65.7%	-837	-487	-41.8%
Net operating profit	1,981	2,056	2,201	+7.1%	+11.1%	3,764	4,256	+13.1%
Net profit	1,164	1,256	1,310	+4.3%	+12.6%	2,275	2,566	+12.8%
Adjusted net profit[(1)]	1,400	1,256	1,310	+4.3%	-6.4%	2,464	2,566	+4.2%
Adjusted RoTE[(1)]	12.0%	10.5%	11.3%	+0.8p.p.	-0.7p.p.	10.7%	10.9%	+0.2p.p.
C/I	55.0%	52.7%	53.3%	+0.5p.p.	-1.8p.p.	55.3%	53.0%	-2.3p.p.
CoR (bps)	32	35	11	-24bps	-21bps	40	22	-17
Gross NPE ratio	5.3%	4.7%	4.4%	-29bps	-85bps	5.3%	4.4%	-85bps

(1) Group Core adjusted net profit and RoTE exclude the net impact of the Pekao disposal (-310m 2Q17) and the net profit from Pekao and Pioneer (+48m in 1Q17, +73m in 2Q17). RoTE calculated at CMD perimeter, taking into account the capital increase and Pekao and Pioneer disposals as of 1 January 2017.

(2) 2Q17 one-off in net interest (+90m) related to release of a tax provision in CB Germany.

(3) Weighted average of EBA sample banks is 3.9%. Source: EBA risk dashboard (data as of 1Q18).

Group – 2Q18 net profit 1.0bn, down 13.3% Y/Y vs. adjusted[1] due to higher other charges & provisions

1 2 3 4 5 6 7 8

Main drivers

- Revenues down 4.3% Y/Y, due to lower trading and a 90m positive one-off[2] net interest item in 2Q17
- Net interest at 2.7bn, up 1.6% Q/Q thanks to higher lending volumes compensating ongoing pressure on customer rates
- Resilient fees down only 0.3% Y/Y, due to lower investment (-3.4% Y/Y) and financing fees (-6.9% Y/Y) compensated by higher transactional fees (+9.6% Y/Y)
- Costs down 7.0% Y/Y (-2.9% Q/Q) thanks to lower HR (-7.6% Y/Y, -1.4% Q/Q) and non HR costs (-6.0% Y/Y, -5.1% Q/Q). FTEs down 1,725 Q/Q
- LLPs down 23.7% Y/Y, leading to a low CoR of 45bps with 5bps impact from models, mainly thanks to the supportive risk environment that led to write-backs in CIB, CB Austria and CEE. FY18 CoR expected to be below 68bps
- Other charges & provisions up 27.5% Q/Q including 158m systemic charges[3] with 52m additional contribution to the National Resolution Fund (NRF) in Italy and some non-recurring items

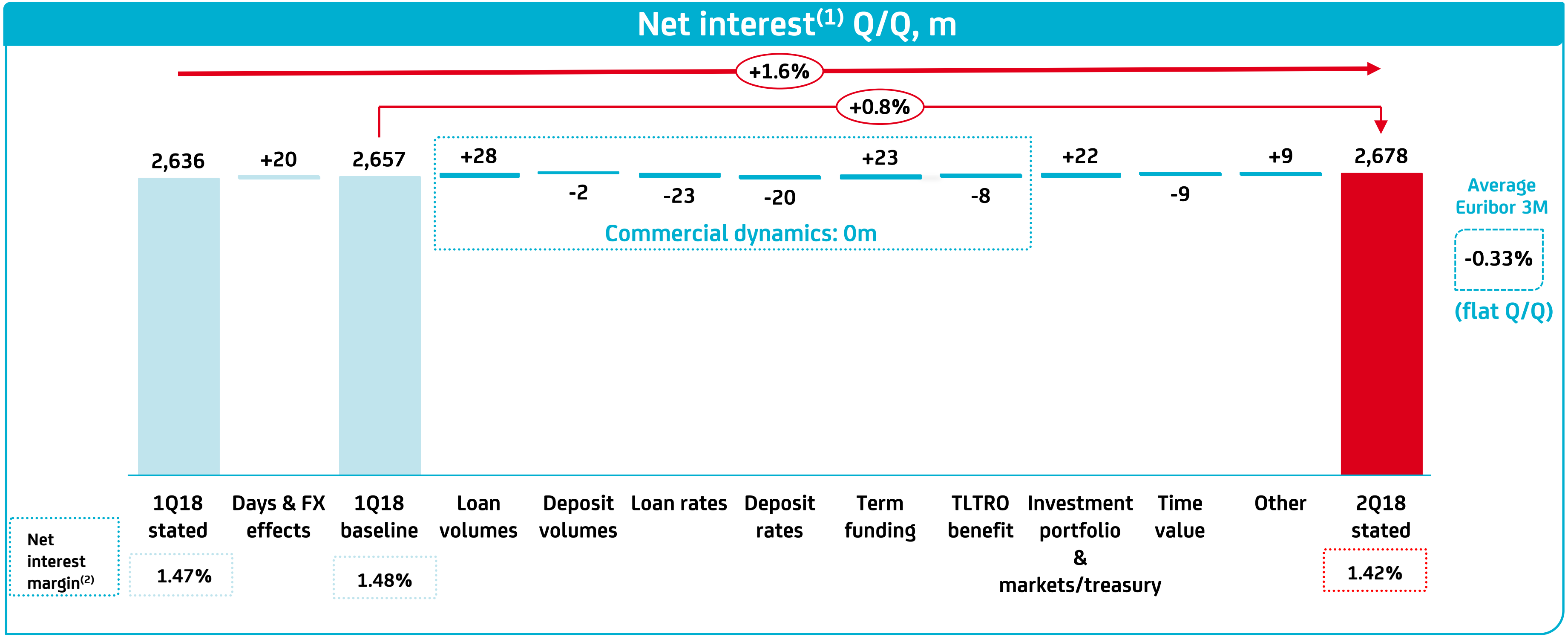
Data in m	*2Q17*	*1Q18*	*2Q18*	*Δ % vs.1Q18*	*Δ % vs.2Q17*	*1H17*	*1H18*	*Δ % vs. 1H17*
Total revenues	5,172	5,114	4,947	-3.3%	-4.3%	10,323	10,061	-2.5%
o/w Net interest	*2,748*	*2,636*	*2,678*	*+1.6%*	*-2.6%*	*5,408*	*5,314*	*-1.7%*
o/w Fees	*1,730*	*1,750*	*1,725*	*-1.4%*	*-0.3%*	*3,432*	*3,475*	*+1.3%*
o/w Trading	*462*	*478*	*331*	*-30.8%*	*-28.5%*	*1,053*	*809*	*-23.2%*
Operating costs	-2,858	-2,738	-2,659	-2.9%	-7.0%	-5,744	-5,396	-6.1%
Gross operating profit	2,315	2,376	2,289	-3.7%	-1.1%	4,579	4,665	+1.9%
Loan loss provisions	-661	-496	-504	+1.5%	-23.7%	-1,427	-1,000	-29.9%
Net operating profit	1,654	1,880	1,785	-5.1%	+7.9%	3,152	3,665	+16.3%
Other charges & provisions	-135	-519	-662	+27.5%	n.m.	-598	-1,181	+97.5%
o/w Systemic charges	*-19*	*-465*	*-158*	*-66.1%*	*n.m.*	*-453*	*-623*	*+37.3%*
Profit before taxes	1,338	1,389	1,325	-4.6%	-0.9%	2,392	2,715	+13.5%
Income taxes	-143	-221	-258	+17.1%	+81.0%	-362	-479	+32.3%
Net profit from discontinued operations	-133	-1	15	n.m.	n.m.	29	14	-52.1%
Net profit	945	1,112	1,024	-7.9%	+8.3%	1,853	2,136	+15.3%
Adjusted net profit[1]	1,182	1,112	1,024	-7.9%	-13.3%	2,041	2,136	+4.7%

(1) Group adjusted net profit excludes the net impact of the Pekao disposal (-310m 2Q17) and the net profit from Pekao and Pioneer (+48m in 1Q17, +73m in 2Q17).

(2) 2Q17 one-off in net interest (+90m) related to release of a tax provision in CB Germany.

(3) 2Q18 systemic charges details by type and division in Annex on page 48.

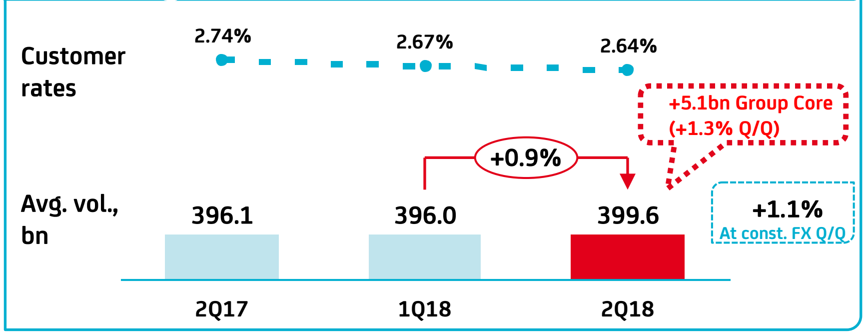
Group – 2Q18 net interest 2.7bn, up 1.6% Q/Q thanks to higher loan volumes and lower average funding costs



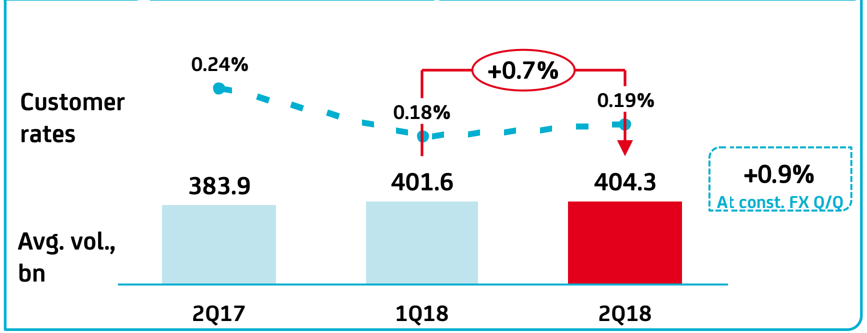
(1) Net contribution from hedging strategy of non-maturity deposits in 2Q18 at 376m, -1.9m Q/Q and -3.5m Y/Y.
(2) Net interest margin calculated as interest income divided by interest earning assets minus interest expenses divided by interest bearing liabilities.

Group – Average Group Core loan volumes up 5.1bn Q/Q

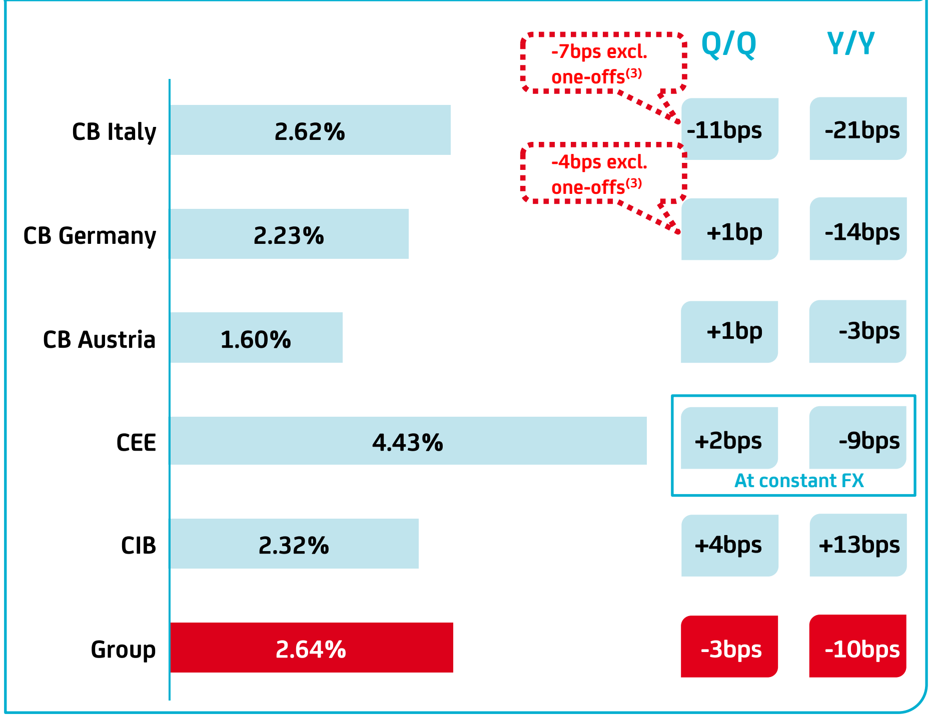
Avg. commercial loans[1] and rates[2]



Avg. commercial deposits[1] and rates[2]



Customer loan rates[2] 2Q18



(1) Average commercial volumes are managerial figures and are calculated as daily averages. Loans net of provisions.
(2) Customer loan rates calculated assuming the 365 days convention.
(3) Excluding one-offs in CB Italy (days effect, factoring) and CB Germany (extraordinary recovery).

Group – End-of-period Group Core customer loans up 9.0bn Q/Q

Customer loans (end-of-period)[1], bn

	bn	Q/Q	Y/Y
CB Italy	141.4	+2.9%	+3.1%
CB Germany	83.2	+1.0%	+0.9%
CB Austria	44.6	+1.2%	-0.1%
CEE	61.8	+3.2% (At constant FX)	+5.4% (At constant FX)
CIB	76.3	+2.5%	+12.9%
Fineco	2.4	+15.4%	+86.6%
Group CC	3.2	+13.0%	+43.8%
Group Core	**412.9**	+2.2%	+4.5%
Non Core	10.1	-9.0%	-37.4%
Group	422.9	+1.9%	+2.9%

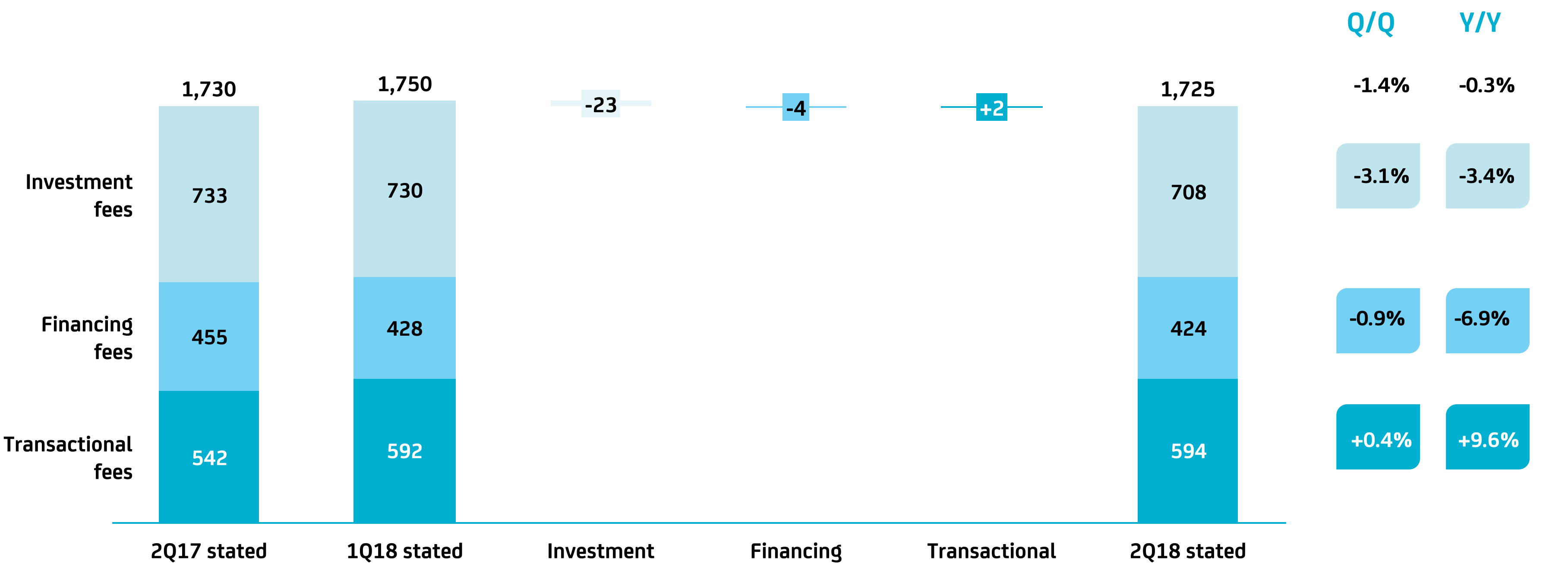
Customer deposits (end-of-period)[1], bn

	bn	Q/Q	Y/Y
CB Italy	145.0	+1.7%	+8.5%
CB Germany	89.2	+0.2%	+6.4%
CB Austria	47.6	+1.8%	+2.6%
CEE	62.4	+2.5% (At constant FX)	+6.8% (At constant FX)
CIB	44.4	-5.3%	-6.1%
Fineco	21.1	+1.5%	+9.3%
Group CC	3.1	+8.2%	-19.2%
Group Core	**412.8**	+0.5%	+4.8%
Non Core	1.0	-0.6%	+0.1%
Group	413.8	+0.5%	+4.8%

(1) End-of-period accounting volumes calculated excluding repos and intercompany items.

Group – Fees down 0.3% Y/Y, due to lower investment and financing fees offset by higher transactional fees

Fees Q/Q(1), m



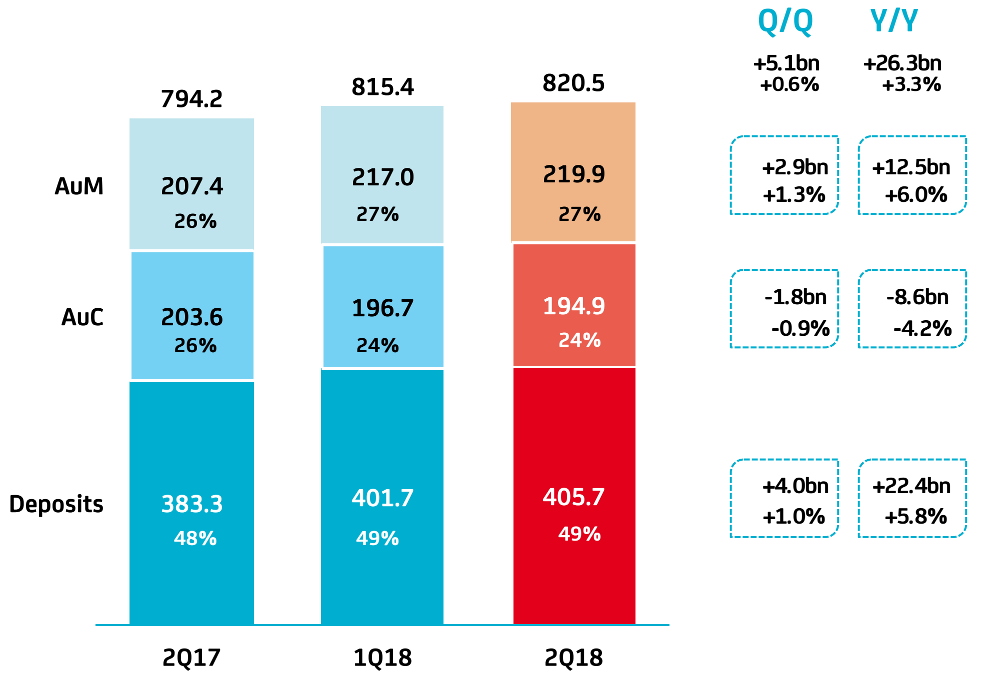
(1) All 2017 figures have been restated for the consolidation effects arising from the intercompany fees relating to Bank Pekao and Pioneer, which until 2Q17 were classified as held for sale, in accordance with IFRS5.

Group – TFAs up 3.3% Y/Y to 820.5bn

Main drivers

- **TFAs** up 3.3% Y/Y to 820.5bn:
  - ✓ **Assets under Management** at 219.9bn, up 6.0% Y/Y mainly thanks to CB Italy (+5.3% Y/Y). Fineco (+10.6% Y/Y) and CB Germany (+7.1% Y/Y) performed well. Positive AuM net sales in 2Q18 (+3.2bn), despite challenging markets
  - ✓ **Assets under Custody** at 194.9bn, down 8.6bn Y/Y (-4.2% Y/Y), primarily due to CB Italy (-13.3% Y/Y)
  - ✓ **Deposits** at 405.7bn, up 5.8% Y/Y mainly thanks to CB Italy (+8.2% Y/Y) and CB Germany (+8.3% Y/Y)
- **TFAs** up 0.6% Q/Q despite negative market performance (-2.5bn Q/Q), thanks to higher deposits (+1.0% Q/Q) and AuM (+1.3% Q/Q) more than compensating lower AuC (-0.9% Q/Q)

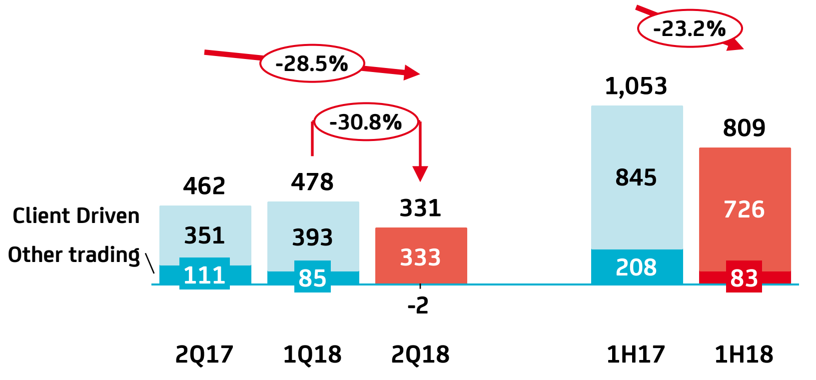
Group TFAs(1) 2Q18, bn



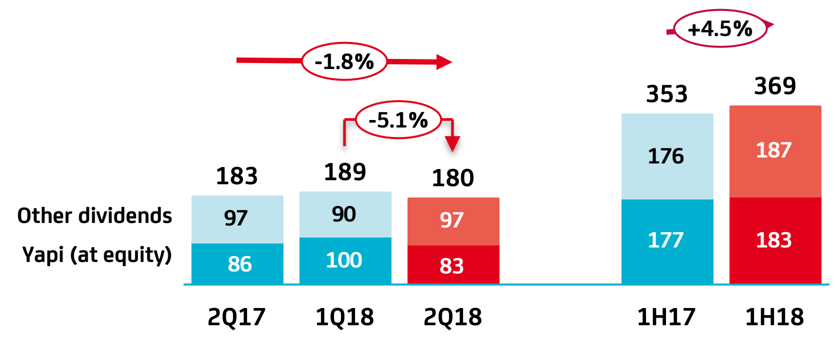
(1) Refers to Group commercial Total Financial Assets. Non-commercial elements, i.e. Group Corporate Centre, Non Core, Leasing/Factoring and Market Counterparts are excluded. Numbers are managerial figures.

Group – Trading income down 28.5% Y/Y

Trading income, m



Dividends[1], m



- Trading income down 28.5% Y/Y and 30.8% Q/Q in an unfavourable market which led to lower client activity
- Client driven trading includes valuation adjustments[2] equal to +31m in 2Q18 (+67m in 1Q18 and +23m in 2Q17)

- Yapi´s contribution up 27.9% Y/Y at constant FX, down 3.4% Y/Y at current FX due to the depreciation of the Turkish Lira
- Yapi is consolidated at equity from an accounting point of view. The only contribution to the Group's P&L is the pro rata share of Yapi's net income in the dividend line, less than 2% of Group revenues
- The regulatory consolidation of RWA is pro rata, contributing 25.4bn
- The Turkish Lira FX sensitivity for the Group's CET1 ratio is low, only around 2bps net impact for 10% adverse FX move[3]

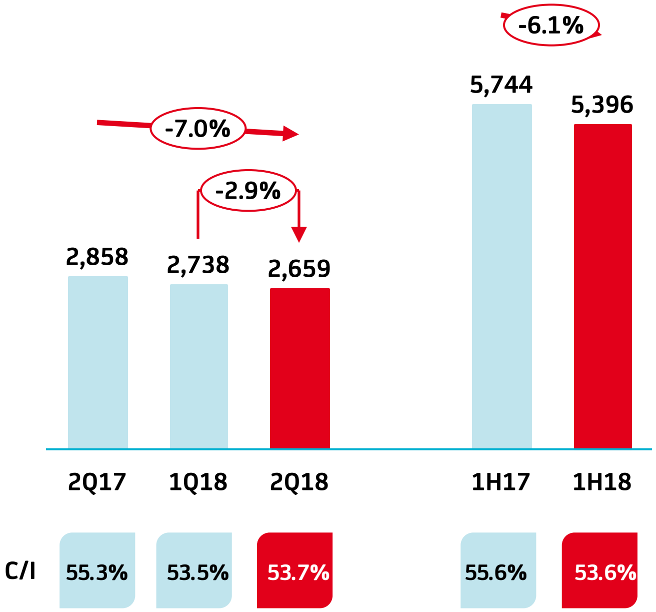
(1) Include dividends and equity investments. Yapi is valued at equity method and contributes to the dividend line to the Group P&L based on managerial view.
(2) Collateral Valuation Adjustments (OIS), Debt/Credit Value Adjustment (DVA/CVA), Fair Value Adjustment and Funding Valuation Adjustment (FVA).
(3) Turkish Lira (TRY) sensitivity: 10% depreciation of the TRY has around -2bps net impact (-6bps from capital, +4bps from RWA) on the fully loaded CET1 ratio. Managerial data as of 30th June 2018.

Group – Costs down 7.0% Y/Y, down 2.9% Q/Q
FY18 costs below 11.0bn, FY19 10.6bn cost target confirmed

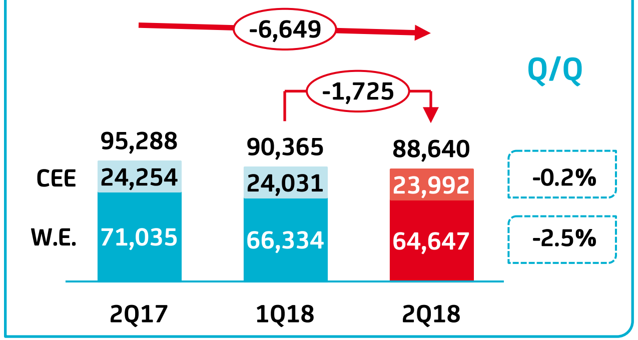
Main drivers

- Execution of Transform 2019 progressing ahead of schedule:
  - ✓ 87% of FTE reduction target achieved (12k out of 14k)
  - ✓ 84% of branch closures completed (790 out of 944)
- FTEs down 6,649 Y/Y, branches down 417 Y/Y
- C/I 53.6% in 1H18, down 2.0p.p. 1H/1H. FY18 <55% C/I target confirmed
- 2Q18 total costs at 2.66bn, down 7.0% Y/Y
- FY18 costs below 11.0bn, FY19 10.6bn cost target confirmed

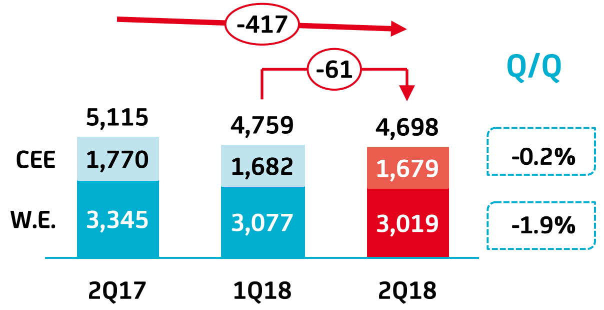
Costs, m



FTEs (eop)



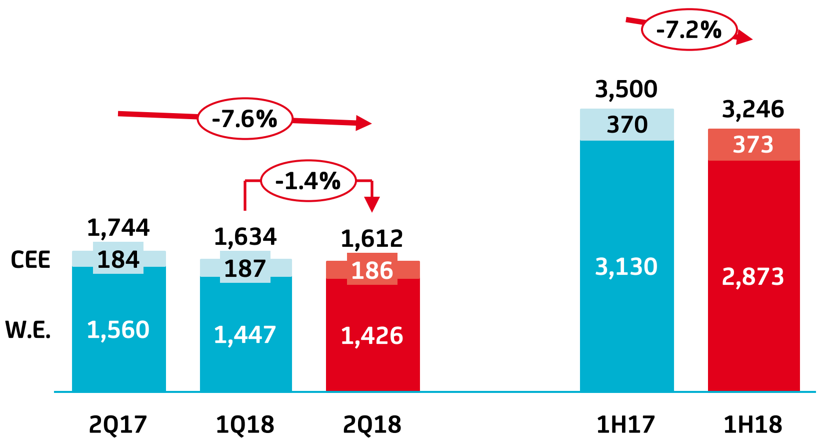
Branches(1)



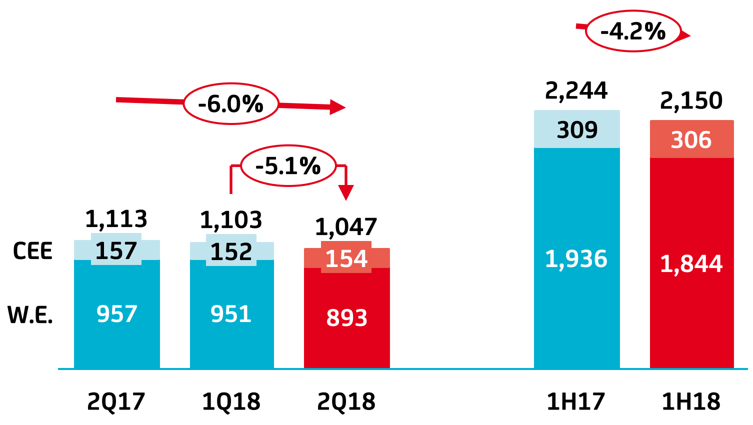
(1) Branch figures consistent with CMD perimeter.

Group – Disciplined cost control with HR and Non HR costs down Y/Y and Q/Q

Staff expenses, m



Non HR costs(1), m



- Staff expenses down 7.6% Y/Y (-1.4% Q/Q), confirming a continued reduction supported by lower FTEs, down 6,649 Y/Y

- Non HR costs down 6.0% Y/Y (-5.1% Q/Q) mainly thanks to lower consulting, sponsorships and real estate expenses

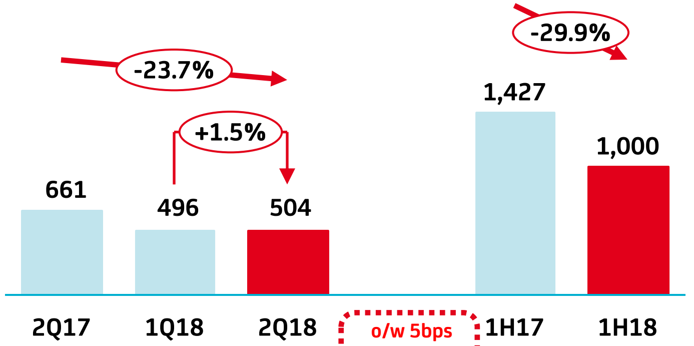
(1) Non HR costs include "other administrative expenses", "recovery of expenses" and "amortisation, depreciation and impairment losses on intangible and tangible assets".

Group – 2Q18 LLPs down 23.7% Y/Y. Gross NPE ratio 8.7%, down 243bps Y/Y

Main drivers

- 2Q18 LLPs down 23.7% Y/Y to 504m mainly driven by non-recurring write-backs in CIB
- 2Q18 CoR at low 45bps, o/w 5bps models impact. FY18 CoR expected to be below 68bps
- Group gross NPE ratio improved to 8.7% in 2Q18, down 243bps Y/Y. Coverage ratio increased to 60.9% (up 441bps Y/Y)
- Group Core gross NPE ratio 4.4%, down 85bps Y/Y
- CoR across divisions in 2Q18:
  - ✓ CB Italy CoR at 61bps, down 9bps Y/Y with limited models impact (2bps)
  - ✓ CB Germany CoR at 17bps still seasonally low (-1bp Y/Y) thanks to supportive risk environment
  - ✓ CB Austria CoR at -14bps thanks to net write-backs
  - ✓ CEE low at 65bps thanks to continued write-backs
  - ✓ CIB at -77bps driven by non-recurring write-backs

Loan loss provisions, m



o/w 5bps models impact

	2Q17	1Q18	2Q18	1H17	1H18
Cost of risk	60bps	45bps	45bps	65bps	45bps
Cov. ratio gross NPE	56.5%	60.3%	60.9%		
Gross NPE ratio	11.2%	9.5%	8.7%		

o/w 2bps models impact

Agenda

CB Italy – Net operating profit 0.6bn, up 6.2% Y/Y thanks to strict cost discipline compensating lower net interest

Main drivers

- Net interest down 3.3% Q/Q due to ongoing pressure on customer rates partially offset by increased volumes
- New loans production[(1)] at 7.2bn in 2Q18 (+22.0% Q/Q), driven by corporates and retail
- Fees up 0.9% Y/Y, thanks to transactional fees (+14.9% Y/Y)
- 92k gross new clients in 2Q18
- Costs down 7.4% Y/Y thanks to a strong reduction of HR costs (-8.5% Y/Y) and Non HR costs (-6.1% Y/Y). 1H18 C/I ratio at 55.7%, down 3.1p.p. 1H/1H
- CoR at 61bps in 2Q18, down 9bps Y/Y with limited models impact (2bps)
- RoAC at 14.0% in 1H18

Data in m	*2Q17*	*1Q18*	*2Q18*	*Δ % vs.1Q18*	*Δ % vs.2Q17*	*1H17*	*1H18*	*Δ % vs. 1H17*
Total revenues	1,940	1,884	1,867	-1.0%	-3.8%	3,808	3,751	-1.5%
o/w Net interest	*937*	*902*	*873*	*-3.3%*	*-6.9%*	*1,873*	*1,775*	*-5.2%*
o/w Fees	*970*	*975*	*979*	*+0.4%*	*+0.9%*	*1,915*	*1,954*	*+2.0%*
Operating costs	-1,120	-1,054	-1,037	-1.6%	-7.4%	-2,241	-2,091	-6.7%
Gross operating profit	819	831	829	-0.2%	+1.2%	1,567	1,660	+5.9%
LLP	-238	-220	-211	-3.8%	-11.1%	-489	-431	-11.8%
Net operating profit	582	611	618	+1.1%	+6.2%	1,078	1,229	+14.0%
Net profit	325	379	369	-2.7%	+13.4%	637	748	+17.4%
RoAC	12.8%	14.2%	13.7%	-0.6p.p.	+0.8p.p.	12.7%	14.0%	+1.2p.p.
C/I	57.8%	55.9%	55.6%	-0.3p.p.	-2.2p.p.	58.9%	55.7%	-3.1p.p.
CoR (bps)	70	64	61	-3bps	-9bps	72	62	-10bps
Branches[(2)]	2,874	2,613	2,555	-2.2%	-11.1%	2,874	2,555	-11.1%
FTEs	34,226	31,837	30,912	-2.9%	-9.7%	34,226	30,912	-9.7%
Gross NPE ratio	6.6%	6.6%	6.4%	-14bps	-20bps	6.6%	6.4%	-20bps

(1) Managerial figures.

(2) Branch figures consistent with CMD perimeter.

CB Germany – Net operating profit 0.2bn, up 8.6 % Y/Y adjusted for a one-off[(1)], mainly thanks to lower costs

Main drivers

- Net interest up 4.1% Q/Q mainly thanks to stabilising loan volumes and rates
- Net interest down 3.2% Y/Y excluding +90m release of a tax provision in net interest in 2Q17
- New loans production[(2)] at 4.9bn in 2Q18 (+10.6% Q/Q), mainly driven by corporates
- Fees up 1.6% Y/Y supported by higher AuM stock (+7.1% Y/Y)
- 19k gross new clients in 2Q18
- Costs under control, down 6.4% Y/Y, mainly driven by strong HR costs reduction (-7.5% Y/Y) thanks to lower FTEs (-9.4% Y/Y). 1H18 C/I ratio at 69.8%, up 0.3p.p. 1H/1H[(1)]
- CoR at 17bps still seasonally low in 2Q18 (-1bp Y/Y) thanks to supportive risk environment
- Normalised[(4)] RoAC at 5.0% in 1H18, target for FY19 confirmed at 9.1%

Data in m	*2Q17*	*1Q18*	*2Q18*	*Δ % vs.1Q18*	*Δ % vs.2Q17*	*1H17*	*1H18*	*Δ % vs. 1H17*
Total revenues	731	636	621	-2.2%	-15.0%	1,432	1,257	-12.2%
o/w Net interest	*481*	*364*	*378*	*+4.1%*	*-21.3%*	*879*	*742*	*-15.6%*
o/w Fees	*187*	*217*	*190*	*-12.3%*	*+1.6%*	*420*	*407*	*-3.1%*
Operating costs	-460	-447	-430	-3.7%	-6.4%	-932	-877	-5.9%
Gross operating profit	271	189	191	+1.3%	-29.5%	499	380	-23.9%
LLP	-37	-27	-35	+25.7%	-6.5%	-62	-62	+0.6%
Net operating profit	234	161	157	-2.9%	-33.1%	438	318	-27.4%
Net profit	239	85	57	-32.6%	-76.2%	350	142	-59.6%
RoAC	21.1%	7.5%	4.9%	-2.6p.p.	-16.2p.p.	15.1%	6.2%	-8.9p.p.
C/I	62.9%	70.3%	69.2%	-1.1p.p.	+6.3p.p.	65.1%	69.8%	+4.7p.p.
CoR (bps)	18	13	17	+3bps	-1bp	15	15	-0bps
Branches[(3)]	341	341	341	+0.0%	+0.0%	341	341	+0.0%
FTEs	10,207	9,564	9,244	-3.3%	-9.4%	10,207	9,244	-9.4%
Gross NPE ratio	2.5%	2.2%	2.1%	-9bps	-40bps	2.5%	2.1%	-40bps

(1) 2Q17 one-off in net interest (+90m) related to release of a tax provision.

(2) Managerial figures.

(3) Branch figures consistent with CMD perimeter.

(4) Normalised RoAC for non-recurring net gain from participation in 2Q18 +27m. 2Q18 net profit negatively affected by non-recurring other charges & provisions.

CB Austria – Net operating profit 0.2bn, down 0.5% Y/Y mainly due to lower net write-backs

1 2 3 4 5 6 7 8

Divisional results highlights

Main drivers

- Net interest down 1.5% Q/Q due to higher repayments by corporates. Customer rates stable
- New loans production[1] at 2.1bn in 2Q18 (+27.7% Q/Q), driven by corporates
- Fees up 1.8% Y/Y thanks to transactional fees (+2.8% Y/Y)
- 11k gross new clients in 2Q18
- Costs down 5.9% Y/Y thanks to a reduction of HR (-7.2% Y/Y) and Non HR costs (-4.3% Y/Y). FTE constantly decreasing (-8.3% Y/Y). 1H18 C/I ratio at 66.6%, down 4.2p.p. 1H/1H
- CoR at -14bps thanks to net write-backs in 2Q18. CoR expected to begin to normalise over the course of 2H18
- RoAC at 15.5% in 1H18

Data in m	*2Q17*	*1Q18*	*2Q18*	*Δ % vs.1Q18*	*Δ % vs.2Q17*	*1H17*	*1H18*	*Δ % vs. 1H17*
Total revenues	411	380	403	+6.1%	-1.8%	785	784	-0.2%
o/w Net interest	*181*	*169*	*167*	*-1.5%*	*-8.1%*	*361*	*336*	*-7.1%*
o/w Fees	*154*	*156*	*157*	*+0.9%*	*+1.8%*	*308*	*312*	*+1.4%*
Operating costs	-272	-266	-256	-3.9%	-5.9%	-556	-522	-6.1%
Gross operating profit	139	114	148	+29.3%	+6.4%	229	262	+14.1%
LLP	26	38	16	-57.8%	-37.6%	74	55	-26.0%
Net operating profit	165	153	164	+7.4%	-0.5%	303	316	+4.3%
Net profit	209	50	159	n.m.	-23.8%	280	209	-25.5%
RoAC	28.7%	7.2%	23.9%	+16.8p.p.	-4.8p.p.	19.0%	15.5%	-3.6p.p.
C/I	66.2%	70.0%	63.4%	-6.6p.p.	-2.8p.p.	70.8%	66.6%	-4.2p.p.
CoR (bps)	-22	-34	-14	+19bps	+8bps	-31	-24	+7bps
Branches[2]	130	123	123	+0.0%	-5.4%	130	123	-5.4%
FTEs	5,385	4,984	4,939	-0.9%	-8.3%	5,385	4,939	-8.3%
Gross NPE ratio	4.6%	4.3%	4.2%	-12bps	-43bps	4.6%	4.2%	-43bps

(1) Managerial figures.
(2) Branch figures consistent with CMD perimeter.

CEE – Net operating profit 0.6bn, up 1.2% Y/Y
Accelerated de-risking, gross NPE ratio down 176bps Y/Y to 7.2%

Main drivers

- Net interest up 3.9% Q/Q at constant FX thanks to increased loan volumes and stable customer rates
- New loans production[2] at 6.5bn in 2Q18 (+45.6% Q/Q)
- Fees up 0.6% Y/Y at constant FX mainly thanks to transactional fees (+8.8% Y/Y)
- 317k gross new clients in 2Q18[3]
- Costs up 2.2% Y/Y at constant FX, below inflation. 1H18 C/I ratio at 35.5%, down 0.2p.p. 1H/1H
- CoR low at 65bps in 2Q18 thanks to continued write-backs. CoR should begin to normalise in the last part of the year
- Gross NPE ratio down 176bps Y/Y to 7.2% in 2Q18, already at FY19 target. Coverage ratio at 65.9% (+404bps Y/Y)
- RoAC at 16.0% in 1H18

Data in m [1]	*2Q17*	*1Q18*	*2Q18*	*Δ % vs. 1Q18 constant*	*Δ % vs. 2Q17 constant*	*1H17*	*1H18*	*Δ % vs. 1H17 constant*
Total revenues	1,072	1,095	1,060	-1.5%	+3.9%	2,141	2,155	+4.7%
o/w Net interest	*640*	*651*	*667*	*+3.9%*	*+7.4%*	*1,286*	*1,318*	*+4.9%*
o/w Fees	*220*	*210*	*217*	*+4.7%*	*+0.6%*	*432*	*427*	*+0.3%*
Operating costs	-386	-381	-385	+2.4%	+2.2%	-765	-766	+1.8%
Gross operating profit	686	715	675	-3.4%	+4.8%	1,376	1,390	+6.3%
LLP	-82	-105	-100	-0.2%	+32.1%	-269	-206	-19.5%
Net operating profit	604	609	575	-4.0%	+1.2%	1,107	1,184	+12.5%
Net profit	494	415	472	+14.6%	+2.3%	825	887	+14.6%
RoAC	17.3%	15.0%	17.0%	+2.0p.p.	-0.3p.p.	14.3%	16.0%	+1.8p.p.
C/I	36.0%	34.8%	36.3%	+1.6p.p.	+0.3p.p.	35.7%	35.5%	-0.2p.p.
CoR (bps)	54	69	65	-4bps	+11bps	89	67	-22bps
Branches[3]	1,770	1,682	1,679	-0.2%	-5.1%	1,770	1,679	-5.1%
FTEs	24,254	24,031	23,992	-0.2%	-1.1%	24,254	23,992	-1.1%
Gross NPE ratio	9.0%	7.7%	7.2%	-47bps	-176bps	9.0%	7.2%	-176bps

(1) Stated numbers at current FX. Variations Q/Q and Y/Y at constant FX (RoAC, C/I, NPEs and CoR variations at current FX).
(2) Managerial figures.
(3) Including Yapi at 100%.

CIB – Net operating profit 0.7bn, up 11.1% Y/Y thanks to non-recurring write-backs

1 2 3 4 5 6 7 8

Divisional results highlights

Main drivers

- Challenging market environment led to lower client activity and thus lower fees and trading. Client driven revenues at 78% in 2Q18
- Net interest up 0.3% Q/Q due to slightly higher customer rates and increased loan volumes
- Fees down 17.1% Y/Y mainly due to weaker Capital Markets business in 2Q18 vs very strong 2Q17. Market shares stable
- Leading franchise confirmed: #1 in "All Bonds in EUR"(1) in Italy and Germany, #2 in "EMEA All Bonds in EUR"(1) by number of transactions
- Trading income down 53.3% Y/Y due to spread widening negatively impacting market making, lower institutional flows and less FVOCI gains
- Confirmed cost discipline, costs down 7.4% Y/Y. 1H18 C/I ratio at 39.8%, one of the lowest in the industry
- CoR at -77bps in 2Q18 driven by non-recurring write-backs
- Normalised(2) RoAC at 10.6% in 1H18

Data in m	*2Q17*	*1Q18*	*2Q18*	*Δ % vs.1Q18*	*Δ % vs.2Q17*	*1H17*	*1H18*	*Δ % vs. 1H17*
Total revenues	1,034	1,099	858	-21.9%	-17.0%	2,196	1,957	-10.9%
o/w Net interest	*553*	*556*	*558*	*+0.3%*	*+0.9%*	*1,087*	*1,114*	*+2.5%*
o/w Fees	*180*	*162*	*149*	*-7.8%*	*-17.1%*	*326*	*311*	*-4.6%*
o/w Trading	*281*	*328*	*131*	*-60.0%*	*-53.3%*	*738*	*459*	*-37.7%*
Operating costs	-411	-399	-381	-4.4%	-7.4%	-841	-780	-7.3%
Gross operating profit	623	700	477	-31.9%	-23.4%	1,355	1,178	-13.1%
LLP	-5	-49	210	n.m.	n.m.	-85	161	n.m.
Net operating profit	618	652	687	+5.5%	+11.1%	1,270	1,339	+5.5%
Net profit	402	378	181	-52.1%	-54.9%	753	559	-25.8%
RoAC	17.5%	15.7%	7.3%	-8.4p.p.	-10.1p.p.	16.1%	11.4%	-4.6p.p.
C/I	39.8%	36.3%	44.4%	+8.1p.p.	+4.6p.p.	38.3%	39.8%	+1.5p.p.
CoR (bps)	2	19	-77	-96bps	-78bps	17	-30	-47bps
FTEs	3,440	3,260	3,331	+2.2%	-3.2%	3,440	3,331	-3.2%
Gross NPE ratio	3.7%	2.9%	2.4%	-47bps	-128bps	3.7%	2.4%	-128bps

(1) Source: Dealogic, as of 4 July 2018. Period 1 January – 30 June 2018; rankings by volume, unless otherwise stated.

(2) Normalised RoAC for non-recurring net trading gains from participations +39m in 1Q18. 2Q18 net profit negatively affected by non-recurring other charges & provisions.

Fineco – Net operating profit 95m, up 19.9% Y/Y, driven by fees and net interest

Main drivers

- Revenues up 11.0% Y/Y supported by fees (+14.7% Y/Y) and net interest (+6.6% Y/Y)
- Loan volumes[1] at 2.4bn in 2Q18, up 15.4% Q/Q mainly driven by Lombard loans
- AuM volumes up 10.6% Y/Y, increasing management fees by 13.6% Y/Y
- In 2Q18 29k gross new clients
- Costs up 0.9% Y/Y to support business expansion. Costs under control as demonstrated by a C/I ratio of 40.1% in 1H18, down 2.9p.p. 1H/1H
- Net profit at 23m in 2Q18, up 24.1% Y/Y
- RoAC at 55.0% in 1H18

Data in m	*2Q17*	*1Q18*	*2Q18*	*Δ % vs.1Q18*	*Δ % vs.2Q17*	*1H17*	*1H18*	*Δ % vs. 1H17*
Total revenues	141	155	156	+0.7%	+11.0%	282	311	+10.2%
o/w Net interest	*64*	*69*	*68*	*-0.4%*	*+6.6%*	*127*	*137*	*+7.9%*
o/w Fees	*65*	*71*	*75*	*+4.3%*	*+14.7%*	*130*	*146*	*+12.6%*
Operating costs	-60	-64	-61	-4.1%	+0.9%	-121	-125	+2.9%
Gross operating profit	80	91	95	+4.0%	+18.6%	161	187	+15.7%
LLP	-1	-1	0	-77.7%	-80.0%	-2	-1	-29.9%
Net operating profit	79	91	95	+4.8%	+19.9%	160	185	+16.2%
Minorities	-34	-38	-43	+13.0%	+26.3%	-67	-81	+20.0%
Net profit[2]	19	21	23	+9.3%	+24.1%	37	44	+19.8%
RoAC	70.9%	56.5%	53.7%	-2.8p.p.	-17.3p.p.	64.9%	55.0%	-10.0p.p.
C/I	43.0%	41.0%	39.1%	-2.0p.p.	-3.9p.p.	42.9%	40.1%	-2.9p.p.
AuM	30,614	33,062	33,853	+2.4%	+10.6%	30,614	33,853	+10.6%
AuM/TFA %	48.1%	48.6%	48.5%	-0.1p.p.	+0.4p.p.	48.1%	48.5%	+0.4p.p.

(1) End-of-period accounting volumes calculated excluding repos and intercompany items.
(2) Consolidated view, i.e. 35% ownership by UniCredit.

Group Corporate Centre – Net operating loss 0.1bn, improved by 68.6% Y/Y thanks to better revenues and lower costs

Main drivers

- Revenues materially up mainly thanks to lower funding costs and positive results from hedging
- Costs down 29.3% Y/Y driven by HR costs (-12.0% Y/Y)
- Lean but Steering Corporate Centre transformation on track with a reduction of 465 FTEs Q/Q. Since December 2015, FTEs down by 17.5% (-3,130FTEs)
- Systemic charges[(1)] higher (+67.7% Q/Q) due to 52m additional contribution to the National Resolution Fund (NRF) in Italy
- Group Corporate Centre costs/Total costs at 3.4% in 1H18, down 1H/1H (-0.5p.p.). FY19 target[(2)] of 3.6% confirmed
- Net profit of 49m for 2Q18

Data in m	*2Q17*	*1Q18*	*2Q18*	*Δ % vs.1Q18*	*Δ % vs.2Q17*	*1H17*	*1H18*	*Δ % vs. 1H17*
Total revenues	-172	-118	-9	-92.7%	-95.0%	-361	-126	-65.0%
Operating costs	-127	-96	-90	-6.1%	-29.3%	-227	-186	-17.9%
Gross operating loss/profit	-299	-214	-99	-53.8%	-67.0%	-588	-312	-46.9%
LLP	-1	-7	4	n.m.	n.m.	-4	-3	-24.5%
Net operating loss/profit	-301	-221	-94	-57.3%	-68.6%	-591	-315	-46.7%
Other Charges & Provisions	10	-50	-144	n.m.	n.m.	-25	-194	n.m.
o/w Systemic Charges	*18*	*-51*	*-86*	*+67.7%*	*n.m.*	*-12*	*-137*	*n.m.*
Profits on investments	*-168*	3	94	n.m.	n.m.	-126	97	n.m.
Profit before taxes	-457	-255	-146	-43.0%	-68.2%	-740	-401	-45.8%
Income taxes	166	186	190	+2.3%	+14.4%	281	376	+33.5%
Net profit from discontinued operations	-167	0	0	n.m.	n.m.	-29	0	n.m.
Net loss/profit	-524	-71	49	n.m.	n.m.	-607	-23	-96.3%
FTEs	16,211	15,177	14,712	-3.1%	-9.2%	16,211	14,712	-9.2%
Costs GCC/ Tot. costs	4.5%	3.5%	3.4%	-0.1p.p.	-1.1p.p.	3.9%	3.4%	-0.5p.p.

(1) 2Q18 systemic charges details by type and division in Annex on page 48.

(2) FY15 actual and FY19 target recasted as of June 2018, previously 5.1% and 3.5% respectively.

Non Core – Accelerated rundown progressing according to plan

Main drivers

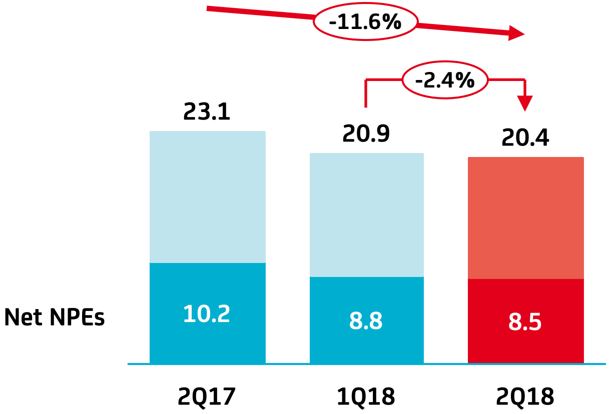
- Accelerated rundown of Non Core fully on track
- In 2Q18 gross NPEs reduced by 1.5bn mainly driven by write-offs and disposals. New gross NPEs target of 19bn for year end 2018, 2019 target of 14.9bn confirmed
- LLPs at 388m up 20.1% Y/Y, with coverage ratio improving to 63.4% (+6.4p.p. Y/Y)
- Net loss of 285m in 2Q18, down 30.9% Y/Y

Data in m	*2Q17*	*1Q18*	*2Q18*	*Δ % vs.1Q18*	*Δ % vs.2Q17*	*1H17*	*1H18*	*Δ % vs. 1H17*
Total revenues	16	-18	-10	-44.3%	n.m.	40	-28	n.m.
Operating costs	-21	-32	-18	-43.7%	-13.0%	-62	-50	-18.5%
Gross operating loss	-4	-50	-28	-43.9%	n.m.	-22	-78	n.m.
LLP	-323	-126	-388	n.m.	+20.1%	-590	-514	-12.9%
Net operating loss	-327	-176	-416	n.m.	+27.0%	-612	-592	-3.3%
Net loss	-218	-144	-285	+97.7%	+30.9%	-423	-430	+1.7%
Gross customer loans	33,476	26,322	24,615	-6.5%	-26.5%	33,476	24,615	-26.5%
o/w NPEs	*29,701*	*23,629*	*22,167*	*-6.2%*	*-25.4%*	*29,701*	*22,167*	*-25.4%*
o/w Performing	*3,775*	*2,692*	*2,448*	*-9.1%*	*-35.1%*	*3,775*	*2,448*	*-35.1%*
NPE coverage ratio, %	57.0%	62.4%	63.4%	+1.0p.p.	+6.4p.p.	57.0%	63.4%	+6.4p.p.
Net NPEs	12,759	8,886	8,110	-8.7%	-36.4%	12,759	8,110	-36.4%
RWA	22,500	17,125	15,367	-10.3%	-31.7%	22,500	15,367	-31.7%

Agenda

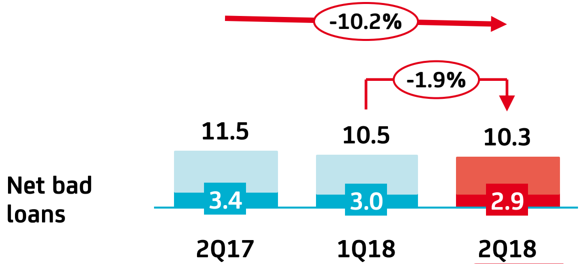
Group Core – Ongoing de-risking, gross NPE ratio improving to 4.4%, down 85bps Y/Y

Non performing exposures[1], bn



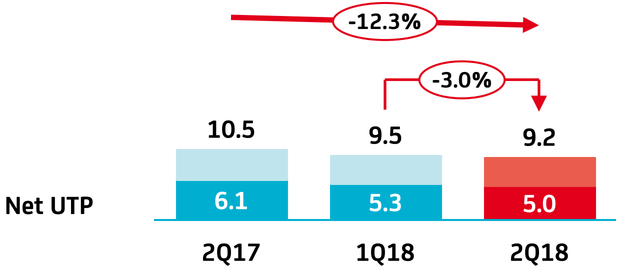
	2Q17	1Q18	2Q18
Gross NPE ratio	5.3%	4.7%	4.4%
Net NPE ratio	2.4%	2.0%	1.9%
Coverage ratio	55.8%	57.9%	58.2%

o.w. Gross bad loans, bn



	2Q17	1Q18	2Q18
Coverage ratio	70.0%	71.9%	71.4%

o.w. Gross unlikely to pay, bn

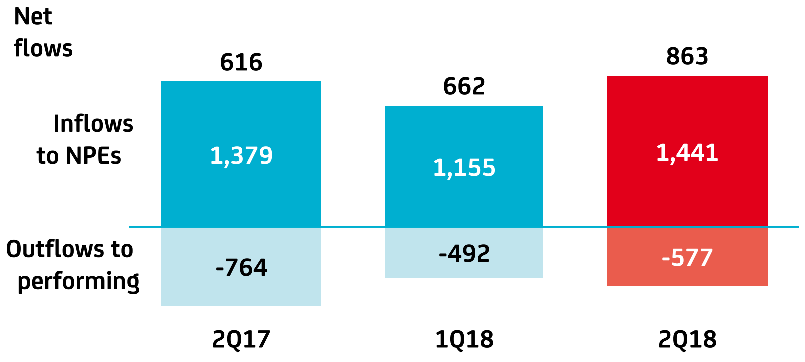


	2Q17	1Q18	2Q18
Coverage ratio	42.5%	44.6%	45.7%

(1) Gross NPEs including gross bad loans, gross unlikely to pay and gross past due. Gross past due at 884m in 2Q18 (-2.5% Q/Q and -19.9% Y/Y).

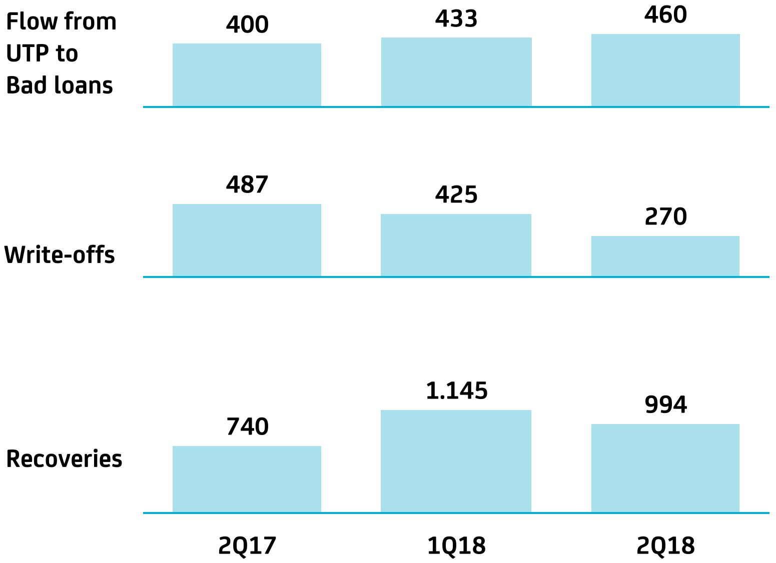
Group Core – Default rate at 1.4%, impacted by single names in CEE

Group Core – net flows to NPEs, m



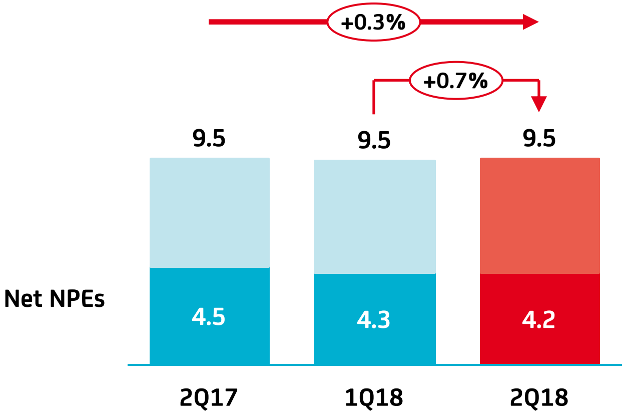
	2Q17	1Q18	2Q18
Default rate	1.3%	1.1%	1.4%
Cure rate	12.3%	9.0%	10.6%
Migration rate	14.6%	17.0%	18.0%

Group Core – Loan evolution drivers, m



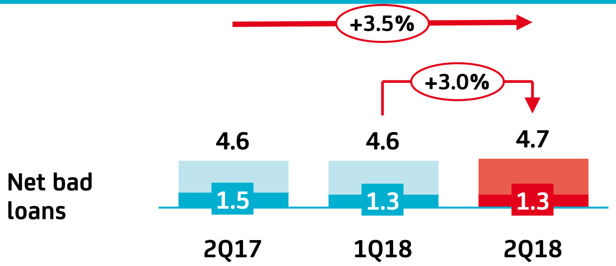
CB Italy – Gross NPE ratio improving to 6.4%, down 20bps Y/Y

Non performing exposures[1], bn



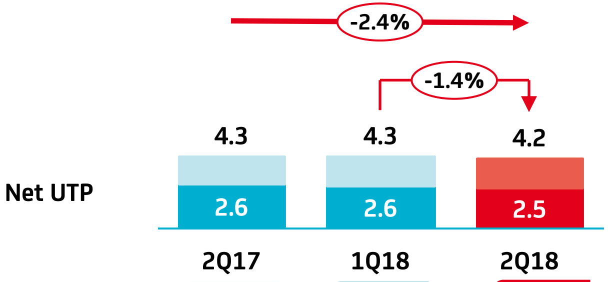
	2Q17	1Q18	2Q18
Gross NPE ratio	6.6%	6.6%	6.4%
Net NPE ratio	3.3%	3.1%	3.0%
Coverage ratio	52.3%	54.8%	55.5%

o.w. Gross bad loans, bn



	2Q17	1Q18	2Q18
Coverage ratio	67.0%	71.6%	71.4%

o.w. Gross unlikely to pay, bn

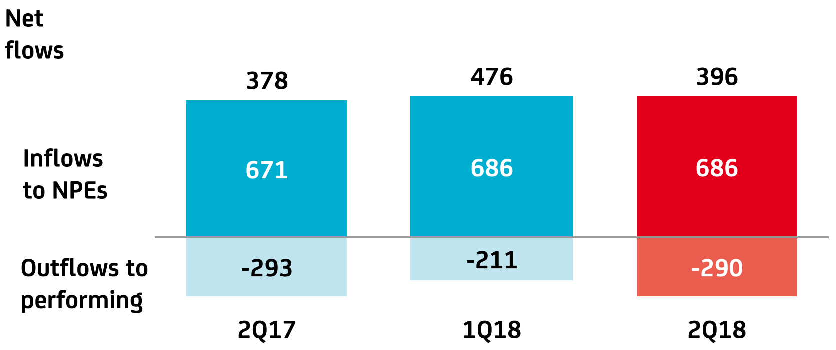


	2Q17	1Q18	2Q18
Coverage ratio	40.1%	40.2%	41.7%

(1) Gross NPEs including gross bad loans, gross unlikely to pay and gross past due. Gross past due at 583m in 2Q18 (-1.7% Q/Q and -5.1% Y/Y).

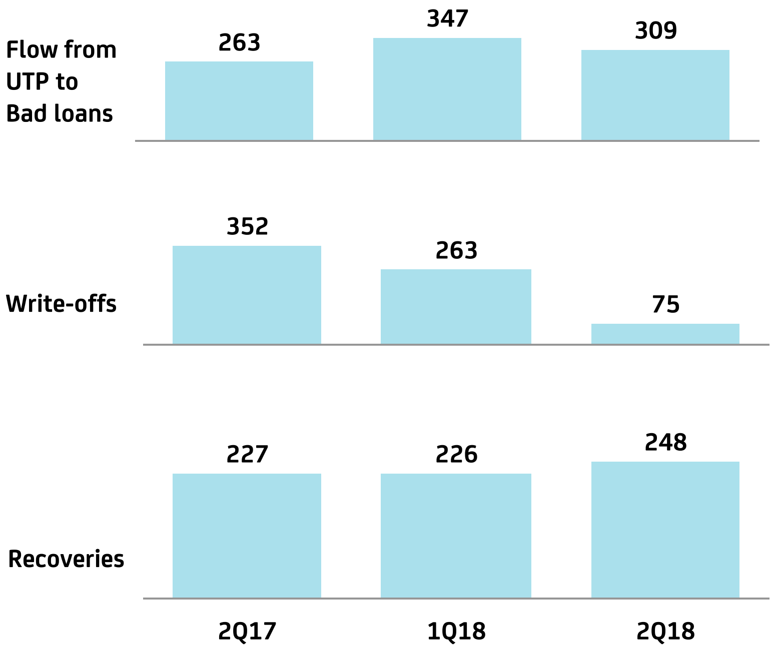
CB Italy – Stable default rate at 2.1% in 2Q18

CB Italy – net flows to NPEs, m



	2Q17	1Q18	2Q18
Default rate	2.0%	2.1%	2.1%
Cure rate	12.2%	8.8%	12.1%
Migration rate	23.6%	30.4%	27.1%

CB Italy – Loan evolution drivers, m

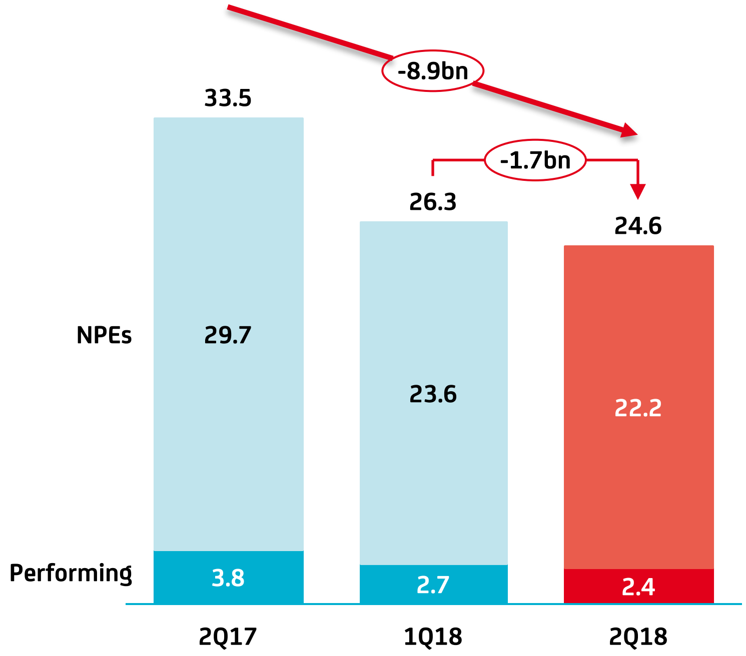


Non Core – Gross loans down by 8.9bn Y/Y. Performing exposure down to 2.4bn

2Q18 actions of Non Core rundown

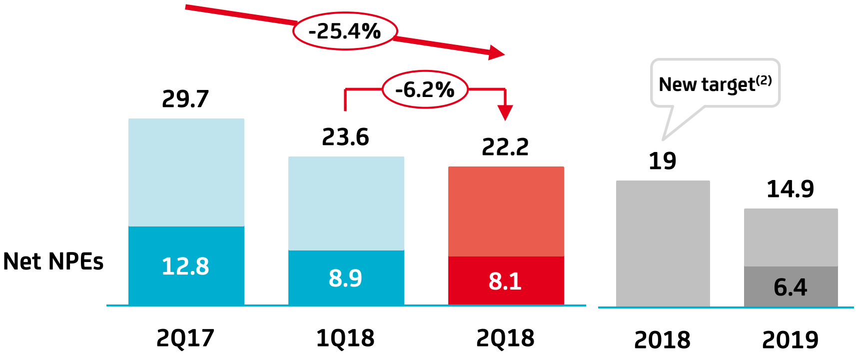
Disposals	0.5bn FY18 target 2bn
Recoveries	0.3bn
Write-offs	0.6bn
Back to Core	0.2bn

Gross loans, bn



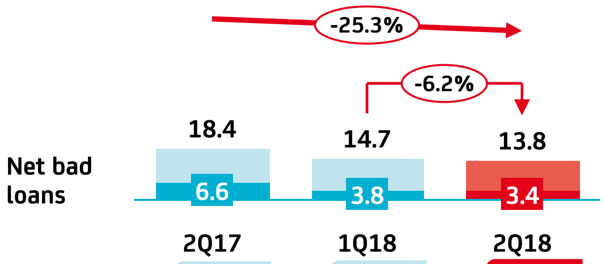
Non Core – Gross NPEs 22.2bn, down 25.4% Y/Y and 6.2% Q/Q
New gross NPE target 19bn for year end 2018

Non performing exposures[1], bn



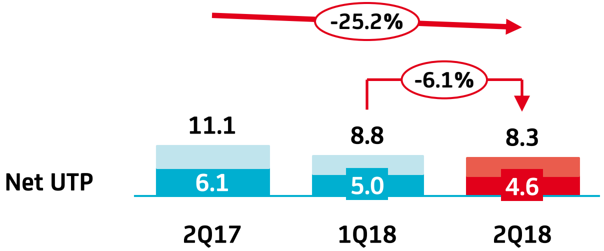
	2Q17	1Q18	2Q18	2019
Gross NPE ratio	88.7%	89.8%	90.1%	100%
Net NPE ratio	78.1%	78.1%	78.0%	100%
Coverage ratio	57.0%	62.4%	63.4%	>57%

o.w. Gross bad loans, bn



	2Q17	1Q18	2Q18
Coverage ratio	64.4%	73.9%	75.1%

o.w. Gross unlikely to pay, bn



	2Q17	1Q18	2Q18
Coverage ratio	45.2%	43.6%	44.3%

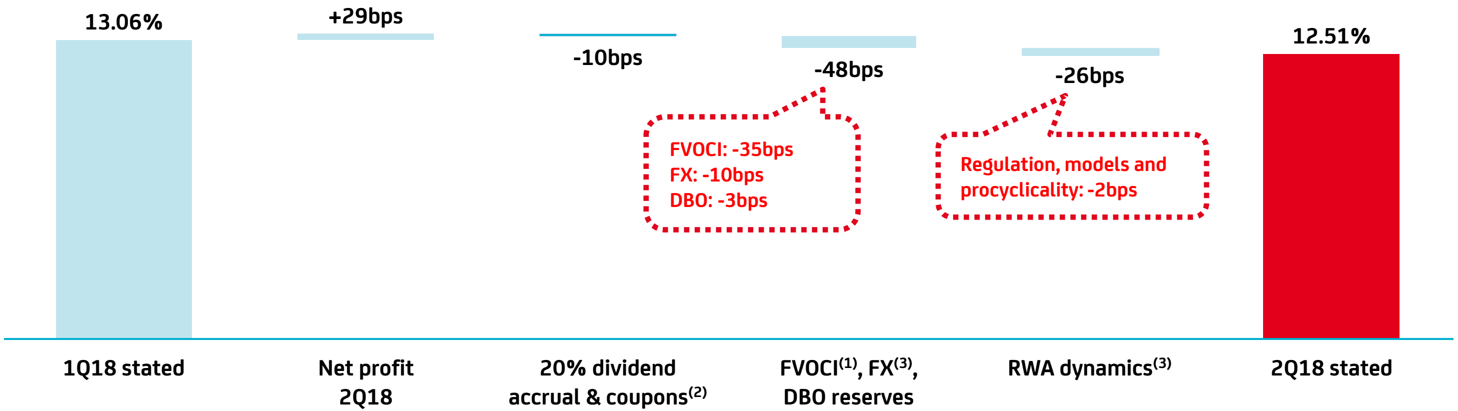
(1) Gross NPEs including gross bad loans, gross unlikely to pay and gross past due. Gross past due at 117m in 2Q18 (-10.1% Q/Q and -38.3% Y/Y).

(2) Already below initial target of 19.2bn for FY19 given at CMD16.

Agenda

Group – 2Q18 CET1 ratio at 12.51%, impacted by -35bps from FVOCI[1]

Fully loaded Common Equity Tier 1 ratio, %

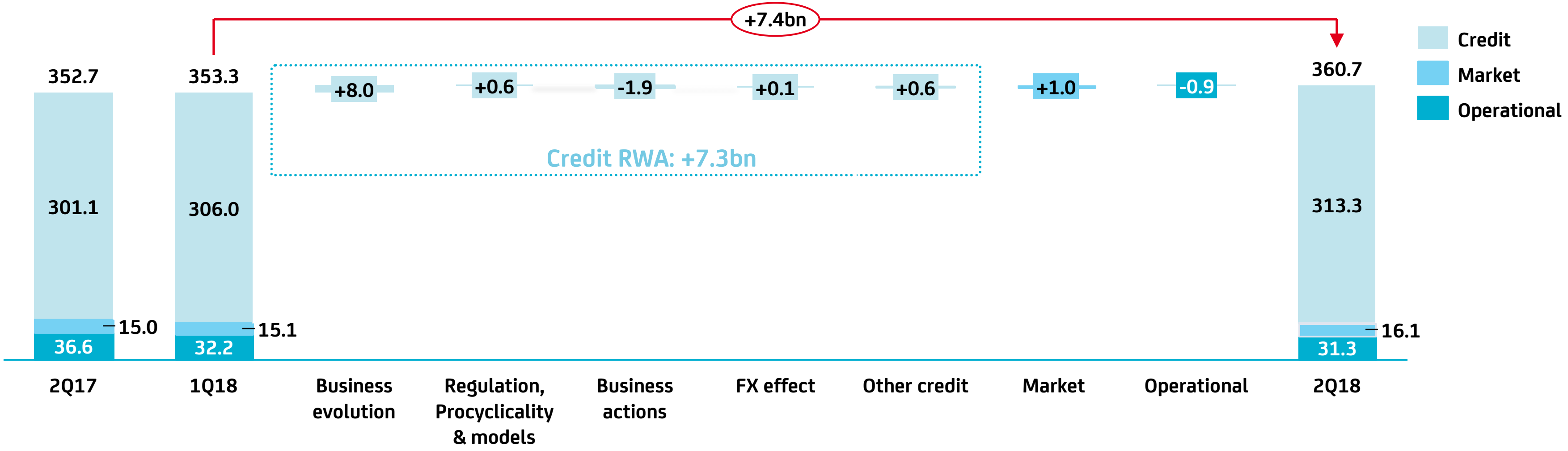


- CET1 ratio down 56bps Q/Q, negatively impacted by FVOCI mainly BTP spread widening. RWA dynamics driven by a strong loan growth were mostly compensated by earnings generation
- CET1 ratio for year end 2018 confirmed between 12.3% and 12.6%[4] as the negative impact from BTP spread widening is compensated by partial slippage of impact from models, procyclicality and EBA guidelines to 1Q19

(1) In 2Q18 CET1 ratio impact from FVOCI -35bps, o/w -30bps due to BTP spread widening.
(2) In 2Q18 payment of coupons on AT1 instruments (131m pre tax) and CASHES (30m pre and post tax).
(3) In 2Q18 TRY depreciation had a total net impact on CET1 ratio of -1.8bps, o/w -5.5bps from capital shown in "FX" and +3.7bps from RWA shown in "RWA dynamics".
(4) Assuming BTP spreads remain at current levels (As of 29 June 2018). BTP sensitivity: +10bps parallel shift of BTP asset swap spreads has a -3.8bps (or -137m) pre and -2.6bps (or -95m) post tax impact on the fully loaded CET1 ratio (capital).

Group – RWA up 7.4bn Q/Q, mainly due to Credit RWAs driven by loan growth

RWA transitional(1) Q/Q, bn



- Credit RWA up 7.3bn Q/Q due to business evolution driven by a strong loan growth
- Market RWA up 1.0bn Q/Q due to higher market volatility
- Operational RWA down 0.9bn Q/Q

(1) Business evolution: changes related to loan evolution; Regulation: changes (eg. CRR or CRD) determining variations of RWA; Procyclicality: change in macroeconomy or client's credit worthiness; Models: methodological changes to existing or new models; Business actions: initiatives to decrease RWA (e.g. securitisations, changes in collaterals); FX effect: impact from other exposures in foreign currencies.

Agenda

After a great first half, UniCredit team remains fully committed to successfully executing Transform 2019 every last step of the way

Transform 2019 is fully on track, delivering sustainable results. Strong Core Bank performance with 1H18 Group Core net profit at 2.6bn, up 4.2% 1H/1H vs. adjusted(1). 1H18 Group Core RoTE at 10.9%, up 0.2p.p. 1H/1H vs. adjusted(1). FY19 Group Core RoTE target >10% confirmed

Resilient underlying Group revenues with net interest up 1.6% Q/Q and fees down 0.3% Y/Y

Operating model transformation progressing ahead of schedule. FY18 Group costs below 11.0bn, FY19 10.6bn cost target confirmed

Accelerated Non Core rundown proceeding as planned. 2Q18 Non Core gross NPEs at 22.2bn, new target 19bn for year end 2018

2Q18 Group Core gross NPE ratio down 85bps Y/Y to 4.4%. FY18 Group CoR expected to be below 68bps

2Q18 Group CET1 ratio at 12.51%. CET1 ratio for year end 2018 confirmed between 12.3% and 12.6%. 2019 CET1 ratio target confirmed >12.5%. CET1 ratio target for year end 2018 and 2019 are both assuming BTP spreads remain at current levels(2)

UniCredit: a pan-European winner

(1) Group Core adjusted net profit and RoTE exclude the net impact of the Pekao disposal (-310m 2Q17) and the net profit from Pekao and Pioneer (+48m in 1Q17, +73m in 2Q17). RoTE calculated at CMD perimeter, taking into account the capital increase and Pekao and Pioneer disposals as of 1 January 2017.

(2) As of 29 June 2018. BTP sensitivity: +10bps parallel shift of BTP asset swap spreads has a -3.8bps (or -137m) pre and -2.6bps (or -95m) post tax impact on the fully loaded CET1 ratio (capital).

Agenda

Group – 2017 and 2018 non recurring items

2017

		Net Profit, m	Division
1Q	Pekao and Pioneer net profit(1)	+48	GCC
2Q	Pekao and Pioneer net profit(1)	+73	GCC
	Pekao disposal	-310	GCC

2018

		Net Profit, m	Division
1Q	Net trading gains from participations	+39	CIB
2Q	Net gain from participation	+27	CB Germany

Used to calculate Group and Group Core adjusted net profit

Used to calculate normalised RoAC for divisions

(1) In order to increase comparability 1Q17 and 2Q17 adjusted net profit also takes into account Pekao and Pioneer net profit. In previous quarters only capital gains have been considered.

Divisional monitoring KPIs for Group, Group Core and Non Core

	Group			Group Core		Non Core	
	2Q18	2018	2019	2Q18	2019	2Q18	2019
Revenues, bn	4.9	20.1	20.6	5.0		0.0	0.0
Cost, bn	-2.7	-11.0	-10.6	-2.6		0.0	-0.1
Cost/Income, %	53.7	<55	<52	53.3		n.m.	n.m.
LLP, bn	-0.5	-3.1	-2.6	-0.1		-0.4	-0.6
Cost of Risk, bps	45	68	55	11		n.m.	n.m.
Net Profit, bn	1.0		4.7	1.3		-0.3	-0.5
RWA, bn	360.7		406	345.3		15.4	20.8
RoTE(1), %	8.5		>9	11.3	>10		
FL CET1 ratio, %	12.51	12.3/12.6	>12.5				
Loans(2), bn	422.9		444	412.9			
Deposits(2), bn	413.8		404	412.8			
Gross Loans, bn	487.3		505	462.6	490	24.6	14.9
Gross NPE, bn	42.6		37.9	20.4	23.0	22.2	14.9
Net NPE, bn	16.7		16.6	8.5	10.2	8.1	6.4
Gross NPE Ratio, %	8.7		7.5	4.4	4.7	90.1	100
Net NPE Ratio, %	3.6		3.5	1.9	2.2	78.0	100
NPE Coverage, %	60.9		>54	58.2	>51	63.4	>57
UTP Coverage, %	45.1		>38	45.7	>39	44.3	>38
Bad Loans Coverage, %	73.5		>63	71.4	>64	75.1	>63

(1) RoTE calculated at CMD perimeter, taking into account the capital increase and Pekao and Pioneer disposals as of 1 January 2017.

(2) End-of-period accounting volumes calculated excluding repos and intercompany items.

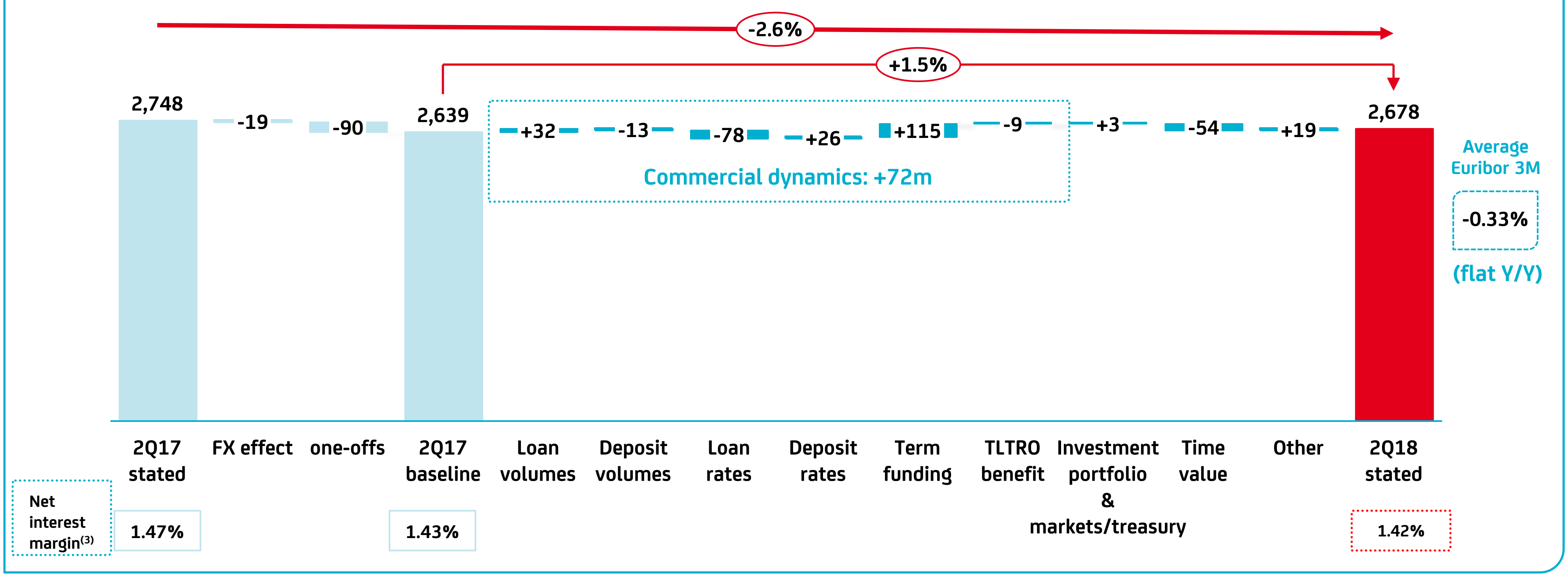
Divisional monitoring KPIs by division

	CB Italy		CB Germany		CB Austria		CEE		CIB		GCC	
	2Q18	2019	2Q18	2019	2Q18	2019	2Q18	2019	2Q18	2019	2Q18	2019
Revenues, bn	1.9	7.5	0.6	2.5	0.4	1.6	1.1	4.4	0.9	3.9	0.0	0.0
Cost,bn	-1.0	-4.0	-0.4	-1.7	-0.3	-1.0	-0.4	-1.6	-0.4	-1.6	-0.1	-0.4
Cost/Income, %	55.6	52.6	69.2	67.0	63.4	63.3	36.3	36.9	44.4	40.2	n.m.	n.m.
Cost of Risk, bps	61	58	17	15	-14	16	65	102	-77	21	82	n.m.
RWA, bn	87.8	105.2	34.8	36.2	21.4	22.5	87.1	99.1	80.5	87.5	31.4	31.0
RoAC, %	13.7	12.9	4.9	9.1	23.9	13.3	17.0	13.4	7.3	11.7	7.0	n.m.
Loans[(1)], bn	141.4	149.3	83.2	89.0	44.6	47.6	61.8	68.2	76.3	78.7	3.2	
Gross NPE ratio, %	6.4	5.3	2.1	2.8	4.2	4.3	7.2	7.2	2.4	4.1		
Net NPE Ratio, %	3.0		1.1		1.9		2.6		1.1			
NPE Coverage, %	55.5	>52	50.4	>46	56.9	>59	65.9	>59	56.4	>43		
UTP Coverage, %	41.7	>38	37.9	>29	29.8	>37	54.6	>47	47.1	>34		
Bad Loans Coverage, %	71.4	>68	52.5	>54	85.8	>80	85.5	>72	66.1	>51		

(1) End-of-period accounting volumes calculated excluding repos and intercompany items.

Group – Net interest up 1.5% Y/Y adjusted for 90m one-off[1] in 2Q17

Net interest[2] Y/Y, m



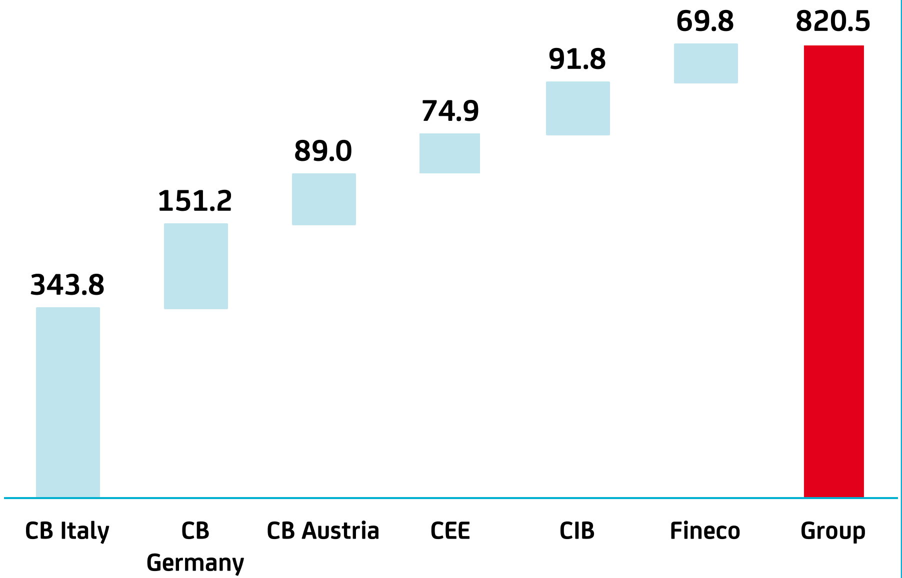
(1) 2Q17 one-off in net interest (+90m) related to release of a tax provision in CB Germany.
(2) Net contribution from hedging strategy of non-maturity deposits in 2Q18 at 376m, -1.9m Q/Q and -3.5m Y/Y.
(3) Net interest margin calculated as interest income divided by interest earning assets minus interest expenses divided by interest bearing liabilities.

TFAs – Divisional breakdown

Main drivers

- Group TFAs amounted to 820.5bn in 2Q18, up by 3.3% Y/Y mainly driven by CB Germany, CB Italy and Fineco:
  - ✓ CB Italy: TFAs up by 6.4bn (+1.9% Y/Y) to 343.8bn, thanks to increased deposits (+8.2% Y/Y) and AuM (+5.3% Y/Y)
  - ✓ CB Germany: TFAs up by 10.8bn (+7.7% Y/Y) to 151.2bn, supported by higher deposits (+8.3%) and AuM (+7.1% Y/Y)
  - ✓ CB Austria: TFAs down by 0.2% Y/Y to 89.0bn
  - ✓ CEE: TFAs up by 4.8% Y/Y at constant FX supported by higher deposits (+6.8% Y/Y at constant FX)
  - ✓ CIB: TFAs up by 1.4% Y/Y to 91.8bn thanks to higher AuC (+4.7% Y/Y) partly offset by lower deposits (-2.6% Y/Y)
  - ✓ Fineco: TFAs up by 6.2bn (+9.8% Y/Y) to 69.8bn, mainly thanks to increased AuM (+10.6% Y/Y)

2Q18 TFAs(1) divisional breakdown, bn



(1) Refers to Group Commercial Total Financial Assets. Non-commercial elements, i.e. Group Corporate Centre, Non-Core, Leasing/Factoring and Market Counterparts, are excluded. Numbers are managerial figures.

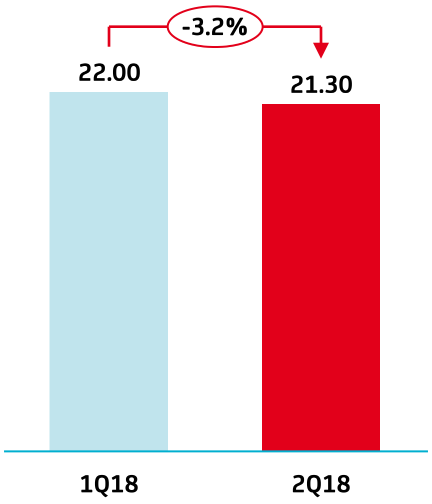
Systemic charges – Breakdown by type and division

2Q18	Systemic Charges	o/w SRF	o/w DGS	o/w Bank levies
CB Italy	**11**	10	0	1
CB Germany	**15**	5	11	0
CB Austria	**6**	2	0	4
CEE	**13**	2	10	2
CIB	**21**	16	4	1
Fineco	**0**	0	0	0
GCC	**86**	58	0	28
Non Core	**5**	5	0	0
Group	**158**	98	24	36

Group – 2Q18 Core earnings per share at 0.54
Group tangible book value per share at 21.30

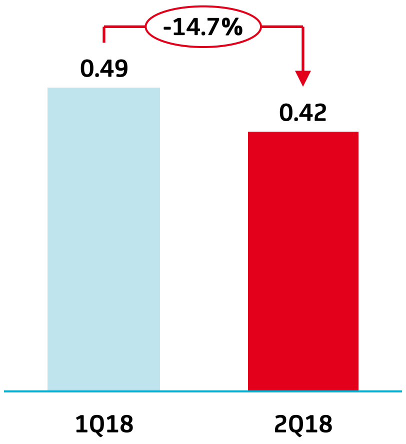
Tangible book value per share[1]

Group

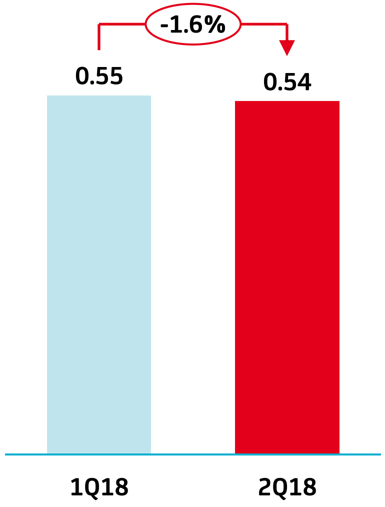


Adj. Earnings per share[2]

Group



Group Core



(1) End of period tangible book value per share; end of period number of shares of 2,227m in 1Q18 and 2,230m in 2Q18 excluding treasury shares.

(2) Group and Group Core adjusted earnings exclude the payment of coupons for AT1 net of tax (24m in 1Q18 and 95m in 2Q18); average number of shares of 2,226m in 1Q18 and 2,230m in 2Q18, excluding treasury shares.

Yapi – Positive performance with net operating profit 126m, up 39.3% Y/Y at constant FX

Main drivers[1]

- Net interest up 13.6% Q/Q at constant FX, thanks to higher loan volumes and customer rates
- Fees up 28.4% Y/Y at constant FX, driven by all fee types, in particular financing fees (+43.3% Y/Y)
- Good cost performance thanks to digitalisation initiatives with 1H18 C/I ratio at 34.3%, down 4.1p.p. 1H/1H. Operating expenses up 7.2% Y/Y at constant FX, below inflation
- CoR at 123bps in 1H18, down by 5bps 1H/1H supported by proactive risk management
- Net operating profit 126m in 2Q18, up 39.3% Y/Y at constant FX
- Net profit 83m, up 27.5% Y/Y at constant FX
- USD1bn rights issue successfully completed
- RoAC at 11.4% in 1H18

Data in m [1]	*2Q17*	*1Q18*	*2Q18*	*Δ % vs. 1Q18 constant*	*Δ % vs. 2Q17 constant*	*1H17*	*1H18*	*Δ % vs. 1H17 constant*
Total revenues	309	290	296	+13.3%	+26.1%	615	586	+19.3%
o/w Net interest	*225*	*217*	*222*	*+13.6%*	*+30.0%*	*452*	*440*	*+22.0%*
o/w Fees	*70*	*74*	*68*	*+2.1%*	*+28.4%*	*143*	*142*	*+24.8%*
Operating costs	-122	-102	-99	+7.6%	+7.2%	-236	-201	+6.6%
Gross operating profit	187	188	197	*+16.5%*	*+38.4%*	379	385	*+27.2%*
LLP	-68	-42	-72	+85.9%	+36.9%	-132	-113	+8.2%
Net operating profit	119	146	126	-3.7%	+39.3%	247	272	+37.4%
Net profit	86	100	83	-6.8%	+27.5%	177	182	+28.4%
RoAC	9.7%	12.2%	10.5%	-1.8p.p.	+0.7p.p.	9.9%	11.4%	+1.5p.p.
C/I	39.4%	35.2%	33.4%	-1.9p.p.	-6.1p.p.	38.4%	34.3%	-4.1p.p.
CoR (bps)	133	89	158	+69bps	+25bps	128	123	-5bps
FX loans/Total loans	40.1%	42.4%	44.3%	+183bps	+418bps	40.1%	44.3%	+418bps
Gross NPE ratio[2]	5.0%	5.5%	5.5%	-0bps	+52bps	5.0%	5.5%	+52bps

(1) Managerial view representing proportional contribution of Yapi to P&L (UniCredit Group participates with 40.9% through the Joint Venture in Yapi). Yapi is valued at equity method and contributes to the Group P&L via the dividend line. RWA of Yapi contribute to Group RWA through CEE division, following the proportional consolidation of Yapi for regulatory purposes. Stated numbers at current FX. Variations Q/Q and Y/Y at constant FX (RoAC, C/I, NPEs and CoR variations at current FX).

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

Russia – Net operating profit 49m, down 34.8% Y/Y at constant FX due to higher LLPs impacted by one-offs

Main drivers[1]

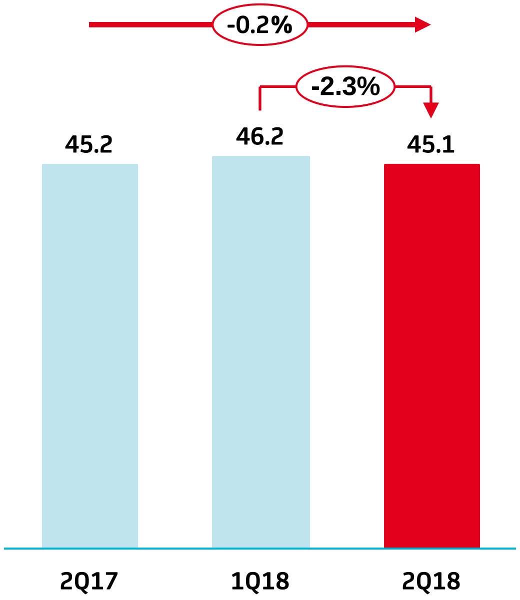
- Net interest down 1.9% Q/Q at constant FX, with pressure on customer loan rates and lower interest on bonds not being compensated by higher average loan volumes
- Fees up 34.1% Y/Y at constant FX, mainly thanks to financing fees (+59.9% Y/Y)
- 1H18 C/I ratio at a low 32.6%, up 0.5p.p. 1H/1H
- CoR at 235bps in 2Q18, up 89bps Y/Y due to provisioning of single names
- Net operating profit 49m in 2Q18, down 34.8% Y/Y at constant FX due to higher LLPs impacted by one-offs
- Net profit 37m, down 35.5% Y/Y at constant FX
- RoAC at 14.5% in 1H18

Data in m [1]	*2Q17*	*1Q18*	*2Q18*	*Δ % vs. 1Q18 constant*	*Δ % vs. 2Q17 constant*	*1H17*	*1H18*	*Δ % vs. 1H17 constant*
Total revenues	193	207	165	-15.1%	+0.7%	403	372	+5.5%
o/w Net interest	*144*	*148*	*137*	*-1.9%*	*+11.6%*	*318*	*286*	*+2.9%*
o/w Fees	*28*	*28*	*32*	*+23.1%*	*+34.1%*	*54*	*60*	*+27.0%*
Operating costs	-66	-62	-59	+1.3%	+5.6%	-129	-121	+7.4%
Gross operating profit	127	145	106	*-22.1%*	*-1.9%*	274	251	*+4.7%*
LLP	-36	-25	-57	n.m	+81.0%	-65	-82	+45.6%
Net operating profit	91	120	49	-55.1%	-34.8%	209	169	-8.0%
Net profit	69	91	37	-55.7%	-35.5%	161	128	-9.6%
RoAC	15.7%	20.9%	8.0%	-12.9p.p.	-7.7p.p.	18.2%	14.5%	-3.7p.p.
C/I	34.1%	29.9%	35.8%	+5.9p.p.	+1.7p.p.	32.1%	32.6%	+0.5p.p.
CoR (bps)	145	105	235	+130bps	+89bps	126	170	+44bps
FTEs	4,083	4,139	4,102	-0.9%	+0.5%	4,083	4,102	+0.5%
Gross NPE ratio	8.5%	7.5%	8.8%	+128bps	+29bps	8.5%	8.8%	+29bps

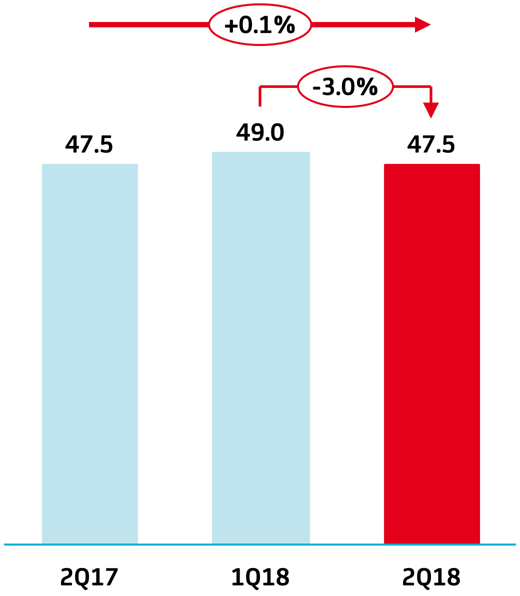
(1) Stated numbers at current FX. Variations Q/Q and Y/Y at constant FX (RoAC, C/I, NPEs and CoR variations at current FX).

Group – CET1 capital fully loaded and tangible equity

CET1 capital FL (eop), bn

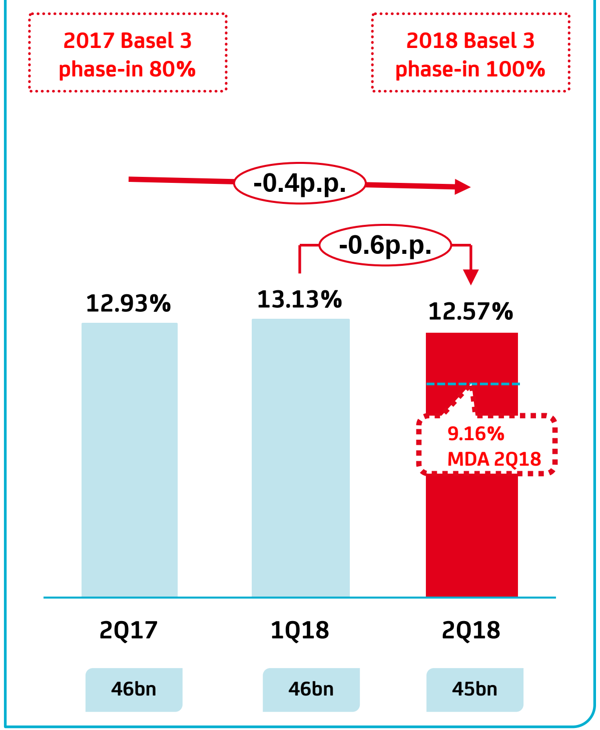


Tangible equity (eop), bn

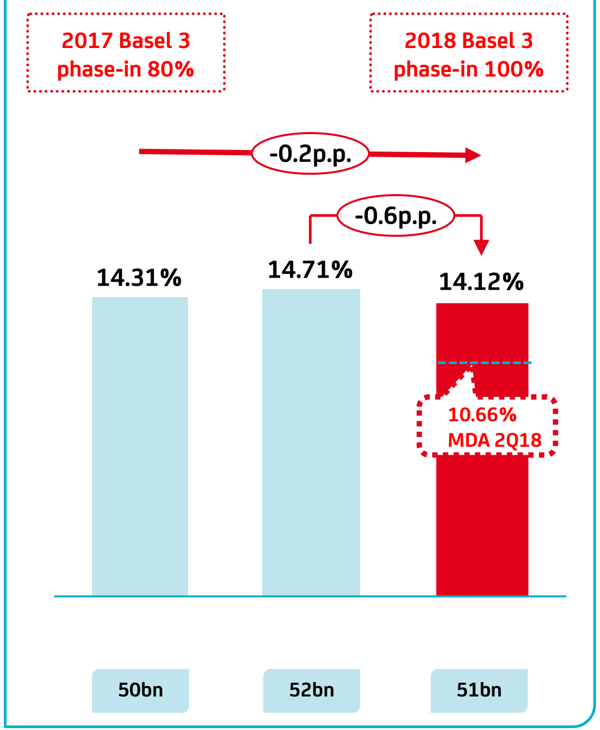


Group – Transitional capital ratios well above MDA levels

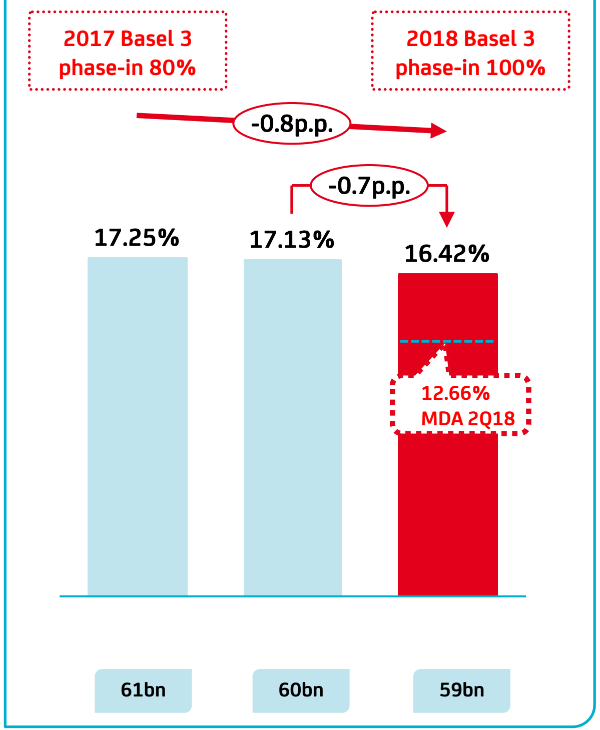
CET1 transitional(1)



Tier 1 transitional(1)



Total capital transitional(1)

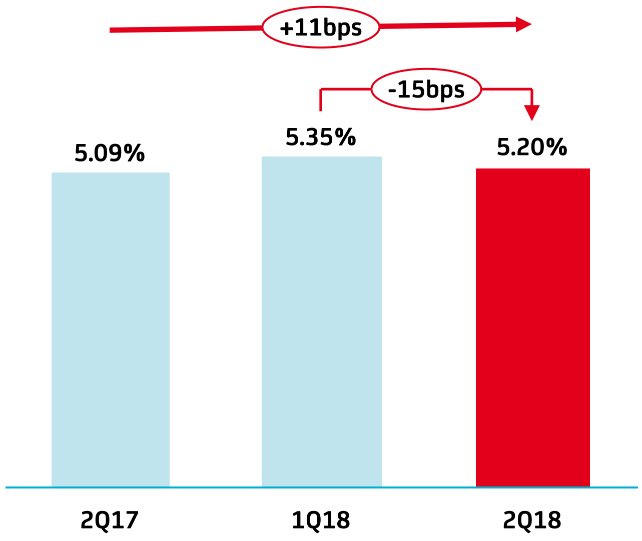


(1) Phase-in of net liability related to Defined Benefit Obligation at 60% in 2017 and 80% in 2018.

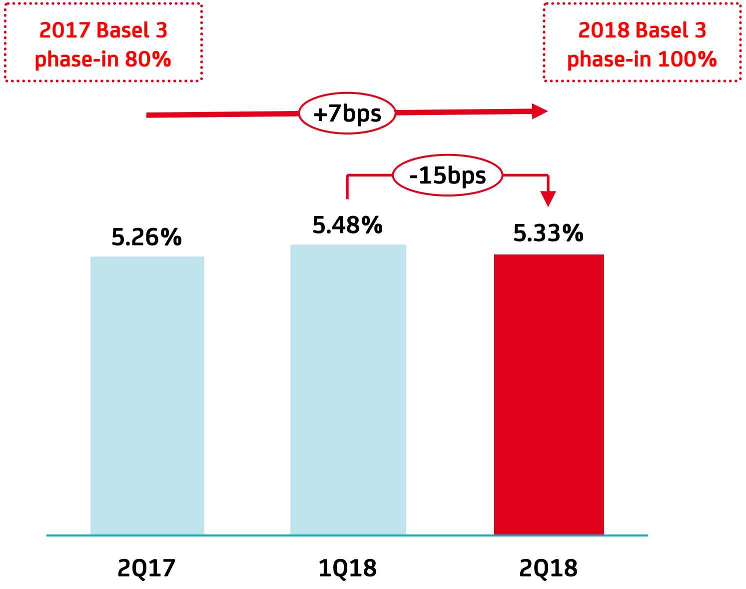
Absolute amount for CET1 transitional, Tier1 capital transitional and total capital transitional.

Group – Leverage ratio fully loaded at 5.2%, down 15bps Q/Q and up 11bps Y/Y

Basel 3 leverage ratio fully loaded



Basel 3 leverage ratio transitional(1)



(1) Phase-in of net liability related to Defined Benefit Obligation at 60% in 2017 and 80% in 2018.

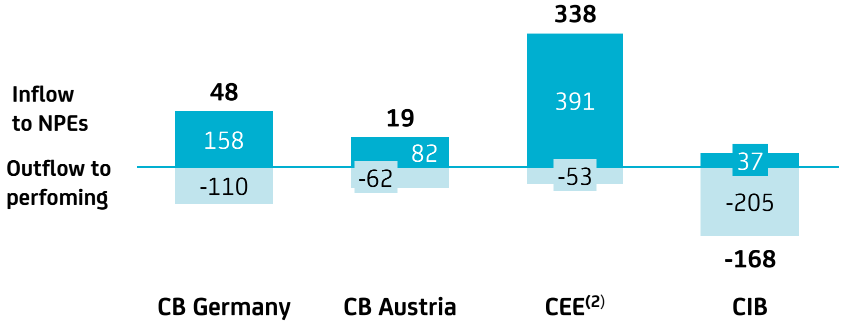
Asset quality by division

2Q18	**Group**	Group Core	CB Italy	CB Germany	CB Austria	CEE	CIB	Non Core
Gross loans, bn	**487.3**	462.6	147.7	84.5	47.2	65.7	117.0	24.6
Gross NPE, bn	**42.6**	20.4	9.5	1.8	2.0	4.8	2.9	22.2
Net NPE, bn	**16.7**	8.5	4.2	0.9	0.9	1.6	1.2	8.1
Gross NPE ratio,%	**8.7**	4.4	6.4	2.1	4.2	7.2	2.4	90.1
Net NPE ratio,%	**3.6**	1.9	3.0	1.1	1.9	2.6	1.1	78.0
NPE coverage,%	**60.9**	58.2	55.5	50.4	56.9	65.9	56.4	63.4
Bad loans coverage,%	**73.5**	71.4	71.4	52.5	85.8	85.5	66.1	75.1
UTP coverage,%	**45.1**	45.7	41.7	37.9	29.8	54.6	47.1	44.3

Asset quality – NPE dynamics[1] CB Germany, CB Austria, CEE and CIB

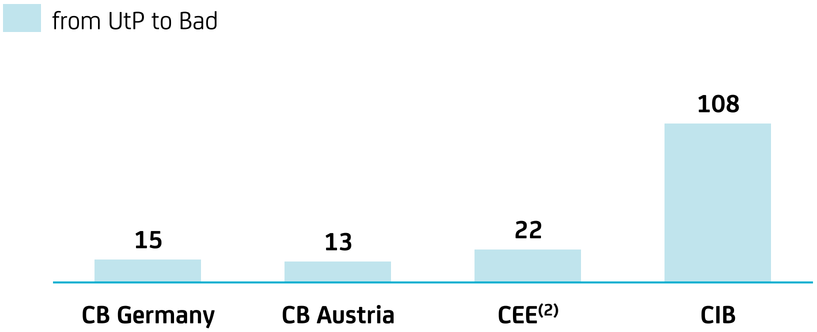
Net flows to NPEs, recoveries and write-offs – 2Q18, m

	CB Germany	CB Austria	CEE[2]	CIB
Recoveries	85	82	201	186
Write-off	0	28	85	2



	CB Germany	CB Austria	CEE[2]	CIB
Default rate	0.8%	0.7%	2.7%	0.1%
Cure rate	24.2%	11.8%	4.2%	22.2%

Migrations from Unlikely-to-pay to Bad loans – 2Q18, m



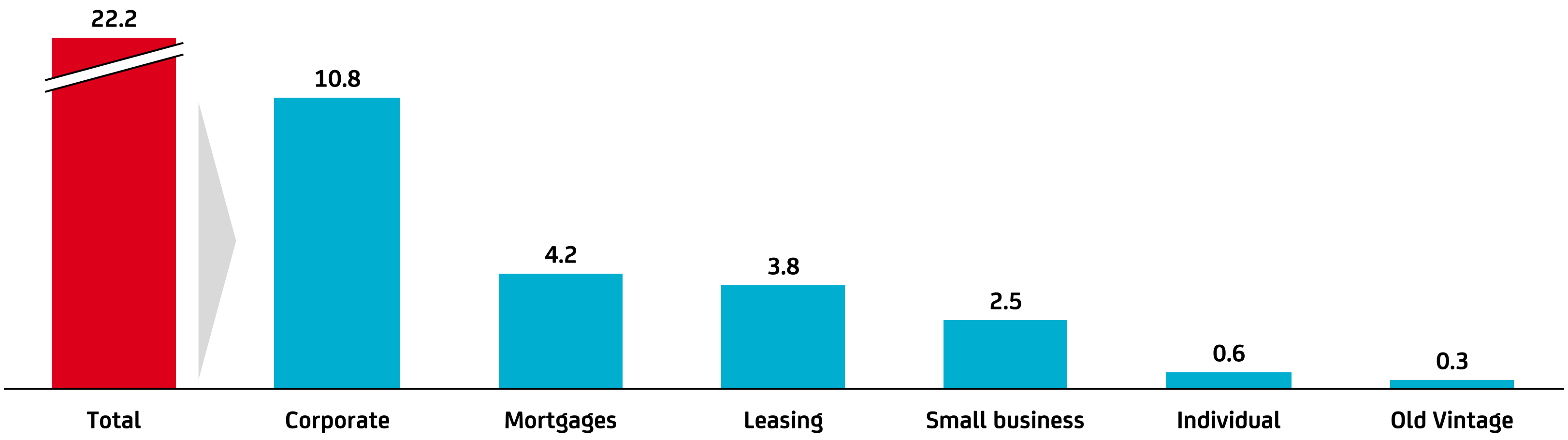
	CB Germany	CB Austria	CEE[2]	CIB
Migration rate, %	32.3%	5.2%	3.3%	21.1%

(1) Managerial figures
(2) Including Profit Center Milan.

Asset quality – Non Core gross NPEs breakdown by asset class

Non Core gross NPEs, bn

Data as of 2Q18



Asset quality – Forborne exposures by region

Forborne loans(1), bn

GROUP

	2Q17	1Q18	2Q18
Total	23.2	21.9	21.2
NPEs	16.7	15.9	15.6
Performing Exposure	6.4	5.9	5.6
Coverage ratio	34.3%	36.5%	37.2%

ITALY

	2Q17	1Q18	2Q18
Total	14.8	14.9	14.5
NPEs	10.9	11.1	10.9
Performing Exposure	4.0	3.8	3.7
Coverage ratio	34.3%	37.1%	37.6%

AUSTRIA

	2Q17	1Q18	2Q18
Total	1.0	1.0	1.0
NPEs	0.7	0.7	0.7
Performing exposure	0.3	0.3	0.3
Coverage ratio	34.2%	34.7%	32.4%

GERMANY

	2Q17	1Q18	2Q18
Total	4.0	2.7	2.4
NPEs	3.2	2.2	1.9
Performing Exposure	0.8	0.6	0.5
Coverage ratio	35.2%	34.7%	36.5%

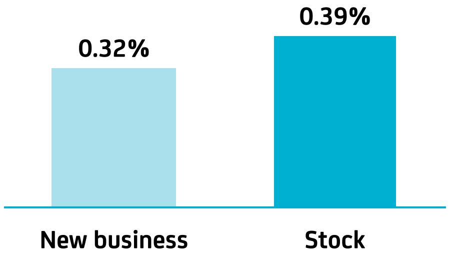
CEE

	2Q17	1Q18	2Q18
Total	3.3	3.2	3.2
NPEs	2.0	1.9	2.1
Performing exposure	1.4	1.3	1.1
Coverage ratio	33.1%	36.2%	37.1%

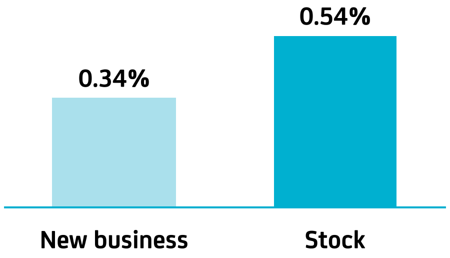
(1) Regulatory reporting data.

Asset quality – 2Q18 Group EL stock at 39bps with new business contribution at 32bps

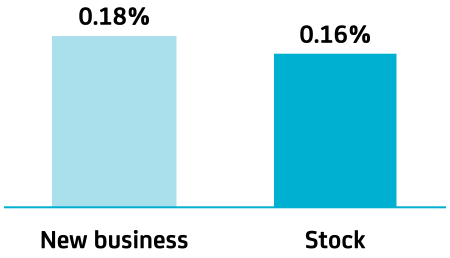
Group



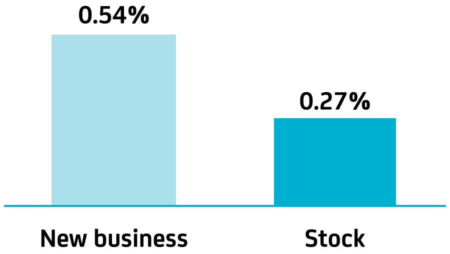
CB Italy



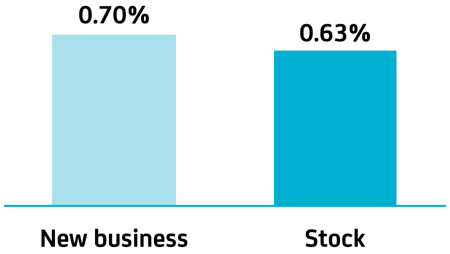
CB Germany



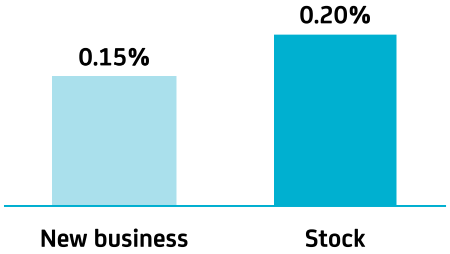
CB Austria



CEE

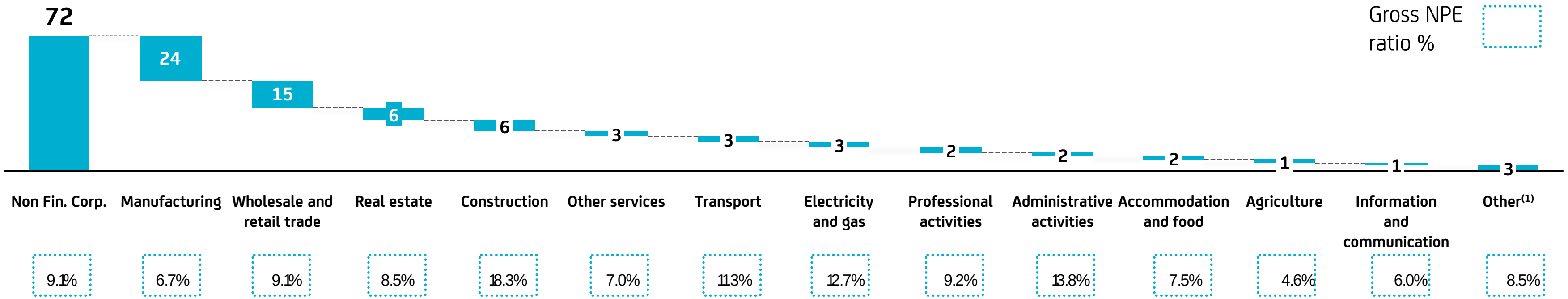


CIB

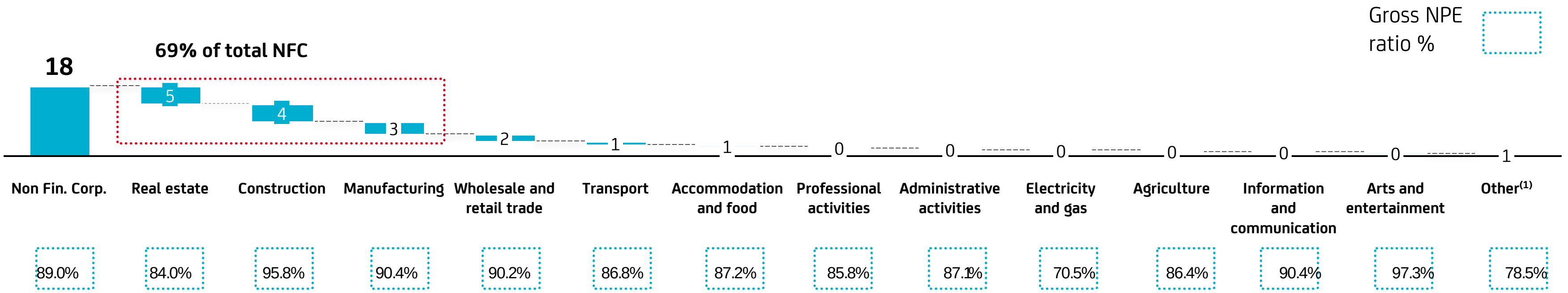


Asset quality – CB Italy and Non Core gross loans and NPE ratio by Industries

CB Italy 2Q18 – Gross loans breakdown by Nace Classification



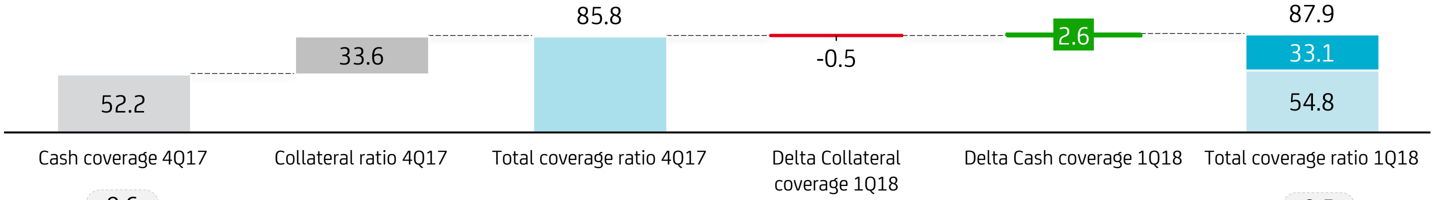
Non Core 2Q18 - Gross loans breakdown by Nace Classification



(1) Other includes other NACE code.

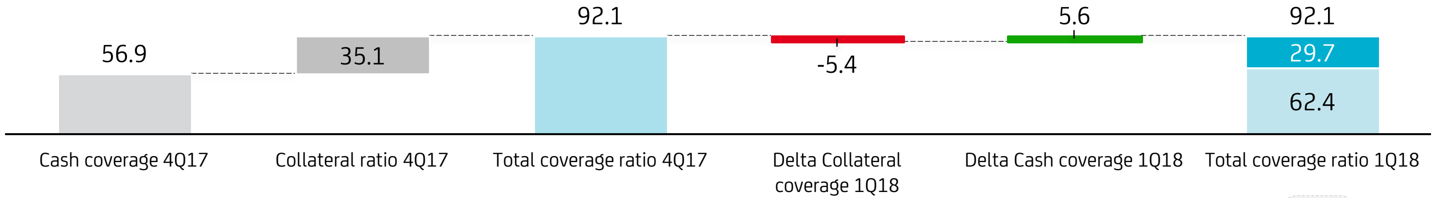
Asset quality – CB Italy and Non Core collateralisation level

CB Italy(1) 1Q18- NPE Cash + Collateral coverage ratio walk (%)



	4Q17	1Q18
NPEs stock (bn)	9.6	9.5
o/w unsecured	39%	32%
o/w secured	61%	68%
o/w RE guarantees	52%	54%

Non Core(1) 1Q18 - NPE Cash + Collateral coverage ratio walk (%)

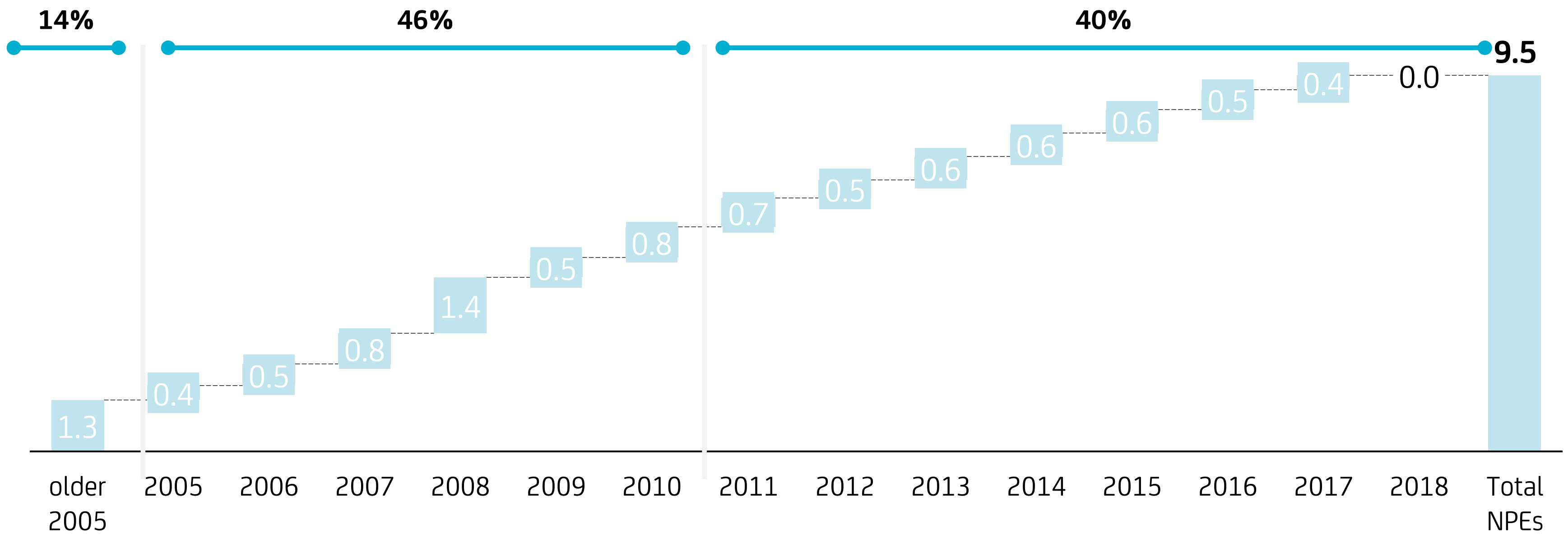


	4Q17	1Q18
NPEs stock (bn)	26.5	22.2
o/w unsecured	27%	20%
o/w secured	73%	80%
o/w RE guarantees	61%	61%

(1) FINO Portfolio not included; Collateral ratio calculated as EBA methodology = Collateral value capped at net loan level / Gross Loan.

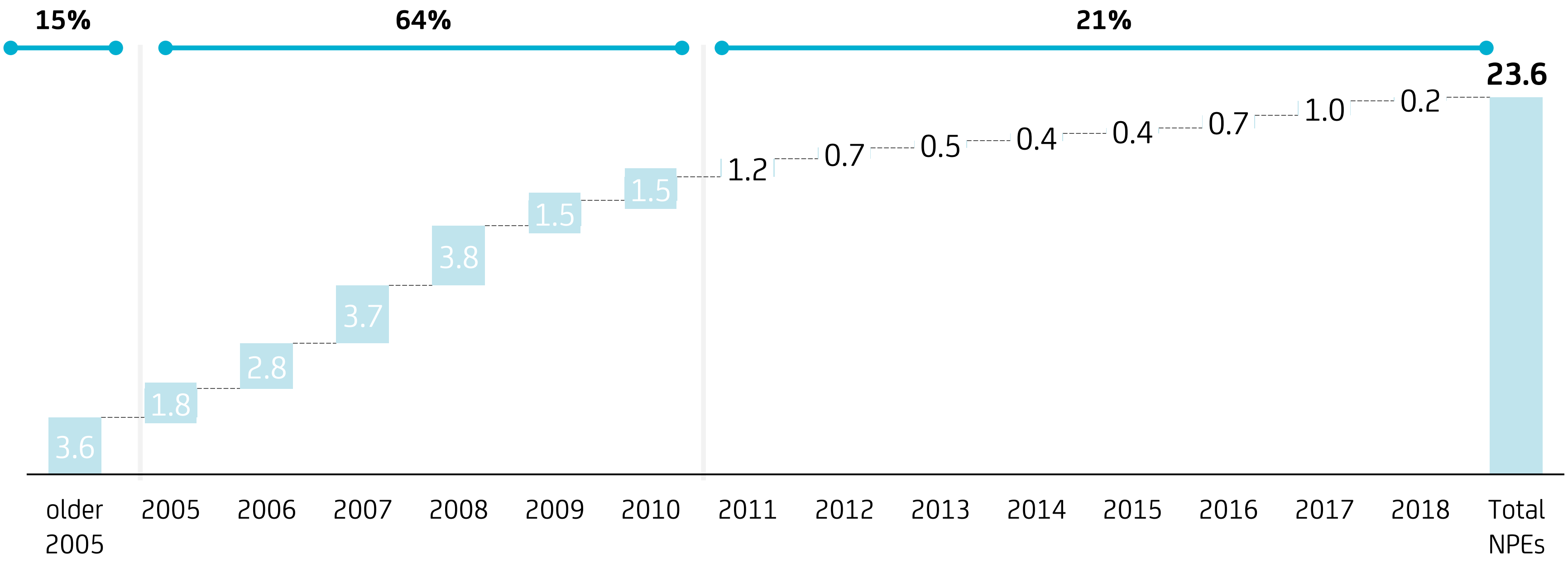
Asset quality – CB Italy gross NPEs breakdown by origination date

CB Italy NPEs stock by origination year as of 1Q18



Asset quality – Non Core gross NPEs breakdown by origination date

Non Core NPEs stock by origination year as of 1Q18



Glossary

Glossary[1] (1/5)

AT1	Additional Tier 1 Capital
AuC	Assets under Custody
AuM	Assets 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	Number of branches consistent with CMD perimeter, i.e. retail only excluded minor premises, corporate and private banking (Yapi at 100%)
C/I	Cost/Income ratio
CB	Commercial Banking
CC	Corporate Centre
CEE	Central Eastern Europe includes: Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Russia, Romania, Bulgaria, Turkey (at equity), Baltics (Latvia) only for Leasing
CET1 ratio	Common Equity Tier 1 ratio fully loaded throughout the document unless otherwise stated

(1) All financial data reported in the presentation are in Euro. Numbers may not add up due to rounding.

Glossary (2/5)

CMD	Capital Markets Day – CMD perimeter as announced at CMD on 13 December 2016: variations related to disposals of Immo Holding, Ukraine, 30% Fineco, Pekao and Pioneer
Collateral coverage ratio	Calculated as per EBA methodology, with collateral value capped at net loan level
CoR	Cost of Risk calculated as LLPs of the period annualised divided by the average net customer loans volume
Core RoTE	Group Rote excluding Non Core (Group Core Annualised Net Profit divided by Average Tangible Equity netted of Non Core Allocated Capital)
Coverage ratio	Stock of LLPs on NPEs divided by Gross NPEs
Cure rate	Back to performing (annualised) divided by the stock of NPEs at the beginning of the period
Customer loan rates	Real interest on loans divided by the commercial net loans daily average volume (assuming the 365 days convention)
Days effect	Effect related to quarters having different numbers of days
DGS	Deposit Guarantee Scheme
Default rate	Percentage of gross loans migrating from performing to NPEs over a given period (annualised) divided by the initial amount of gross loans

Glossary (3/5)

E2E	End-to-End
FINO	Failure Is Not an Option: project name for the disposal of a NPE portfolio (original gross book value of 17.7bn)
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
FL	Fully Loaded
FTA	First Time Adoption
FVOCI	Fair Value through Other Comprehensive Income
FY/FY	Current full year vs previous full year
Group Core	Group Core is equivalent to Group excluding Non Core. It is not a separate division
Group Corporate Centre (Group CC)	Corresponding to the divisional database section: "Global Corporate Centre" including Corporate Centre, Chief Operating Officier Services and Elisions
1H/1H	Current half year vs previous half year
Migration rate	Representing the percentage of UTPs that turn into bad loans

Glossary (4/5)

Net Inflows	Inflows (from gross performing loans to gross impaired loans) minus 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) minus inflows (from gross performing loans to gross impaired loans)
NPEs	Non-Performing Exposures including the following: Bad Loans (“Sofferenze”), Unlikely to Pay ("Inadempienze Probabili") and Past Due ("Esposizioni scadute e/o sconfinanti deteriorate")
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 Ratio	(Gross or Net) Non-Performing Exposure as a percentage of total customer loans
Non HR costs	Other administrative expenses (including indirect costs) net of expense recoveries, plus depreciation and amortisation
Past Due	Problematic exposures that, at the reporting date, are more than 90 days past due on any material obligation
Q/Q	Current quarter vs previous quarter
Recovery rate	NPE exposure reduction (gross Book Value) due to recovery activity on stock of NPEs at the beginning of the period

Glossary (5/5)

RoAC	Return on Allocated Capital (annualised net profit divided by the 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 securitisations
RoTE	Return on Tangible Equity (Annualised Net Profit divided by Average Tangible Equity)
SRF	Single Resolution Fund
SRT	Significant Risk Transfer
Tangible equity	Shareholders' equity (including consolidated profit of the period) less intangible assets (goodwill and other intangibles), less AT1 component; dividend pay-out is accounted for on a cash basis.
TFAs	Group commercial Total Financial Assets. Non-commercial elements, i.e. Group Corporate Centre, Non Core, Leasing/Factoring and Market Counterparts are excluded
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
W.E.	Western Europe includes Italy, Germany and Austria
Y/Y	Current quarter vs same quarter in the previous year

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