


3Q19 and 9M19 Results

One Bank
One
 UniCredit

Milan, 7 November 2019

Banking that matters. |  **UniCredit**

Agenda

- 1 Executive summary**
- 2 Transform 2019 update
- 3 Group results highlights
- 4 Divisional results highlights
- 5 Asset quality
- 6 Capital
- 7 Closing remarks
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3Q19 net profit at 1.1bn, CET1 ratio at 12.60%

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Executive summary

Strong quarterly results with no exceptional items. Resilient commercial dynamics

- 3Q19 Group stated net profit of 1.1bn equal to 3Q19 Group adjusted net profit, up 25.7% Y/Y^{(1),(2)}
- 9M19 adjusted Group Core RoTE at 10.6% up 0.2p.p. 9M/9M⁽²⁾. 9M19 adjusted Group RoTE at 8.7% up 0.4p.p. 9M/9M⁽²⁾

Focused execution of Transform 2019 continues to deliver tangible results

- Net FTE and branch reduction targets achieved
- 3Q19 costs at 2.5bn, down 1.8% Y/Y. FY19 costs of 10.1bn confirmed
- 3Q19 Group gross NPE ratio at 5.7%⁽³⁾. 3Q19 Non Core gross NPEs 11.2bn, down 9.3bn Y/Y
- 3Q19 NPE disposals of 5.4bn⁽³⁾, including 4.1bn of residential mortgages

Solid capital position and successful execution of mitigation actions⁽⁴⁾

- 3Q19 CET1 ratio at 12.60%⁽⁵⁾, MDA buffer of 252bps. 3Q19 TLAC ratio 21.85%⁽⁶⁾, MDA buffer of 226bps
- 3Q19 tangible equity up 1.7% Q/Q to 51.6bn, TBVpS up 1.7% Q/Q to 23.1

(1) Y/Y change refers to adjusted net profit.

(2) Group and Group Core adjusted net profit and RoTE exclude net impacts from the impairment of Yapi (-846m in 3Q18), disposal of real estate (+258m in 1Q19), Fineco (+1,176m in 2Q19) and one-offs (-351m in 2Q19, o/w Ocean Breeze disposal -178m and others -173m (o/w -151m Core and -22m Non Core)).

(3) Figures as of 3Q19 benefit from IFRS5 classification of a NPL residential mortgage portfolio in Italy of 4.1bn (gross book value).

(4) Including disposal of real estate in 1Q19, Fineco in 2Q19 and 3Q19.

(5) Including +31bps from 3Q19 Fineco disposal as per guidance.

(6) 3Q19 TLAC ratio 21.85%, o/w 19.37% TLAC subordination ratio and 2.5% senior preferred exemption.



Group – Adjusted 3Q19 net profit at 1.1bn up 25.7% Y/Y⁽¹⁾

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Executive summary

| Group key figures | 3Q18 | 2Q19 | 3Q19 | Δ % vs. 2Q19 | Δ % vs. 3Q18 | 9M18 | 9M19 | Δ % vs. 9M18 |
|--|--------|--------|--------|--------------|--------------|--------|--------|--------------|
| Total revenues, m | 4,622 | 4,517 | 4,701 | +4.1% | +1.7% | 14,270 | 13,984 | -2.0% |
| Operating costs, m | -2,497 | -2,452 | -2,451 | -0.0% | -1.8% | -7,695 | -7,418 | -3.6% |
| Loan loss provisions, m | -696 | -707 | -563 | -20.4% | -19.1% | -1,693 | -1,738 | +2.6% |
| Net profit, m | 29 | 1,854 | 1,101 | -40.6% | n.m. | 2,165 | 4,342 | n.m. |
| Adjusted net profit ⁽¹⁾ , m | 875 | 1,029 | 1,101 | +7.0% | +25.7% | 3,012 | 3,258 | +8.2% |
| Fully loaded CET1 ratio | 12.11% | 12.08% | 12.60% | +0.5p.p. | +0.5p.p. | 12.11% | 12.60% | +0.5p.p. |
| RWA, bn | 362.6 | 387.1 | 387.8 | +0.2% | +6.9% | 362.6 | 387.8 | +6.9% |
| Loans, exc. repos, bn | 429.5 | 432.2 | 431.9 | -0.1% | +0.6% | 429.5 | 431.9 | +0.6% |
| Gross NPE ⁽²⁾ , bn | 40.8 | 34.4 | 28.8 | -16.4% | -29.5% | 40.8 | 28.8 | -29.5% |
| Adjusted RoTE ⁽¹⁾ | 7.5% | 8.3% | 8.6% | +0.3p.p. | +1.1p.p. | 8.3% | 8.7% | +0.4p.p. |
| C/I | 54.0% | 54.3% | 52.1% | -2.2p.p. | -1.9p.p. | 53.9% | 53.0% | -0.9p.p. |
| Cost of risk, bps | 61 | 60 | 47 | -13 | -13 | 50 | 49 | -1 |

(1) Group and Group Core adjusted net profit and RoTE exclude net impacts from the impairment of Yapi (-846m in 3Q18), disposal of real estate (+258m in 1Q19), Fineco (+1,176m in 2Q19) and one-offs (-351m in 2Q19, o/w Ocean Breeze disposal -178m and others -173m (o/w -151m Core and -22m Non Core)).

4 (2) Figures as of 3Q19 benefit from IFRS5 classification of a NPL residential mortgage portfolio in Italy of 4.1bn (gross book value).



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Transform 2019 achievements (1/2)

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Transform 2019 update

STRENGTHEN AND OPTIMISE CAPITAL

**FY19 CET1 ratio
guidance confirmed**

**TLAC guidance
confirmed**

**TLAC pre-funding at
tight spread**

- 3Q19 CET1 ratio at 12.60%. MDA buffer of 252bps
- 2019 CET1 MDA buffer confirmed at the upper end of target range of 200-250bps⁽¹⁾ by year end
- 3Q19 TLAC ratio 21.85%⁽²⁾, MDA buffer of 226bps, well above the target of being at the upper end of 50-100bps range, also thanks to pre-funding
- Successful pre-funding of TLAC with 1.25bn Tier 2 placement with a coupon of 2.0%, at 240bps⁽³⁾, the tightest issue spread for UniCredit's Tier 2 since 2011

IMPROVE ASSET QUALITY

**Group gross NPE ratio
below 6%**

**FY19 Non Core gross
NPEs below 10bn**

- 3Q19 Group gross NPE ratio improved to 5.7% (-264bps Y/Y)⁽⁴⁾ with Group gross NPEs down 12.0bn Y/Y and 5.7bn Q/Q, of which 5.4bn^{(4),(5)} disposals in 3Q19
- Group Core gross NPE ratio 3.6%^{(4),(6)}, down 78bps Y/Y, well below FY19 4.7% target
- FY19 Non Core gross NPEs below 10bn

TRANSFORM OPERATING MODEL

**Transform 2019
branch and FTE targets
achieved**

FY19 costs confirmed

- Transform 2019 Western European branch closure target achieved. Branches down by 19 Q/Q
- Transform 2019 net FTE reduction target of 14,000 achieved. FTEs down by 184 Q/Q
- FY19 cost confirmed at 10.1bn, materially better than original Transform 2019 target

(1) Assuming BTP spreads remain at 3Q19 levels.

(2) 3Q19 TLAC ratio 21.85%, o/w 19.37% TLAC subordination ratio and 2.5% senior preferred exemption.

(3) Over mid swap of equivalent maturity.

(4) Figures as of 3Q19 benefit from IFRS5 classification of a NPL residential mortgage portfolio.

(5) Of which 4.0bn in Non Core.

(6) Weighted average "NPL" ratio of EBA sample banks is 3.0%. Source: EBA risk dashboard (data as at 2Q19). UniCredit's definition of "NPE" ratio is more conservative than EBA. Comparable "NPL" ratio for UniCredit at 3Q19 would be 3.2% for Group Core.



Transform 2019 achievements (2/2)

1 2 3 4 5 6 7 8

Transform 2019 update

MAXIMISE COMMERCIAL BANK VALUE

**Support for
real economy and
community**

**Commercial
partnerships**

Industry awards

**Leading European CIB
franchise**

- “Made4Italy”, a new initiative to support Italian SMEs and promote an integrated agri-tourism sector, supported by 5bn of new financing and consultancy services
- Agreement with the European Investment Fund to support Italian micro enterprises with additional 60m
- Subscription of the first social impact minibond of 5m
- Successful joint venture with Allianz with over 100,000 clients choosing My Care Family, an innovative non-life product customised to cover a wide range of client needs
- Memorandum of Understanding signed with the Export-Import Bank of China to intensify cooperation between Chinese, Italian and Central Eastern European companies
- Euromoney Cash Management 2019: Best Service Provider in 9 European countries
- The Banker Transaction Banking Award 2019: Best Transaction Services Provider in W.E.
- Leading bond and loan market franchise confirmed: #2 in “EMEA All Bonds in EUR” by number of transactions, #1 in EMEA Syndicated Loans in All Currencies in Italy, Austria and CEE, #2 in Germany⁽¹⁾

ADOPT LEAN BUT STEERING CENTRE

Governance

Group CC streamlining

- Cesare Bisoni appointed as new Chairman
- The ratio of GCC costs to total costs is down to 3.3% in 9M19. FY19 target of 3.5% confirmed

(1) Source: Dealogic, as at 1 October 2019. Period: 1 January – 30 September 2019; rankings by volume, unless otherwise stated.



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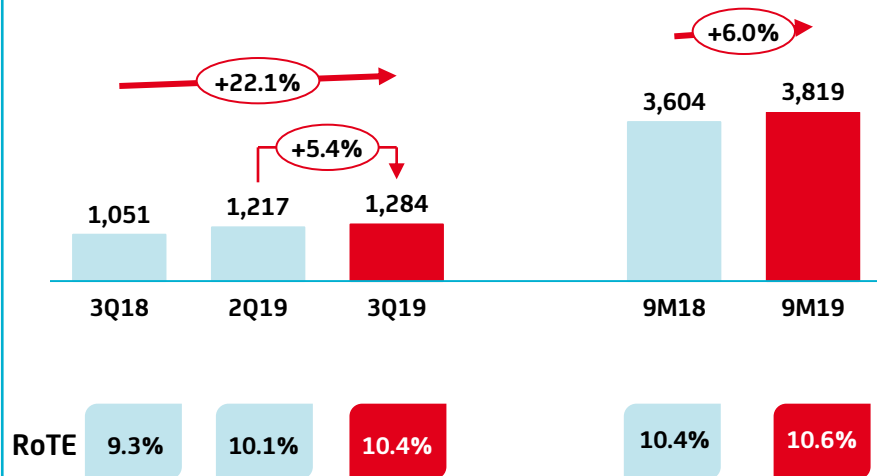


Group Core – Adjusted 9M19 RoTE 10.6% up 0.2p.p. 9M/9M⁽¹⁾

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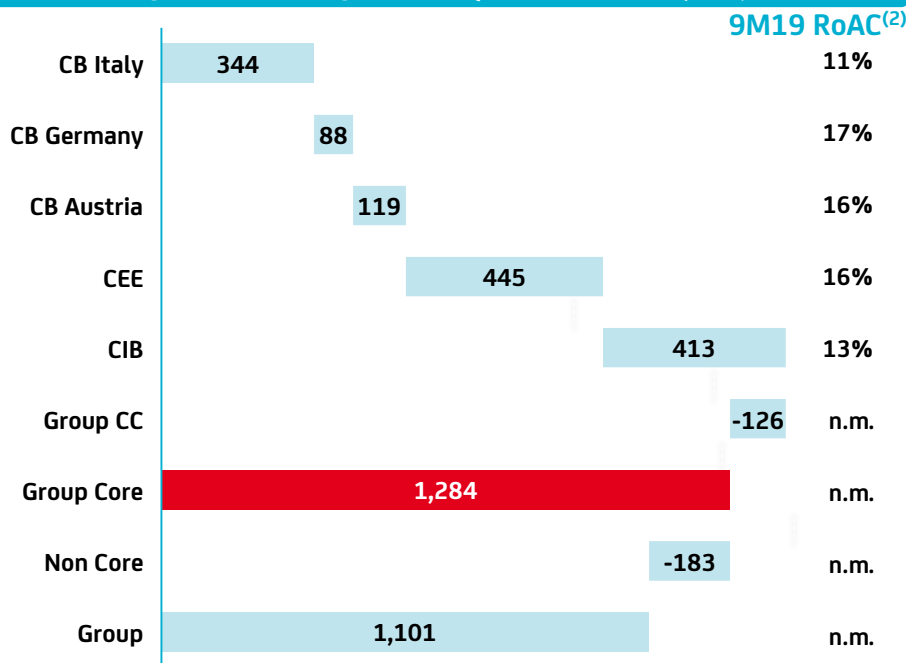
Group Core results highlights

Group Core adjusted net profit⁽¹⁾, m



- Adjusted 9M19 Group Core RoTE at 10.6%, up 0.2p.p. 9M/9M⁽¹⁾
- CEE and CIB main drivers
- FY19 Group Core RoTE target >10% confirmed

Adjusted net profit by division 3Q19, m



(1) Group and Group Core adjusted net profit and RoTE exclude net impacts from the impairment of Yapi (-846m in 3Q18), disposal of real estate (+258m in 1Q19), Fineco (+1,176m in 2Q19) and one-offs (-351m in 2Q19, o/w Ocean Breeze disposal -178m and others -173m (o/w -151m Core and -22m Non Core)).

(2) Stated 9M19 RoAC. Normalised for non recurring items (summarised in Annex on page 44-45), 9M19 RoAC are: CB Italy 11.1%, CB Germany 8.8%, CB Austria 13.5% and CIB 12.6%.



Group Core – Adjusted 3Q19 net profit 1.3bn up 22.1% Y/Y⁽¹⁾

Adjusted 9M19 RoTE at 10.6% up 0.2p.p. 9M/9M⁽¹⁾

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Group Core results highlights

Main drivers

- Revenues up 2.2% Y/Y thanks to resilient commercial dynamics and trading
- Net interest up 0.6% Q/Q with days effect and higher loan volumes partially offsetting lower loan rates
- Fees up 3.3% Y/Y thanks to investment fees (+9.4% Y/Y) and transactional fees (+3.6% Y/Y)
- Trading up 22.2% Y/Y thanks to stronger underlying client activity
- 438,000 gross new clients in 3Q19 (-4.7% Y/Y)
- Gross new loan production⁽²⁾ at 67.3bn in 9M19 (-14.0% 9M/9M)
- Costs down 2.0% Y/Y thanks to continued strong focus on cost discipline. 9M19 C/I ratio at 52.0%, down 1.1p.p. 9M/9M
- LLPs down 12.9% Y/Y as the overall risk environment remains supportive
- Gross NPE ratio 3.6%^{(3),(4)}, down 78bps Y/Y, well below FY19 4.7% target
- 9M19 adjusted RoTE at 10.6% up 0.2p.p. 9M/9M⁽¹⁾

| Data in m | 3Q18 | 2Q19 | 3Q19 | Δ % vs.2Q19 | Δ % vs.3Q18 | 9M18 | 9M19 | Δ % vs. 9M18 |
|------------------------------------|--------|--------|--------|-------------|-------------|--------|--------|--------------|
| Total revenues | 4,604 | 4,521 | 4,708 | +4.1% | +2.2% | 14,218 | 13,996 | -1.6% |
| o/w Net interest | 2,659 | 2,549 | 2,564 | +0.6% | -3.6% | 7,767 | 7,689 | -1.0% |
| o/w Fees | 1,517 | 1,562 | 1,567 | +0.3% | +3.3% | 4,755 | 4,667 | -1.9% |
| o/w Trading | 307 | 259 | 376 | +45.0% | +22.2% | 1,118 | 1,079 | -3.5% |
| Operating costs | -2,449 | -2,410 | -2,401 | -0.4% | -2.0% | -7,557 | -7,283 | -3.6% |
| Gross operating profit | 2,155 | 2,111 | 2,306 | +9.2% | +7.0% | 6,661 | 6,714 | +0.8% |
| LLPs | -478 | -514 | -416 | -19.0% | -12.9% | -961 | -1,294 | +34.6% |
| Net operating profit | 1,678 | 1,597 | 1,890 | +18.3% | +12.7% | 5,700 | 5,420 | -4.9% |
| Net profit | 204 | 2,065 | 1,284 | -37.8% | n.m. | 2,757 | 4,924 | +78.6% |
| Adjusted net profit ⁽¹⁾ | 1,051 | 1,217 | 1,284 | +5.4% | +22.1% | 3,604 | 3,819 | +6.0% |
| Adjusted RoTE ⁽¹⁾ | 9.3% | 10.1% | 10.4% | +0.3p.p. | +1.1p.p. | 10.4% | 10.6% | +0.2p.p. |
| C/I | 53.2% | 53.3% | 51.0% | -2.3p.p. | -2.2p.p. | 53.2% | 52.0% | -1.1p.p. |
| CoR (bps) | 43 | 44 | 35 | -9 | -7 | 29 | 37 | +8 |
| Gross NPE ratio | 4.4% | 3.9% | 3.6% | -35bps | -78bps | 4.4% | 3.6% | -78bps |

(1) Group and Group Core adjusted net profit and RoTE exclude net impacts from the impairment of Yapi (-846m in 3Q18), disposal of real estate (+258m in 1Q19), Fineco (+1,176m in 2Q19) and one-offs (-351m in 2Q19, o/w Ocean Breeze disposal -178m and others -173m (o/w -151m Core and -22m Non Core)).

(2) Managerial figures.

10 (3) Weighted average "NPL" ratio of EBA sample banks is 3.0%. Source: EBA risk dashboard (data as at 2Q19). UniCredit's definition of "NPE" ratio is more conservative than EBA. Comparable "NPL" ratio for UniCredit at 3Q19 would be 3.2% for Group Core.

(4) Figures as of 3Q19 benefit from IFRS5 classification of a NPL residential mortgage portfolio.



Group – Adjusted 3Q19 net profit 1.1bn up 25.7% Y/Y⁽¹⁾

Adjusted 9M19 net profit 3.3bn up 8.2% 9M/9M⁽¹⁾

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Group results highlights

Main drivers

- Net interest flat Q/Q with days effect and higher loan volumes partially offsetting lower loan rates
- Fees up 3.0% Y/Y thanks to investment fees (+9.4% Y/Y) and transactional fees (+3.2% Y/Y)
- Costs at 2.5bn in 3Q19 down 1.8% Y/Y thanks to lower HR costs (-1.9% Y/Y) and Non HR costs (-1.6% Y/Y)
- LLPs down 19.1% Y/Y, leading to 47bps CoR in 3Q19 (including -1bp of models)
- Other charges & provisions down 74.2% Y/Y, 3Q18 impacted by provisions for US sanctions
- Stated 9M19 tax rate 25.8%
- 3Q19 Group stated net profit of 1.1bn equal to 3Q19 Group adjusted net profit, up 25.7% Y/Y^{(1),(2)}

| Data in m | 3Q18 | 2Q19 | 3Q19 | Δ % vs.2Q19 | Δ % vs.3Q18 | 9M18 | 9M19 | Δ % vs. 9M18 |
|---|--------|--------|--------|----------------|----------------|--------|--------|-----------------|
| Total revenues | 4,622 | 4,517 | 4,701 | +4.1% | +1.7% | 14,270 | 13,984 | -2.0% |
| o/w Net interest | 2,689 | 2,554 | 2,555 | +0.1% | -5.0% | 7,858 | 7,688 | -2.2% |
| o/w Fees | 1,523 | 1,565 | 1,569 | +0.3% | +3.0% | 4,777 | 4,675 | -2.1% |
| o/w Trading | 293 | 253 | 378 | +49.2% | +28.9% | 1,075 | 1,073 | -0.1% |
| Operating costs | -2,497 | -2,452 | -2,451 | -0.0% | -1.8% | -7,695 | -7,418 | -3.6% |
| Gross operating profit | 2,126 | 2,065 | 2,250 | +9.0% | +5.9% | 6,575 | 6,567 | -0.1% |
| LLPs | -696 | -707 | -563 | -20.4% | -19.1% | -1,693 | -1,738 | +2.6% |
| Net operating profit | 1,430 | 1,357 | 1,687 | +24.3% | +18.0% | 4,882 | 4,829 | -1.1% |
| Other charges & provisions | -725 | -236 | -187 | -20.7% | -74.2% | -1,902 | -637 | -66.5% |
| o/w Systemic charges | -134 | -118 | -148 | +24.8% | +10.3% | -772 | -804 | +4.1% |
| Profit from investments | -655 | -307 | -45 | -85.2% | -93.1% | -434 | 39 | n.m. |
| Profit before taxes | 47 | 812 | 1,453 | +78.8% | n.m. | 2,552 | 4,224 | +65.5% |
| Income taxes | -20 | -174 | -341 | +96.6% | n.m. | -440 | -1,092 | n.m. |
| Net profit from discontinued operations | 59 | 1,307 | 0 | -100.0% | -99.7% | 223 | 1,372 | n.m. |
| Net profit | 29 | 1,854 | 1,101 | -40.6% | n.m. | 2,165 | 4,342 | n.m. |
| Adjusted net profit ⁽¹⁾ | 875 | 1,029 | 1,101 | +7.0% | +25.7% | 3,012 | 3,258 | +8.2% |

(1) Group and Group Core adjusted net profit and RoTE exclude net impacts from the impairment of Yapi (-846m in 3Q18), disposal of real estate (+258m in 1Q19), Fineco (+1,176m in 2Q19) and one-offs (-351m in 2Q19, o/w Ocean Breeze disposal -178m and others -173m (o/w -151m Core and -22m Non Core)).

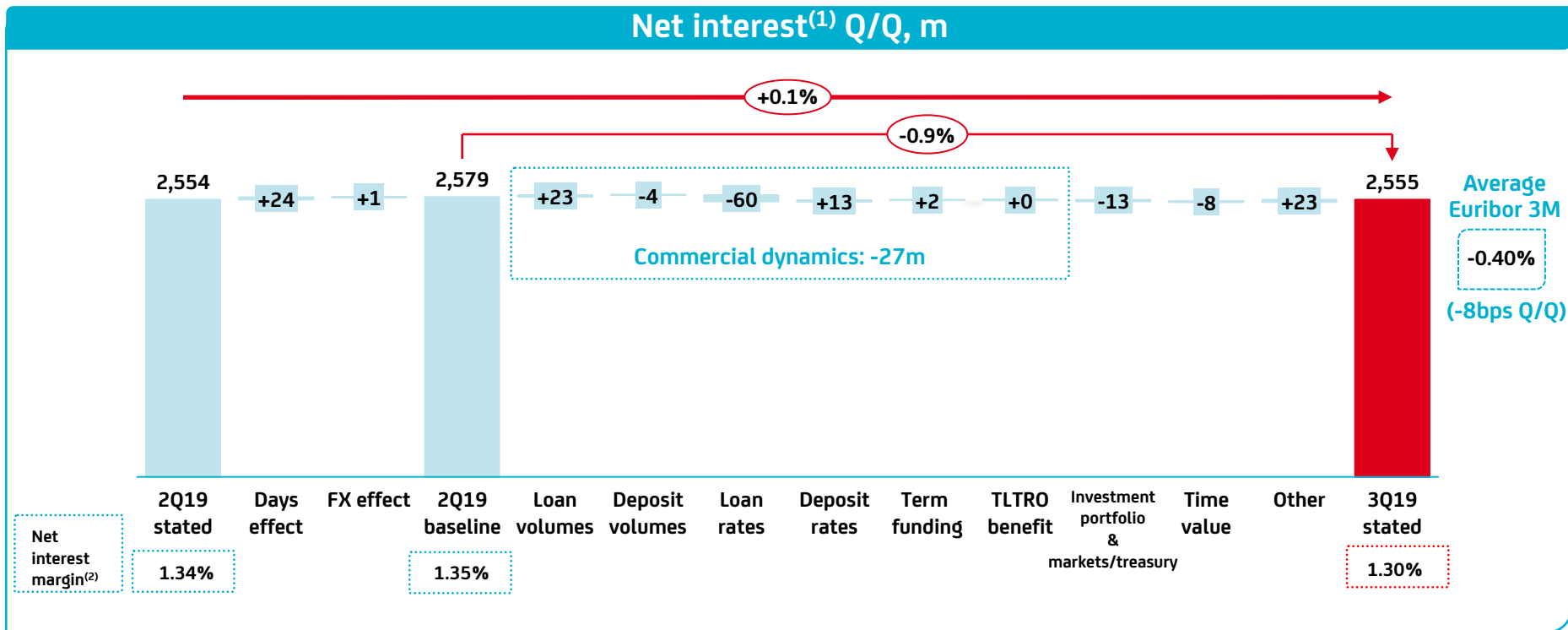
(2) Y/Y change refers to adjusted net profit.



Group – 3Q19 net interest at 2.6bn flat Q/Q despite lower Euribor

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Group results highlights



(1) Net contribution from hedging strategy of non-maturity deposits in 3Q19 at 353m, +4.4m Q/Q and -16.1m Y/Y.

(2) Net interest margin calculated as interest income divided by interest earning assets minus interest expenses divided by interest bearing liabilities.

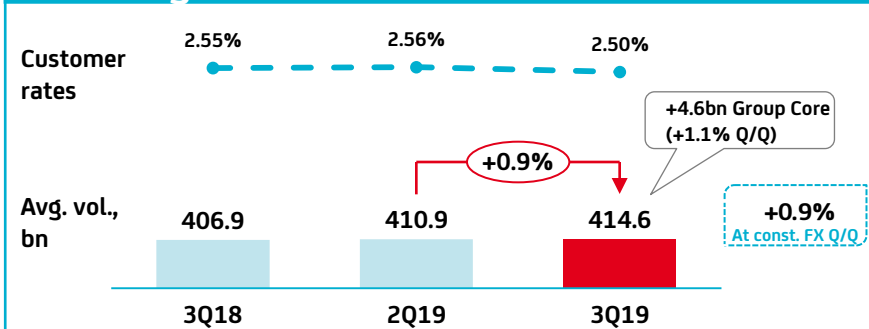


Group – Average Group Core loan volumes up 4.6bn Q/Q, customer rates down 6bps due to Euribor

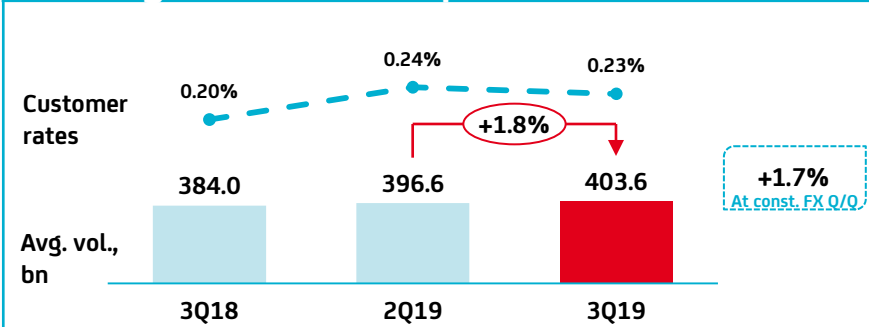
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Group results highlights

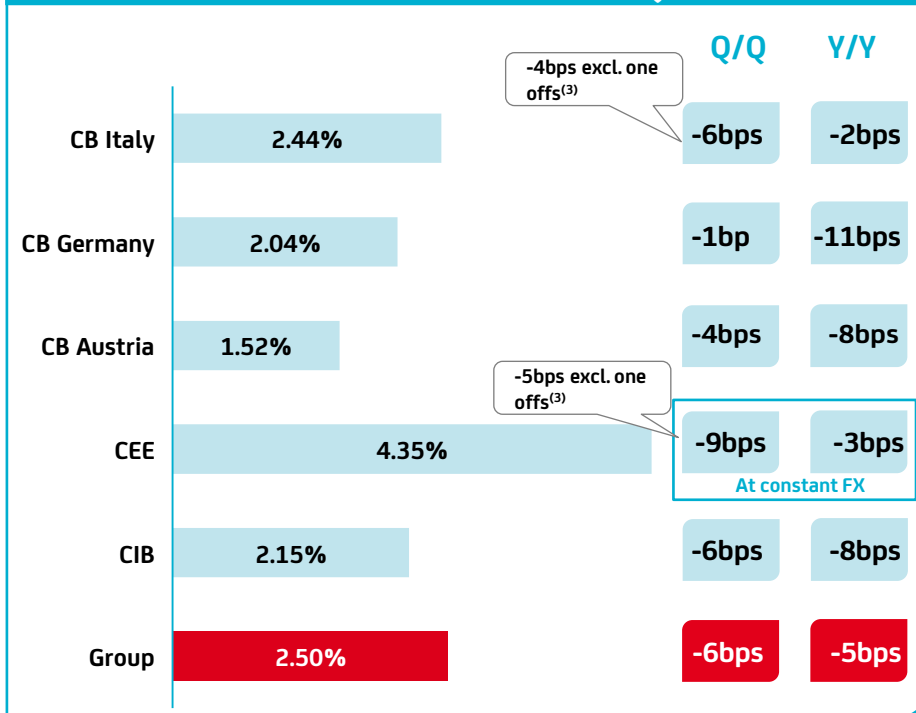
Avg. commercial loans⁽¹⁾ and rates⁽²⁾



Avg. commercial deposits⁽¹⁾ and rates⁽²⁾



Customer loan rates⁽²⁾ 3Q19



(1) Average commercial volumes are managerial figures and are calculated as daily averages. Loans net of provisions.

13 (2) Customer loan rates calculated assuming 365 days convention, adjusted for 360 days convention where analytically available.

(3) Customer rate Q/Q excluding one-offs: CB Italy -4bps (days effect), CEE -5bps at constant FX (single names).



Group – End-of-period Group Core customer loans up 1.3bn Q/Q

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Group results highlights

Customer loans (end-of-period)⁽¹⁾ 3Q19, bn

| | | Q/Q | Y/Y |
|------------|-------|-------------------------|--------|
| CB Italy | 143.2 | -0.5% | -0.2% |
| CB Germany | 88.5 | +1.1% | +4.5% |
| CB Austria | 45.0 | +1.0% | +1.6% |
| CEE | 68.2 | At constant FX +1.0% | +5.5% |
| CIB | 80.6 | +0.3% | -0.0% |
| Group CC | 2.5 | -2.4% | -22.9% |
| Group Core | 428.1 | +0.3% | +1.8% |
| Non Core | 3.8 | -28.1% | -56.6% |
| Group | 431.9 | -0.1% | +0.6% |

Customer deposits (end-of-period)⁽¹⁾ 3Q19, bn

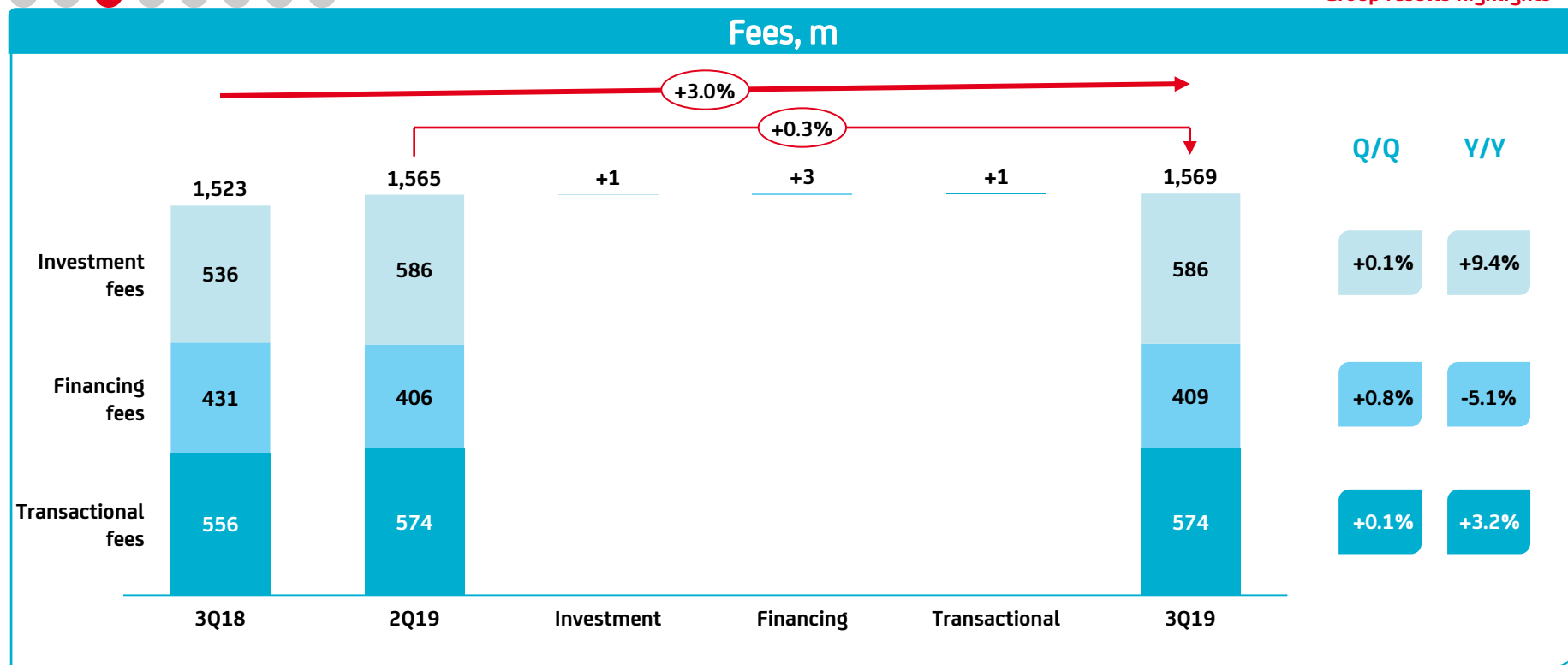
| | | Q/Q | Y/Y |
|------------|-------|-------------------------|--------|
| CB Italy | 152.7 | +1.0% | +5.0% |
| CB Germany | 91.4 | +2.0% | +4.3% |
| CB Austria | 47.3 | -0.3% | +1.5% |
| CEE | 71.6 | At constant FX +1.8% | +13.4% |
| CIB | 51.4 | +7.2% | -2.7% |
| Group CC | 2.3 | -12.1% | -22.1% |
| Group Core | 416.7 | +1.8% | +4.7% |
| Non Core | 0.5 | -13.7% | -37.1% |
| Group | 417.2 | +1.7% | +4.6% |



Group – Fees up 3.0% Y/Y mainly thanks to investment fees

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Group results highlights



Group – TFAs up 1.9% Q/Q mainly driven by market performance

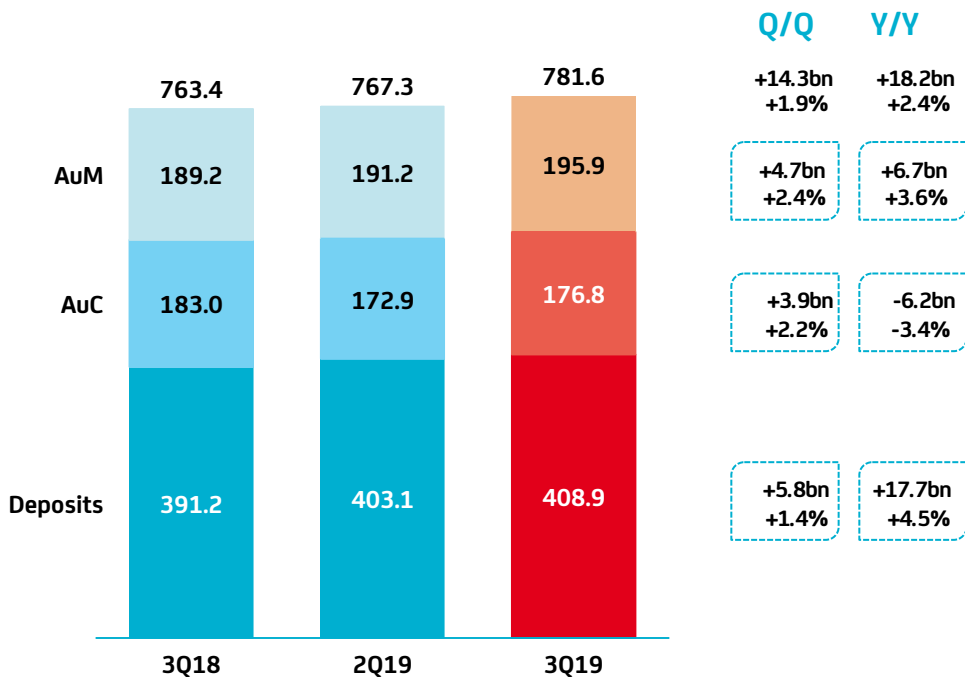
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Group results highlights

Main drivers

- **TFAs** up 1.9% Q/Q to 781.6bn:
 - **Assets under Management** at 195.9bn, up 2.4% Q/Q. Strong AuM net sales (+2.5bn 3Q19) and positive market performance (+2.2bn 3Q19).
 - **Assets under Custody** at 176.8bn, up 2.2% Q/Q. Positive market performance (+7.9bn 3Q19) offsetting negative net sales (-3.9bn 3Q19)
 - **Deposits** at 408.9bn, up 1.4% Q/Q thanks to CIB (+4.1% Q/Q), CEE (+2.6% Q/Q at constant FX) and CB Italy (+1.1% Q/Q)

Group TFAs⁽¹⁾ 3Q19, 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.

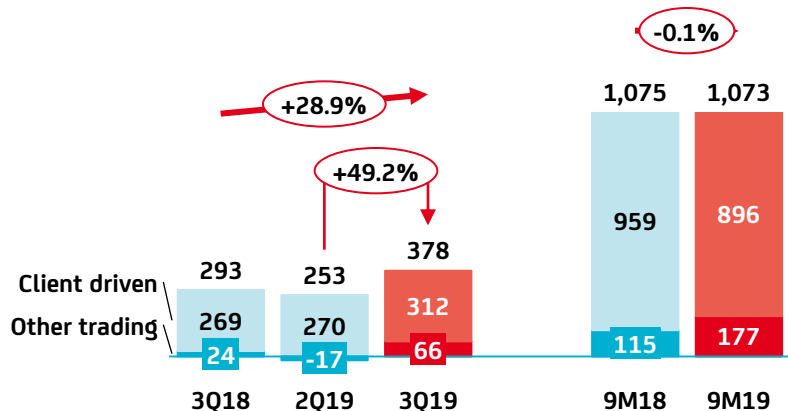


Group – Trading income up 28.9% Y/Y thanks to stronger underlying client activity

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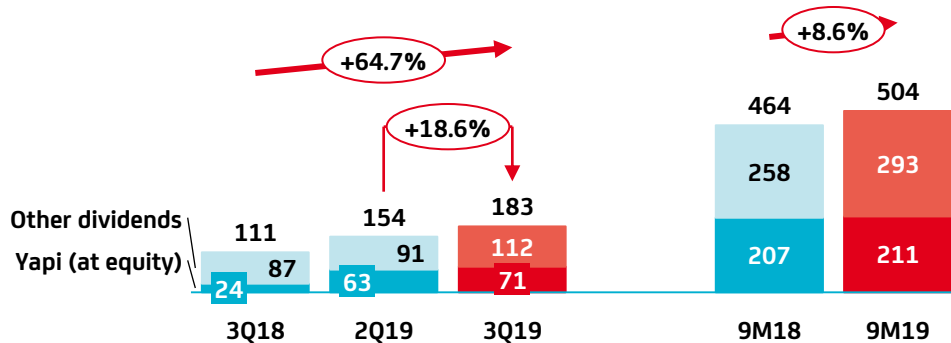
Group results highlights

Trading income, m



- Trading income up 28.9% Y/Y thanks to stronger underlying client activity, despite negative impact from XVA⁽¹⁾ (-17m Y/Y)
- Client driven trading includes valuation adjustments (XVA⁽¹⁾) equal to +5m in 3Q19 (-61m in 2Q19 and +22m in 3Q18)
- Expected average quarterly run rate of around 300m confirmed

Dividends⁽²⁾, m



- Strong contribution from Yapi, up 98.7% Y/Y at constant FX
- The regulatory consolidation of Yapi's RWA is pro rata (23.0bn)
- The TRY FX sensitivity on the Group's CET1 ratio is positive at around +1bp net impact for 10% adverse FX move⁽³⁾
- Other dividends up 28.6% Y/Y mainly thanks to insurance JVs in Italy

(1) Valuation adjustments (XVA) include: Debt/Credit Value Adjustment (DVA/CVA), Funding Valuation Adjustments (FuVa) and Hedging desk.

(2) Include dividends and equity investments. Yapi is valued by the equity method and contributes to the dividend line of the Group P&L based on managerial view.

(3) TRY sensitivity: 10% depreciation of the TRY has around +1bp net impact (-3bps from capital, +4bps from RWA) on the fully loaded CET1 ratio. Managerial data as at 30 September 2019.



Group – 3Q19 Group costs at 2.5bn down 1.8% Y/Y and stable Q/Q FY19 costs confirmed at 10.1bn

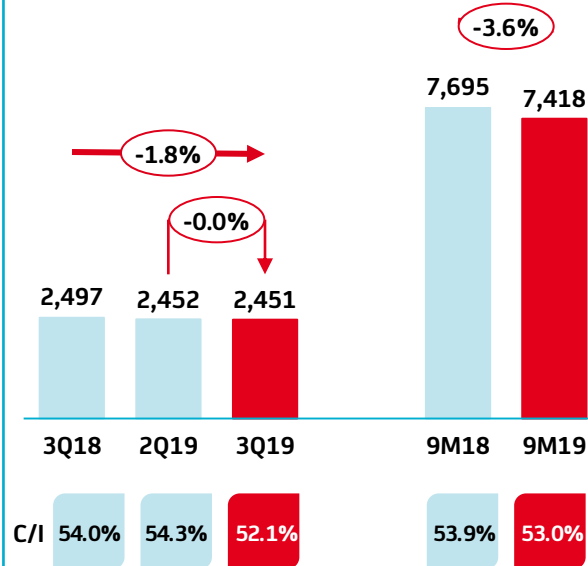
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Group results highlights

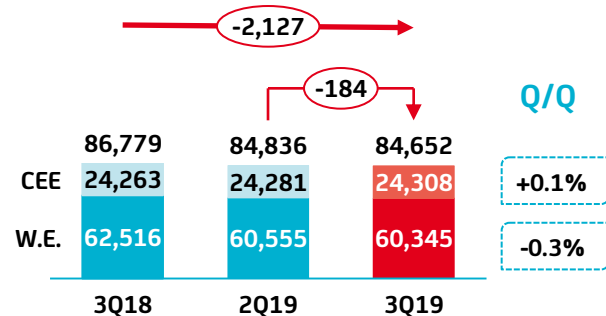
Main drivers

- Transform 2019 targets for net FTE reduction and Western European branch closures achieved
- FTEs down 2,127 Y/Y, branches down 137 Y/Y
- 3Q19 total costs at 2.5bn down 1.8% Y/Y and stable Q/Q
- FY19 costs confirmed at 10.1bn
- 9M19 C/I 53.0%, down 0.9p.p. 9M/9M

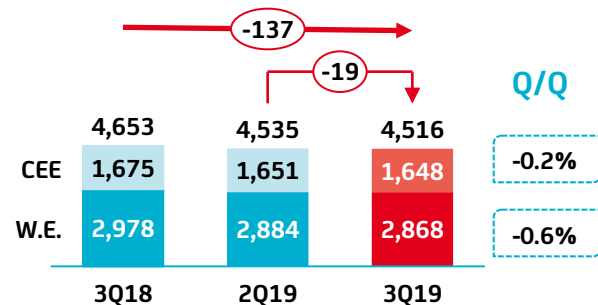
Costs, m



FTEs (end-of-period)



Branches⁽¹⁾

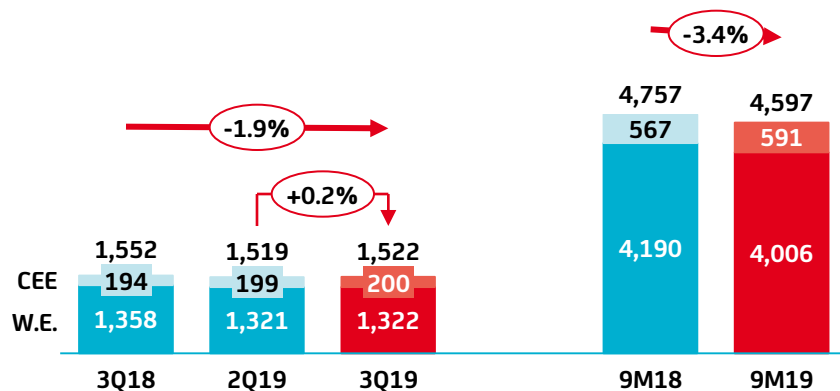


Group – Disciplined cost reduction, both HR and Non HR costs down Y/Y

1 2 3 4 5 6 7 8

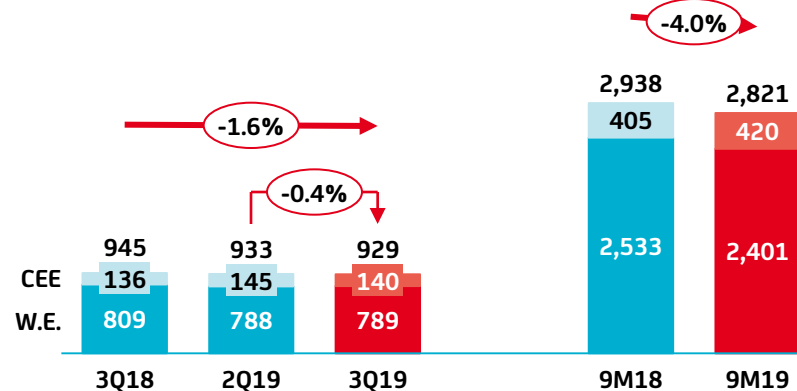
Group results highlights

HR costs, m



- HR costs down 1.9% Y/Y, confirming continued cost reduction efforts supported by lower FTEs, down 2,127 Y/Y

Non HR costs⁽¹⁾, m



- Non HR costs down 1.6% Y/Y mainly thanks to lower real estate expenses



Group – 3Q19 LLPs down 19.1% Y/Y

Gross NPE ratio 5.7% down 264bps Y/Y

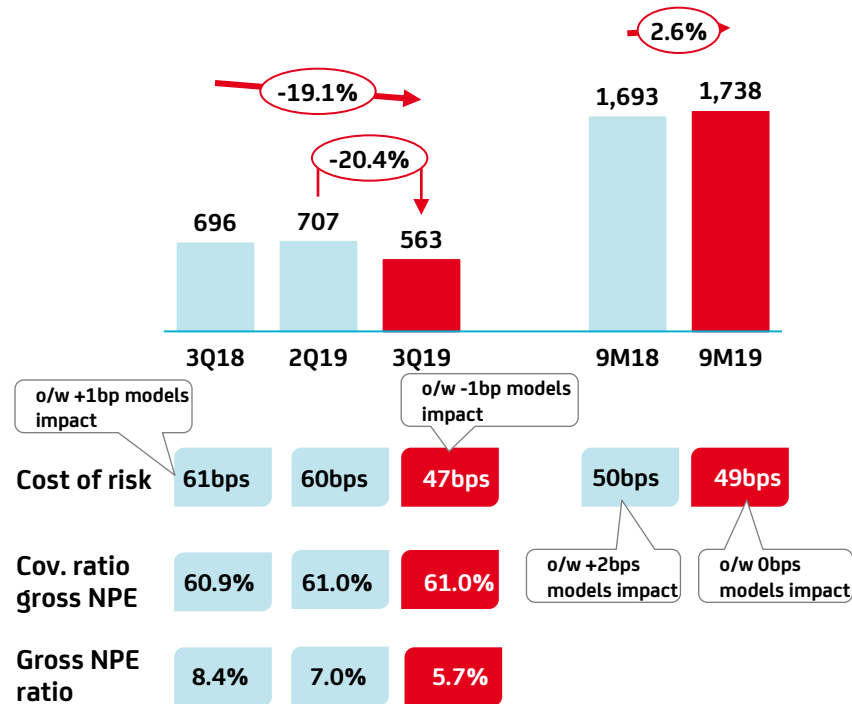
1 2 3 4 5 6 7 8

Group results highlights

Main drivers

- 3Q19 LLPs down 19.1% Y/Y, leading to CoR of 47bps, including -1bp of models. 9M19 CoR at 49bps, FY19 55bps CoR target confirmed, including 4bps from models
- Group gross NPE ratio improved to 5.7%⁽¹⁾ in 3Q19, down 264bps Y/Y. Coverage ratio at 61.0%, up 0.1p.p. Y/Y
- Group Core gross NPE ratio at 3.6%^{(1),(2)} in 3Q19, down 78bps Y/Y, well below FY19 4.7% target
- CoR across divisions in 3Q19:
 - CB Italy CoR at 70bps. FY19 CoR will be in the low 70s bps due to residential mortgage transaction
 - CB Germany CoR at 12bps. FY19 CoR expected to be low
 - CB Austria CoR at 17bps. FY19 CoR expected to be very low
 - CEE CoR at 68bps thanks to a supportive risk environment. FY19 CoR will be well below 102bps target
 - CIB CoR at 1bp. FY19 CoR target confirmed at 21bps

Loan loss provisions, m



Agenda

- 1 Executive summary
- 2 Transform 2019 update
- 3 Group results highlights
- 4 Divisional results highlights**
- 5 Asset quality
- 6 Capital
- 7 Closing remarks
- 8 Annex



CB Italy – Net operating profit 0.6bn in 3Q19 up 35.2% Y/Y mainly thanks to higher revenues and lower costs

1 2 3 4 5 6 7 8

Divisional results highlights

Main drivers

- Net interest up 0.2% Q/Q with days effect and a non recurring item compensating lower deposit spreads
- Gross new loan production⁽¹⁾ at 16.1bn in 9M19 (-14.6% 9M/9M), mainly driven by corporates
- Fees up 3.3% Y/Y mainly driven by investment fees (+7.5% Y/Y) and transactional fees (+5.6% Y/Y), the latter mainly thanks to insurance
- 75,000 gross new clients in 3Q19 (-19.1% Y/Y)
- Costs down 5.3% Y/Y driven by both HR (-4.3% Y/Y) and non HR cost (-6.7% Y/Y). 9M19 C/I ratio at 52.9%, down 2.8p.p. 9M/9M
- 3Q19 CoR at 70bps. FY19 CoR will be in the low 70s bps due to residential mortgage transaction
- Gross NPE ratio 5.0%, down 118bps Y/Y supported by disposals⁽³⁾
- Normalised⁽⁴⁾ RoAC at 11.1% in 9M19. FY19 RoAC target around 11% confirmed

| Data in m | 3Q18 | 2Q19 | 3Q19 | Δ % vs.2Q19 | Δ % vs.3Q18 | 9M18 | 9M19 | Δ % vs. 9M18 |
|-------------------------|--------|--------|--------|-------------|-------------|--------|--------|--------------|
| Total revenues | 1,739 | 1,802 | 1,771 | -1.7% | +1.9% | 5,436 | 5,366 | -1.3% |
| o/w Net interest | 862 | 844 | 845 | +0.2% | -1.9% | 2,634 | 2,548 | -3.3% |
| o/w Fees | 871 | 918 | 899 | -2.0% | +3.3% | 2,772 | 2,731 | -1.5% |
| Operating costs | -991 | -949 | -938 | -1.1% | -5.3% | -3,030 | -2,840 | -6.2% |
| Gross operating profit | 748 | 853 | 833 | -2.3% | +11.4% | 2,406 | 2,526 | +5.0% |
| LLPs | -317 | -316 | -251 | -20.7% | -20.9% | -748 | -774 | +3.5% |
| Net operating profit | 431 | 537 | 582 | +8.5% | +35.2% | 1,658 | 1,752 | +5.6% |
| Net profit | 369 | 244 | 344 | +41.1% | -6.7% | 1,115 | 987 | -11.5% |
| RoAC | 13.4% | 7.7% | 10.6% | +2.8p.p. | -2.8p.p. | 13.7% | 10.5% | -3.2p.p. |
| C/I | 57.0% | 52.7% | 53.0% | +0.3p.p. | -4.0p.p. | 55.7% | 52.9% | -2.8p.p. |
| CoR (bps) | 89 | 88 | 70 | -18 | -19 | 71 | 72 | +0 |
| Branches ⁽²⁾ | 2,516 | 2,425 | 2,409 | -0.7% | -4.3% | 2,516 | 2,409 | -4.3% |
| FTEs | 30,211 | 29,098 | 28,830 | -0.9% | -4.6% | 30,211 | 28,830 | -4.6% |
| Gross NPE ratio | 6.2% | 5.6% | 5.0% | -56bps | -118bps | 6.2% | 5.0% | -118bps |

(1) Managerial figures.

(2) Branch figures consistent with CMD 2016 perimeter.

(3) Figures as of 3Q19 benefit from IFRS5 classification of a NPL residential mortgage portfolio.

(4) Normalised for the release of provisions for US sanctions (+60m) in 1Q19 and one-offs (-118m) in 2Q19.



CB Germany – Net operating profit 0.2bn in 3Q19 down 29.1% Y/Y due to LLPs normalisation

1 2 3 4 5 6 7 8

Main drivers

- Revenues down 2.9% Y/Y due to lower trading. Commercial revenues up 3.0% Y/Y
- Net interest up 0.9% Q/Q with higher loan volumes partially compensating lower deposit spreads
- Gross new loan production⁽¹⁾ at 12.3bn in 9M19 (-15.7% 9M/9M), mainly driven by corporates
- Fees up 7.5% Y/Y mainly thanks to higher investment fees (+16.9% Y/Y)
- 18,000 gross new clients in 3Q19 (-7.5% Y/Y)
- Costs down 1.0% Y/Y driven by both HR (-1.3% Y/Y) and non HR cost (-0.6% Y/Y). 9M19 C/I ratio at 69.2%, up 0.9p.p. 9M/9M
- 3Q19 CoR at 12bps. FY19 CoR expected to be low
- Normalised⁽³⁾ RoAC at 8.8% in 9M19. FY19 RoAC target confirmed at 9.1%

Divisional results highlights

| Data in m | 3Q18 | 2Q19 | 3Q19 | Δ % vs.2Q19 | Δ % vs.3Q18 | 9M18 | 9M19 | Δ % vs. 9M18 |
|-------------------------|-------|-------|-------|----------------|----------------|--------|--------|-----------------|
| Total revenues | 596 | 586 | 579 | -1.1% | -2.9% | 1,824 | 1,757 | -3.7% |
| o/w Net interest | 380 | 381 | 384 | +0.9% | +1.0% | 1,119 | 1,143 | +2.2% |
| o/w Fees | 166 | 175 | 178 | +1.7% | +7.5% | 548 | 538 | -1.7% |
| Operating costs | -403 | -399 | -399 | +0.1% | -1.0% | -1,244 | -1,215 | -2.3% |
| Gross operating profit | 193 | 187 | 180 | -3.6% | -6.7% | 580 | 542 | -6.5% |
| LLPs | 23 | -4 | -27 | n.m. | n.m. | -39 | -53 | +34.1% |
| Net operating profit | 216 | 183 | 153 | -16.3% | -29.1% | 540 | 489 | -9.5% |
| Net profit | 56 | 146 | 88 | -39.5% | +57.7% | 204 | 605 | n.m. |
| RoAC | 4.8% | 12.6% | 7.6% | -5.0p.p. | +2.8p.p. | 6.0% | 17.4% | +11.4p.p. |
| C/I | 67.6% | 68.0% | 68.9% | +0.8p.p. | +1.3p.p. | 68.2% | 69.2% | +0.9p.p. |
| CoR (bps) | -11 | 2 | 12 | +10 | +23 | 6 | 8 | +2 |
| Branches ⁽²⁾ | 339 | 337 | 337 | +0.0% | -0.6% | 339 | 337 | -0.6% |
| FTEs | 9,284 | 9,047 | 9,138 | +1.0% | -1.6% | 9,284 | 9,138 | -1.6% |
| Gross NPE ratio | 1.9% | 1.8% | 1.7% | -4bps | -21bps | 1.9% | 1.7% | -21bps |

(1) Managerial figures.

(2) Branch figures consistent with CMD 2016 perimeter.

(3) Normalised for release of provisions for US sanctions (+41m) and disposal of real estate (+258m) in 1Q19.



CB Austria – Net operating profit 0.1bn in 3Q19 down 6.8% Y/Y mainly due to lower trading

1 2 3 4 5 6 7 8

Divisional results highlights

Main drivers

- Revenues down 2.5% Y/Y due to lower trading. Commercial revenues flat
- Net interest up 2.7% Q/Q thanks to resilient commercial dynamics
- Gross new loan production⁽¹⁾ at 5.4bn in 9M19 (-0.3% 9M/9M), driven by corporates
- Fees down 1.2% Y/Y mainly due to lower transactional fees (-1.4% Y/Y) and investment fees (-1.2% Y/Y)
- 14,000 gross new clients in 3Q19 (+1.0% Y/Y)
- Costs up 1.4% Y/Y impacted by HR one-offs. 9M19 C/I ratio at 63.9%, down 0.6p.p. 9M/9M
- CoR at 17bps in 3Q19 due to a non recurring item. FY19 CoR expected to be very low
- Normalised⁽³⁾ RoAC at 13.5% in 9M19. FY19 RoAC target confirmed at 13.3%

| Data in m | 3Q18 | 2Q19 | 3Q19 | Δ % vs.2Q19 | Δ % vs.3Q18 | 9M18 | 9M19 | Δ % vs. 9M18 |
|-------------------------|-------|-------|-------|-------------|-------------|-------|-------|--------------|
| Total revenues | 402 | 389 | 392 | +0.9% | -2.5% | 1,184 | 1,136 | -4.0% |
| o/w Net interest | 178 | 175 | 180 | +2.7% | +1.1% | 512 | 525 | +2.4% |
| o/w Fees | 149 | 149 | 147 | -0.8% | -1.2% | 460 | 441 | -4.1% |
| Operating costs | -241 | -226 | -244 | +8.1% | +1.4% | -764 | -726 | -4.9% |
| Gross operating profit | 162 | 163 | 148 | -9.1% | -8.4% | 420 | 410 | -2.4% |
| LLPs | -23 | 2 | -19 | n.m. | -17.6% | 31 | -9 | n.m. |
| Net operating profit | 138 | 165 | 129 | -21.8% | -6.8% | 451 | 401 | -11.2% |
| Net profit | 119 | 165 | 119 | -27.9% | +0.2% | 325 | 352 | +8.2% |
| RoAC | 17.9% | 22.6% | 16.1% | -6.5p.p. | -1.8p.p. | 16.2% | 16.0% | -0.2p.p. |
| C/I | 59.8% | 58.1% | 62.2% | +4.1p.p. | +2.4p.p. | 64.5% | 63.9% | -0.6p.p. |
| CoR (bps) | 21 | -2 | 17 | +19 | -4 | -9 | 3 | +12 |
| Branches ⁽²⁾ | 123 | 122 | 122 | +0.0% | -0.8% | 123 | 122 | -0.8% |
| FTEs | 4,894 | 4,845 | 4,890 | +0.9% | -0.1% | 4,894 | 4,890 | -0.1% |
| Gross NPE ratio | 4.0% | 4.0% | 3.9% | -11bps | -16bps | 4.0% | 3.9% | -16bps |

(1) Managerial figures.

(2) Branch figures consistent with CMD 2016 perimeter.

(3) Normalised for release of provisions for US sanctions (+39m) in 1Q19 and one-off pension related item (+16m) in 2Q19.



CEE – Net operating profit 0.6bn in 3Q19 up 9.0% Y/Y thanks to higher revenues

1 2 3 4 5 6 7 8

Divisional results highlights

Main drivers

- Net interest down 0.7% Q/Q at constant FX due to a non recurring item
- Gross new loan production⁽²⁾ at 15.4bn in 9M19 (-9.3% 9M/9M at constant FX)
- Dividends up 90.9% Y/Y at constant FX thanks to increased Yapi contribution (+98.7% Y/Y)
- Fees up 2.6% Y/Y at constant FX thanks to higher investment fees (+18.8% Y/Y) and transaction fees (+5.2% Y/Y)
- 331,000 gross new clients in 3Q19 (-0.8% Y/Y)
- Costs up 0.9% Y/Y at constant FX, below inflation. 9M19 C/I ratio at 35.2%, down 0.5p.p. 9M/9M
- 3Q19 CoR low at 68bps thanks to a supportive risk environment. FY19 CoR will be well below 102bps target
- Successful de-risking, gross NPE ratio down 140bps Y/Y to 5.1% in 3Q19. Coverage ratio at 69.4% (+1.8p.p. Y/Y)
- RoAC at 15.6% in 9M19. FY19 RoAC target confirmed at 13.4%

| Data in m ⁽¹⁾ | 3Q18 | 2Q19 | 3Q19 | Δ % vs.2Q19 | Δ % vs.3Q18 | 9M18 | 9M19 | Δ % vs. 9M18 |
|--------------------------|--------|--------|--------|----------------|----------------|--------|--------|-----------------|
| Total revenues | 980 | 1,069 | 1,061 | -0.9% | +7.5% | 3,105 | 3,204 | +4.7% |
| o/w Net interest | 678 | 683 | 680 | -0.7% | -0.8% | 1,994 | 2,041 | +2.7% |
| o/w Dividends | 30 | 71 | 79 | +6.3% | +90.9% | 226 | 231 | +16.0% |
| o/w Fees | 205 | 202 | 211 | +4.6% | +2.6% | 604 | 617 | +2.5% |
| Operating costs | -372 | -386 | -378 | -2.0% | +0.9% | -1,108 | -1,129 | +2.2% |
| Gross operating profit | 607 | 683 | 683 | -0.2% | +11.4% | 1,997 | 2,075 | +6.0% |
| LLPs | -91 | -87 | -116 | +34.3% | +25.3% | -297 | -304 | +2.5% |
| Net operating profit | 516 | 596 | 566 | -5.0% | +9.0% | 1,700 | 1,772 | +6.6% |
| Net profit | 425 | 484 | 445 | -8.0% | +4.3% | 1,307 | 1,320 | +4.1% |
| RoAC | 15.6% | 17.1% | 15.6% | -1.4p.p. | -0.0p.p. | 15.8% | 15.6% | -0.2p.p. |
| C/I | 38.0% | 36.1% | 35.7% | -0.4p.p. | -2.3p.p. | 35.7% | 35.2% | -0.5p.p. |
| CoR (bps) | 58 | 52 | 68 | +17 | +11 | 64 | 60 | -4 |
| Branches | 1,675 | 1,651 | 1,648 | -0.2% | -1.6% | 1,675 | 1,648 | -1.6% |
| FTEs | 24,263 | 24,281 | 24,308 | +0.1% | +0.2% | 24,263 | 24,308 | +0.2% |
| Gross NPE ratio | 6.5% | 5.5% | 5.1% | -38bps | -140bps | 6.5% | 5.1% | -140bps |

⁽¹⁾ Stated numbers at current FX. Variations Q/Q and Y/Y at constant FX (RoAC, C/I, gross NPE ratio, coverage ratio and CoR variations at current FX). Yapi is valued by the equity method and contributes to the dividend line of the Group P&L based on managerial view. Yapi's branches and clients considered at 100%, Yapi not considered in CoR, FTEs and gross NPE ratio.

⁽²⁾ Managerial figures.



CIB – Net operating profit 0.6bn in 3Q19 up 33.4% Y/Y thanks to lower LLPs and higher trading

1 2 3 4 5 6 7 8

Divisional results highlights

Main drivers

- Net interest up 4.0% Q/Q mainly thanks to positive contribution from Investment & Trading activities and non recurring items
- Fees down 2.3% Y/Y mainly due to financing fees (-3.5% Y/Y)
- Trading up 42.0% Y/Y mainly thanks to robust client activity
- Leading franchise confirmed: #1 in “All Bonds in EUR” in Italy, Germany and Austria, #2 in “EMEA All Bonds in EUR” by number of transactions⁽¹⁾. Overall client driven revenues at 73%⁽²⁾ in 3Q19
- Costs down 2.5% Y/Y driven by both HR (-3.1% Y/Y) and non HR cost (-2.1 % Y/Y). 9M19 C/I ratio at 39.3%, down 0.6p.p. 9M/9M
- CoR at 1bp in 3Q19. FY19 CoR target confirmed at 21bps
- Normalised⁽³⁾ RoAC at 12.6% in 9M19. FY19 RoAC target confirmed at 11.7%

| Data in m | 3Q18 | 2Q19 | 3Q19 | Δ % vs.2Q19 | Δ % vs.3Q18 | 9M18 | 9M19 | Δ % vs. 9M18 |
|------------------------|-------|-------|-------|-------------|-------------|--------|--------|--------------|
| Total revenues | 910 | 868 | 978 | +12.7% | +7.4% | 2,870 | 2,868 | -0.1% |
| o/w Net interest | 586 | 548 | 570 | +4.0% | -2.7% | 1,707 | 1,666 | -2.4% |
| o/w Fees | 148 | 128 | 145 | +13.2% | -2.3% | 444 | 377 | -15.0% |
| o/w Trading | 166 | 193 | 236 | +22.3% | +42.0% | 655 | 760 | +16.2% |
| Operating costs | -369 | -379 | -360 | -5.2% | -2.5% | -1,146 | -1,127 | -1.6% |
| Gross operating profit | 541 | 489 | 618 | +26.5% | +14.2% | 1,725 | 1,740 | +0.9% |
| LLPs | -81 | -106 | -4 | -96.5% | -95.4% | 81 | -153 | n.m. |
| Net operating profit | 461 | 382 | 615 | +60.7% | +33.4% | 1,805 | 1,587 | -12.1% |
| Net profit | 98 | 100 | 413 | n.m. | n.m. | 661 | 1,005 | +52.1% |
| RoAC | 3.8% | 3.9% | 15.4% | +11.5p.p. | +11.6p.p. | 8.9% | 12.9% | +4.0p.p. |
| C/I | 40.5% | 43.7% | 36.8% | -6.9p.p. | -3.8p.p. | 39.9% | 39.3% | -0.6p.p. |
| CoR (bps) | 28 | 35 | 1 | -34 | -27 | -10 | 17 | +26 |
| FTEs | 3,257 | 3,212 | 3,202 | -0.3% | -1.7% | 3,257 | 3,202 | -1.7% |
| Gross NPE ratio | 2.6% | 2.5% | 2.3% | -23bps | -29bps | 2.6% | 2.3% | -29bps |

(1) Source: Dealogic, as at 1 October 2019. Period: 1 January – 30 September 2019; rankings by volume, unless otherwise stated.

(2) Of total CIB revenues.

(3) Normalised for release of provisions for US sanctions (+180m) in 1Q19, and disposal of Ocean Breeze (-178m) and a participation (+15m) in 2Q19.



Group Corporate Centre – Net operating loss 0.2bn in 3Q19 higher Y/Y due to lower revenues

1 2 3 4 5 6 7 8

Main drivers

- Revenues down Y/Y mainly due to higher term funding costs
- Lean but Steering Corporate Centre transformation on track with a reduction of 507 FTEs Y/Y (HR costs down 2.6% Y/Y). Since December 2015, FTEs down 21.5% (-3,822 FTEs)
- The ratio of GCC costs to total costs is down to 3.3% in 9M19. FY19 target of 3.5% confirmed
- Net loss of 126m in 3Q19, improving by 85.4% Y/Y

Divisional results highlights

| Data in m | 3Q18 | 2Q19 | 3Q19 | Δ % vs.2Q19 | Δ % vs.3Q18 | 9M18 | 9M19 | Δ % vs. 9M18 |
|-----------------------------|--------|--------|--------|----------------|----------------|--------|--------|-----------------|
| Total revenues | -22 | -191 | -74 | -61.3% | n.m. | -201 | -335 | +67.2% |
| Operating costs | -73 | -72 | -82 | +13.9% | +11.8% | -266 | -245 | -8.0% |
| Gross operating profit | -96 | -263 | -156 | -40.7% | +63.2% | -467 | -580 | +24.3% |
| LLPs | 12 | -2 | 1 | n.m. | -88.0% | 12 | -0 | n.m. |
| Net operating profit | -83 | -265 | -155 | -41.7% | +85.5% | -455 | -580 | +27.6% |
| Other Charges & Provisions | -72 | -115 | -17 | -84.9% | -75.8% | -266 | -211 | -20.6% |
| <i>o/w Systemic Charges</i> | -36 | -87 | -35 | -59.8% | -1.4% | -188 | -202 | +7.5% |
| Profit from investments | -841 | 8 | 3 | -67.9% | n.m. | -738 | 23 | n.m. |
| Profit before taxes | -997 | -373 | -171 | -54.2% | -82.9% | -1,449 | -771 | -46.8% |
| Income taxes | 111 | 70 | 46 | -34.7% | -59.0% | 498 | 177 | -64.4% |
| Net profit | -862 | 925 | -126 | n.m. | -85.4% | -856 | 655 | n.m. |
| FTEs | 14,474 | 14,026 | 13,967 | -0.4% | -3.5% | 14,474 | 13,967 | -3.5% |
| Costs GCC/ Tot. costs | 2.9% | 2.9% | 3.4% | +0.4p.p. | +0.4p.p. | 3.5% | 3.3% | -0.2p.p. |



Non Core – 2021 runoff fully on track, FY19 gross NPEs below 10bn

1 2 3 4 5 6 7 8

Divisional results highlights

Main drivers

- In 3Q19 gross NPEs down by 4.4bn Q/Q to 11.2bn mainly driven by disposals⁽¹⁾
- FY19 Non Core gross NPEs below 10bn
- Revenues down 24m Y/Y due to lower contribution from time value
- Costs up 5.1% Y/Y due to higher Non HR costs (+9.4% Y/Y) offsetting lower HR costs (-14.7% Y/Y)
- LLPs at 147m in 3Q19 down 32.7% Y/Y, with coverage ratio improving to 65.8% (+1.5p.p. Y/Y)
- Net loss of 183m in 3Q19

| Data in m | 3Q18 | 2Q19 | 3Q19 | Δ % vs.2Q19 | Δ % vs.3Q18 | 9M18 | 9M19 | Δ % vs. 9M18 |
|------------------------|--------|--------|--------|----------------|----------------|--------|--------|-----------------|
| Total revenues | 18 | -5 | -6 | +29.1% | n.m. | 52 | -12 | n.m. |
| Operating costs | -48 | -42 | -50 | +19.7% | +5.1% | -137 | -135 | -1.6% |
| Gross operating profit | -30 | -46 | -56 | +20.6% | +89.1% | -86 | -147 | +71.6% |
| LLPs | -218 | -194 | -147 | -24.2% | -32.7% | -732 | -444 | -39.3% |
| Net operating profit | -248 | -240 | -203 | -15.5% | -18.1% | -818 | -591 | -27.7% |
| Net profit | -176 | -211 | -183 | -13.2% | +4.2% | -592 | -582 | -1.6% |
| Gross customer loans | 22,177 | 15,679 | 11,230 | -28.4% | -49.4% | 22,177 | 11,230 | -49.4% |
| o/w NPEs | 20,543 | 15,679 | 11,230 | -28.4% | -45.3% | 20,543 | 11,230 | -45.3% |
| o/w Performing | 1,634 | 0 | 0 | n.m. | -100% | 1,634 | 0 | -100% |
| NPE coverage ratio | 64.4% | 66.0% | 65.8% | -0.2p.p. | +1.5p.p. | 64.4% | 65.8% | +1.5p.p. |
| Net NPEs | 7,320 | 5,333 | 3,837 | -28.1% | -47.6% | 7,320 | 3,837 | -47.6% |
| RWA | 13,966 | 15,240 | 13,641 | -10.5% | -2.3% | 13,966 | 13,641 | -2.3% |



Agenda

- 1 Executive summary
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- 3 Group results highlights
- 4 Divisional results highlights
- 5 Asset quality**
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- 7 Closing remarks
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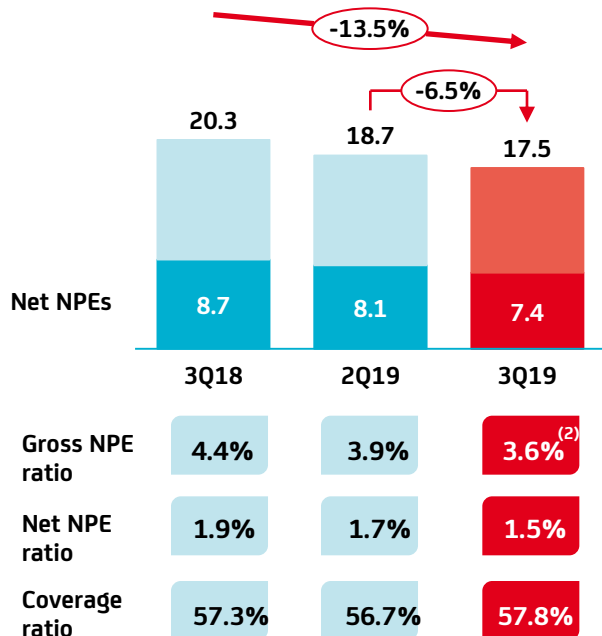
Group Core – Gross NPE ratio 3.6% down 78bps Y/Y

Coverage ratio 57.8% up 0.6p.p. Y/Y

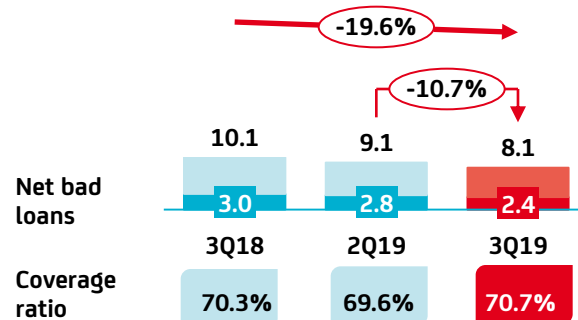
1 2 3 4 **5** 6 7 8

Asset quality

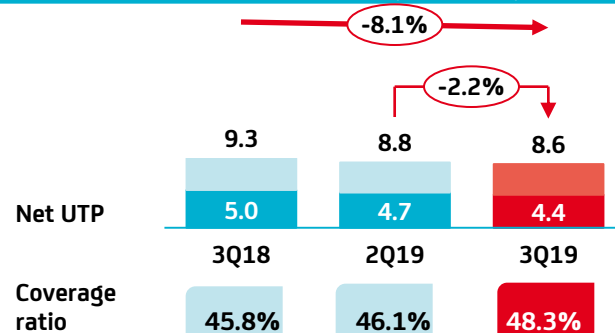
Non performing exposures⁽¹⁾, bn



o/w Gross bad loans, bn



o/w Gross unlikely to pay, bn



(1) Gross NPEs including gross bad loans, gross unlikely to pay and gross past due. Gross past due at 875m in 3Q19 (-4.7% Q/Q and -1.5% Y/Y). Figures as of 3Q19 benefit from IFRS5 classification of a NPL residential mortgage portfolio.

(2) Weighted average "NPL" ratio of EBA sample banks is 3.0%. Source: EBA risk dashboard (data as at 2Q19). UniCredit's definition of "NPE" ratio is more conservative than EBA. Comparable "NPL" ratio for UniCredit at 3Q19 would be 3.2% for Group Core.

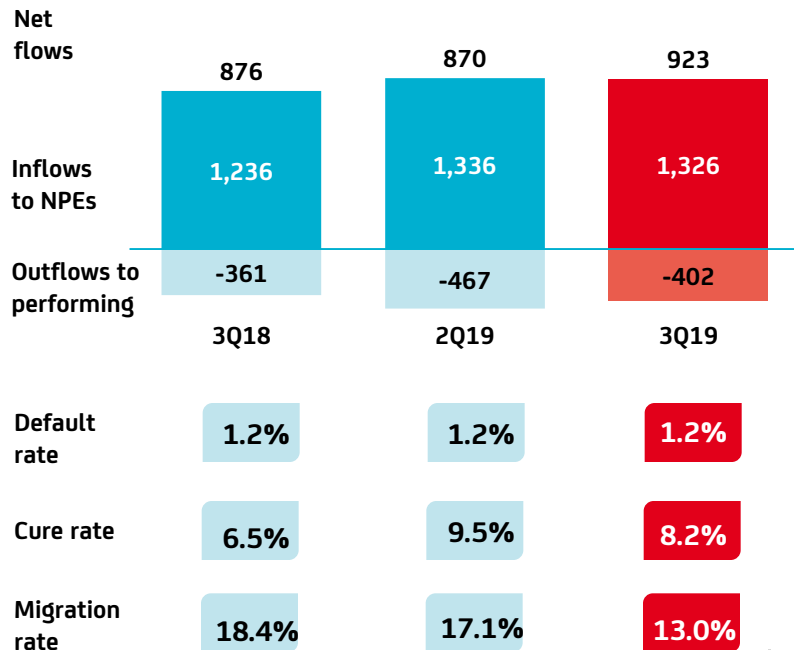


Group Core – Default rate at 1.2% in 3Q19, down 3bps Y/Y

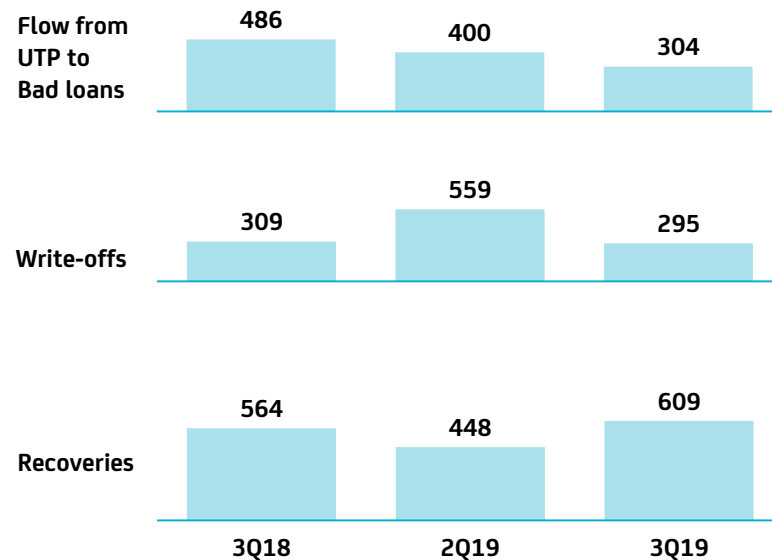
1 2 3 4 5 6 7 8

Asset quality

Group Core – net flows to NPEs, m



Group Core – key drivers, m



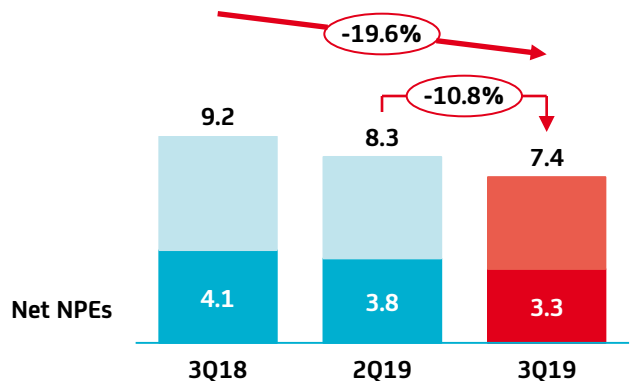
CB Italy – Gross NPE ratio 5.0% down 118bps Y/Y

Coverage ratio 55.4% up 0.3p.p. Y/Y

1 2 3 4 **5** 6 7 8

Asset quality

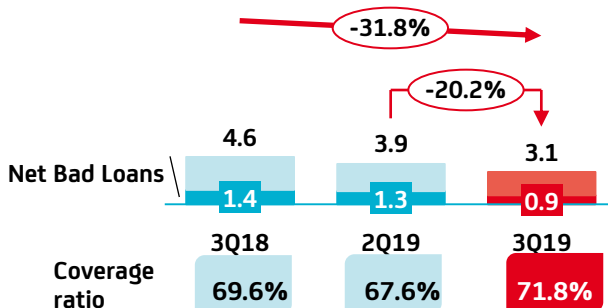
Non performing exposures⁽¹⁾, bn



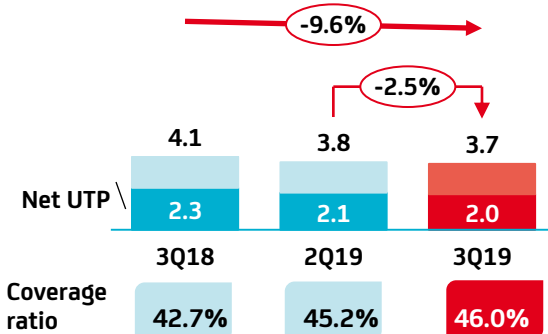
Net NPEs

| | | | |
|-----------------|-------|-------|-------|
| Gross NPE ratio | 6.2% | 5.6% | 5.0% |
| Net NPE ratio | 2.9% | 2.6% | 2.3% |
| Coverage ratio | 55.1% | 54.6% | 55.4% |

o/w Gross bad loans, bn



o/w Gross unlikely to pay, bn



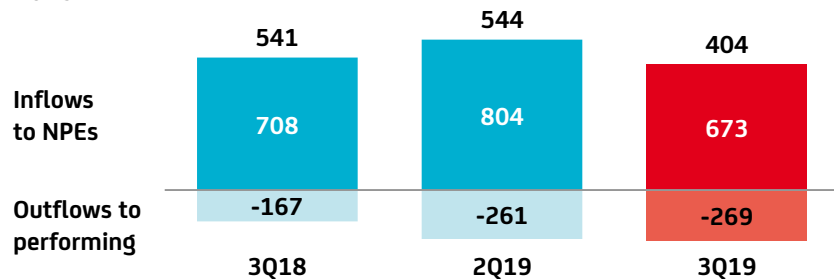
CB Italy – Default rate at 1.9% in 3Q19, down 24bps Y/Y

1 2 3 4 5 6 7 8

Asset quality

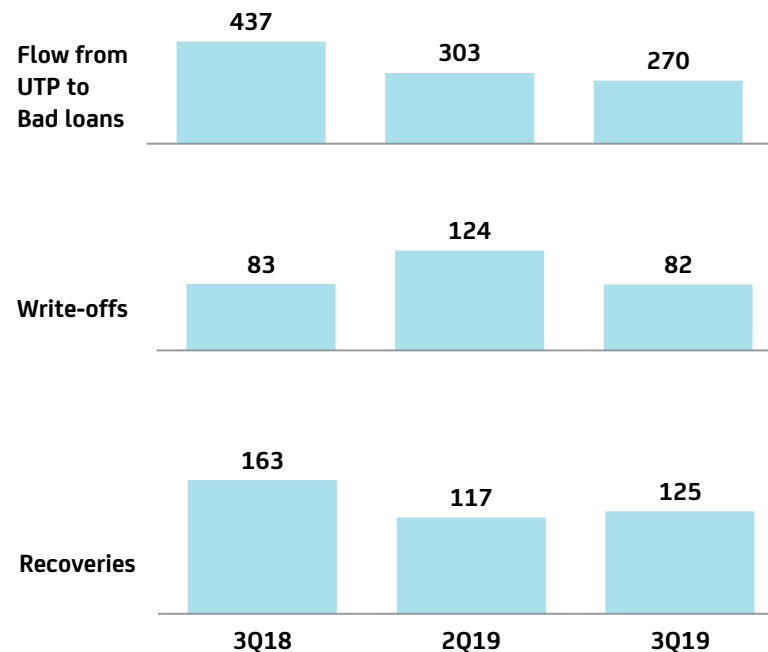
CB Italy – net flows to NPEs, m

Net flows



| | | | |
|----------------|-------|-------|-------|
| Default rate | 2.1% | 2.2% | 1.9% |
| Cure rate | 7.0% | 12.0% | 12.4% |
| Migration rate | 38.3% | 31.0% | 27.7% |

CB Italy – key drivers, m



Non Core – Gross loans reduced by 10.9bn Y/Y

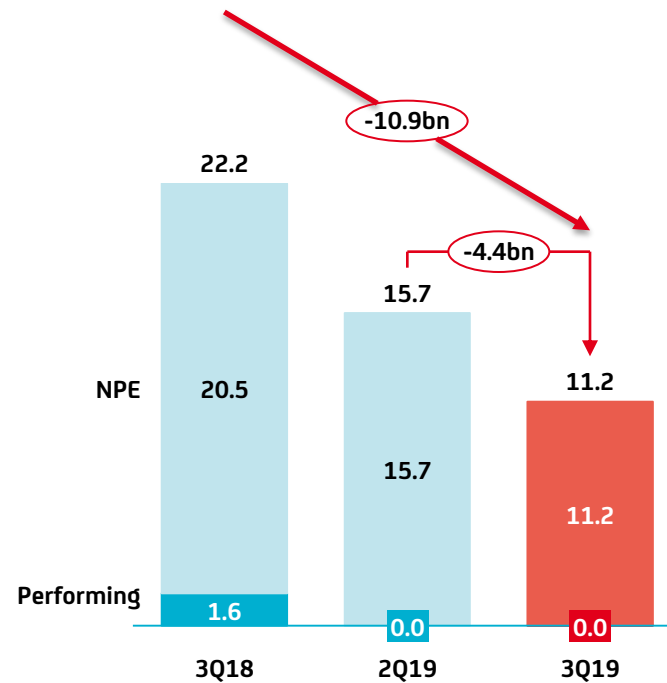
1 2 3 4 5 6 7 8

Asset quality

Actions of Non Core rundown, bn

| | 3Q19 | 9M19 |
|-----------------------------|------------|------------|
| Disposals ⁽¹⁾ | 4.0 | 5.5 |
| Recoveries | 0.2 | 0.6 |
| Write-offs | 0.2 | 0.9 |
| Back to Core ⁽²⁾ | 0.1 | 0.3 |
| Repayments | - | - |
| Other | - | - |
| Total | 4.4 | 7.3 |

Gross loans, bn



34 (1) Figures as of 3Q19 benefit from IFRS5 classification of a NPL residential mortgage portfolio.

(2) Outflow to performing.

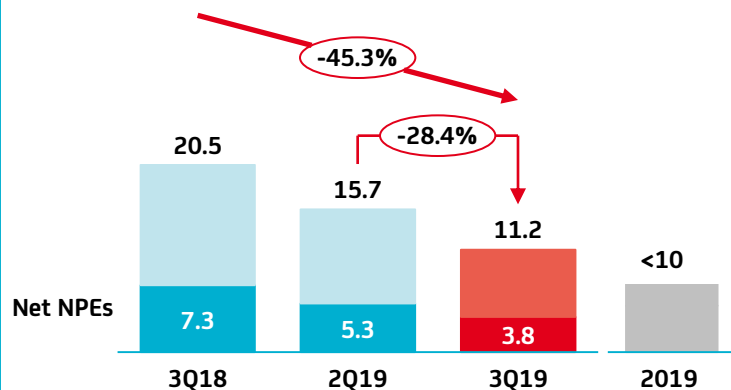


Non Core – Gross NPEs at 11.2bn, down 45.3% Y/Y and 28.4% Q/Q Coverage ratio 65.8%, up 1.5p.p. Y/Y

1 2 3 4 **5** 6 7 8

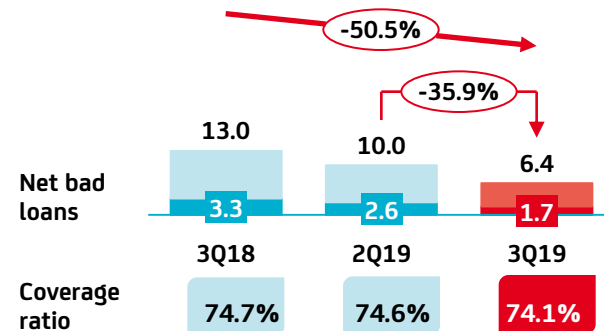
Asset quality

Non performing exposures⁽¹⁾, bn

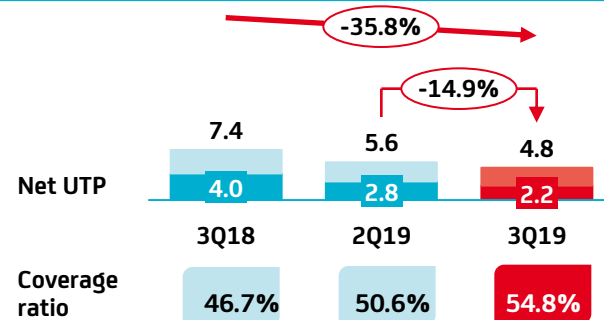


| | | | | |
|-----------------|-------|--------|--------|------|
| Gross NPE ratio | 92.6% | 100.0% | 100.0% | 100% |
| Net NPE ratio | 82.9% | 100.0% | 100.0% | 100% |
| Coverage ratio | 64.4% | 66.0% | 65.8% | >57% |

o/w Gross bad loans, bn



o/w Gross unlikely to pay, bn



35 (1) Gross NPEs including gross bad loans, gross unlikely to pay and gross past due. Gross past due at 23m in 3Q19 (-17.4% Q/Q and -80.4% Y/Y). Figures as of 3Q19 benefit from IFRS5 classification of a NPL residential mortgage portfolio.



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- 1 Executive summary
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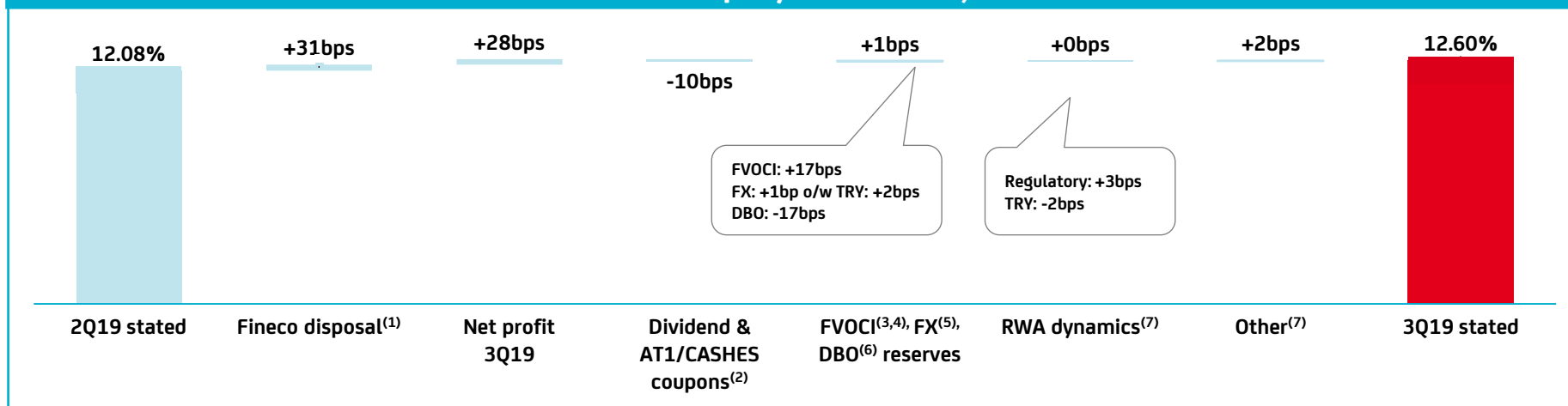


Group – CET1 ratio at 12.60% thanks to disposal of the remaining stake in Fineco and retained earnings

1 2 3 4 5 **6** 7 8

Capital

Common Equity Tier 1 ratio, %



- 3Q19 CET1 ratio at 12.60% up 53bps Q/Q thanks to disposal of the remaining stake in Fineco and retained earnings
- CET1 MDA buffer by year end 2019 confirmed at the upper end of 200-250bps⁽⁸⁾ target range

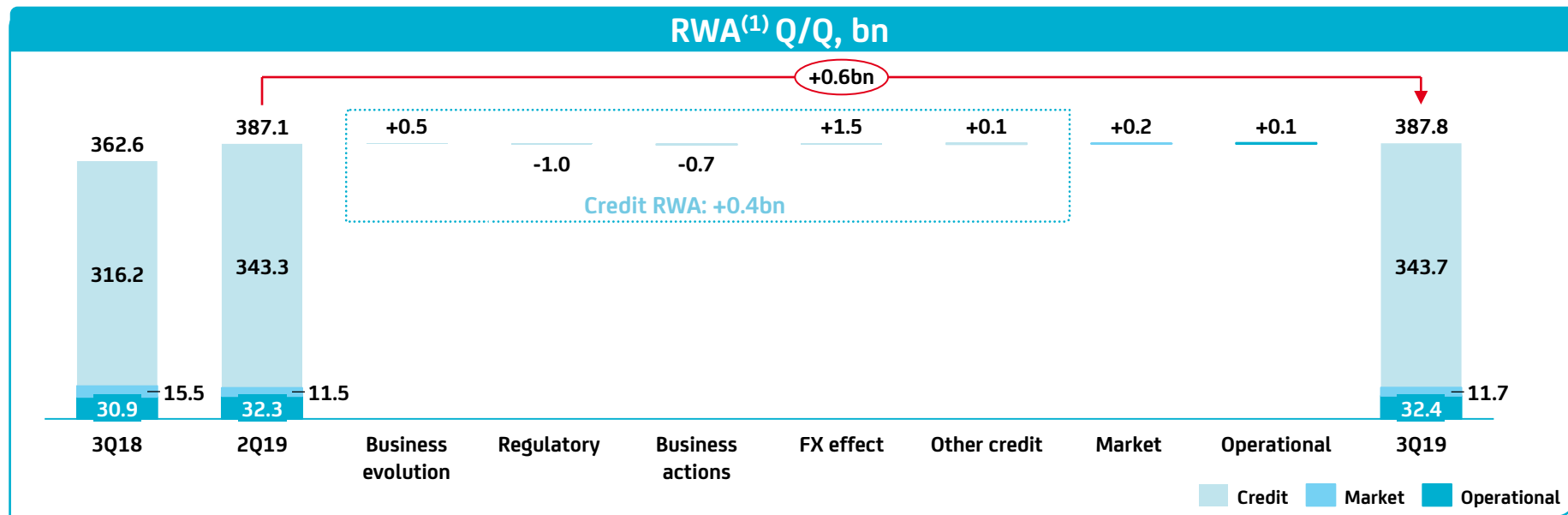
- (1) Combined impact on CET1 ratio from sale of second tranche of Fineco in July 2019, primarily resulting from the reversal of the 15% threshold deduction.
- (2) Payment of coupons on AT1 instruments (34m pre tax in 3Q19, 371m expected for FY19) and CASHES (31m pre and post tax in 3Q19, 124m expected for FY19). Dividends accrued on adjusted net profit.
- (3) In 3Q19 CET1 ratio impact from FVOCI +17bps, o/w +14bps thanks to BTP.
- (4) BTP sensitivity: +10bps parallel shift of BTP asset swap spreads has a -2.3bps pre and -1.7bps post tax impact on the fully loaded CET1 ratio as at 30 September 2019.
- (5) TRY sensitivity: 10% depreciation of the TRY has around +1bp net impact (-3bps from capital, +4bps from RWA) on the fully loaded CET1 ratio. Managerial data as at 30 September 2019.
- (6) DBO sensitivity: 10bps decrease in discount rate has a -4bps pre and -3bps post tax impact on the fully loaded CET1 ratio as at 30 September 2019.
- (7) Excluding impact from disposal of Fineco.
- (8) Assuming BTP spreads remain at 3Q19 levels.



Group – RWA up 0.6bn Q/Q mainly due to FX effect

1 2 3 4 5 6 7 8

Capital



- Credit RWA up 0.4bn Q/Q mainly due to FX effect
- Market RWA up 0.2bn Q/Q
- Operational RWA up 0.1bn Q/Q

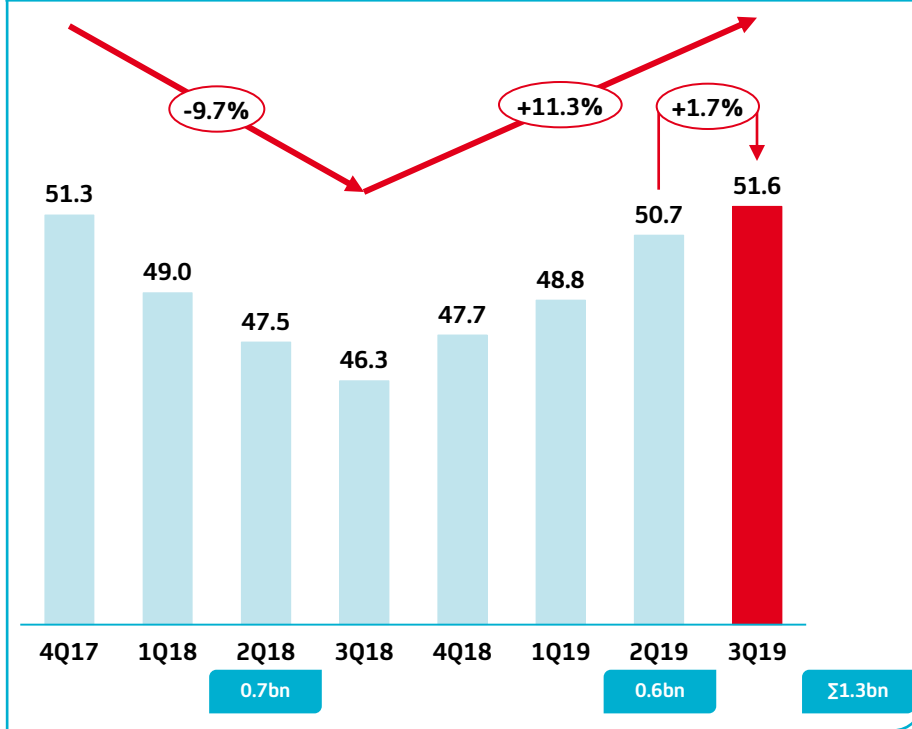


Group – 3Q19 tangible equity 51.6bn up 11.3% from 3Q18 trough

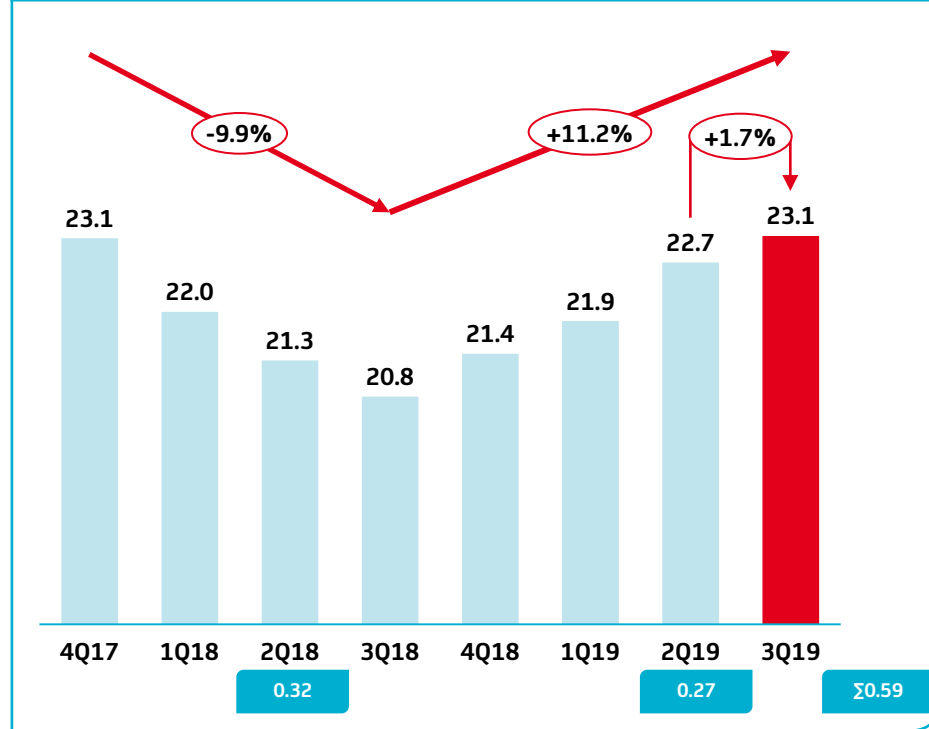
1 2 3 4 5 6 7 8

Tangible equity

Tangible equity (end-of-period), bn



Tangible book value per share⁽¹⁾



(1) End of period tangible book value per share equals end of period tangible equity divided by end of period number of shares excluding treasury shares.



Group – TLAC ratio 21.85%⁽¹⁾, 226bps MDA buffer

1 2 3 4 5 **6** 7 8

TLAC/MREL

UniCredit SpA 2019 TLAC Funding Plan

| | 3Q19 | Target FY 2019 | €/bn | Plan 2019 | o/w to be issued ⁽³⁾ |
|---|---------------|-------------------|-------------------------|------------|---------------------------------|
| TLAC Requirement >19.6% | 21.85% | 20.1-20.6% | | | |
| Senior Preferred exemption | | 2.5% | | 2.5 | 0 |
| Subordination req. >17.1% | 19.37% | 17.6-18.1% | | | |
| Senior Non Preferred & Other ⁽²⁾ | | | | 3.2 | 0 |
| Tier 2 | | | | 2.3 | 0 |
| AT1 | | | | 1.0 | 0 |
| CET1 ratio | 12.60% | | | | |
| | | | Total | 9.0 | 0 |
| | | | o/w subordinated | 6.5 | 0 |

TLAC MDA buffer target at upper end of 50-100bps range confirmed

CET1 MDA buffer target 200-250bps confirmed

- 2019 TLAC funding plan has been completed. T2 issued in September as pre-funding for 2020 needs
- Fully compliant with TLAC requirements of >19.6%. 3Q19 TLAC ratio 21.85%⁽¹⁾
- TLAC MDA buffer of 226bps, well above the target at the upper end of 50-100bps range, also thanks to pre-funding

(1) 3Q19 TLAC ratio 21.85%, o/w 19.37% TLAC subordination ratio and 2.5% senior preferred exemption.

(2) Non computable portion of subordinated instruments.

(3) As of 17 October 2019.



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Transform 2019 delivered

1 2 3 4 5 6 **7** 8

Closing remarks

Transform 2019 delivered

All FY19 guidance confirmed

See you for 'Team 23' in London, 3 December 2019



Agenda

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Group – 2018 non recurring items

1 2 3 4 5 6 7 8

Annex – Non recurring items

| 2018 | | | |
|------|-------------------------------|---------------|------------|
| | | Net Profit, m | Division |
| 1Q | Net gains from participations | +39 | CIB |
| 2Q | Net gains from participations | +27 | CB Germany |
| 3Q | Pawn disposal | +114 | CB Italy |
| | Yapi impairment | -846 | GCC |



Group – 2019 non recurring items

1 2 3 4 5 6 7 **8**

Annex – Non recurring items

| 2019 | | | | |
|------|--|-----------------------|------------|-------------------------|
| | | Net Profit, m | Division | |
| 1Q | Disposal of real estate | +258 | CB Germany | |
| | Release of provisions for US sanctions | +60 | CB Italy | |
| | | +41 | CB Germany | |
| | | +39 | CB Austria | |
| | | +180 | CIB | |
| 2Q | Fineco disposal | +1,176 | GCC | |
| | One-offs | Ocean Breeze disposal | -178 | CIB |
| | | Others | -173 | CB Italy, GCC, Non Core |
| | Net gains from participations | | +15 | CIB |
| | Pension related item | | +16 | CB Austria |
| 3Q | No adjustments | | | |



Divisional monitoring KPIs for Group, Group Core and Non Core

1 2 3 4 5 6 7 **8**

Annex – CMD 2017 (updated)

| | Group | | Group Core | | Non Core | |
|---------------------------------------|-------|---------|------------|------|----------|------|
| | 9M19 | FY19 | 9M19 | FY19 | 9M19 | FY19 |
| Revenues, bn | 14.0 | 18.7 | 14.0 | | 0.0 | 0.1 |
| Cost, bn | -7.4 | -10.1 | -7.3 | | -0.1 | -0.2 |
| Cost/Income, % | 53.0 | 53-54 | 52.0 | | n.m. | n.m. |
| LLPs, bn | -1.7 | -2.6 | -1.3 | | -0.4 | -0.7 |
| Cost of Risk, bps | 49 | 55 | 37 | 43 | n.m. | n.m. |
| Net profit ⁽¹⁾ , bn | 4.3 | 4.7 | 4.9 | | -0.6 | -0.6 |
| RWA, bn | 387.8 | 404 | 374.1 | | 13.6 | ~11 |
| RoTE ⁽²⁾ , % | 8.7% | >9 | 10.6% | >10 | | |
| CET1 MDA buffer, bps | 252 | 200-250 | | | | |
| Loans ⁽³⁾ , bn | 431.9 | 441 | 428.1 | | | |
| Deposits ⁽³⁾ , bn | 417.2 | 380 | 416.7 | | | |
| Gross loans ⁽⁴⁾ , bn | 501.2 | <496 | 489.9 | 486 | 11.2 | <10 |
| Gross NPE ⁽⁴⁾ , bn | 28.8 | <33 | 17.5 | 23.0 | 11.2 | <10 |
| Net NPE ⁽⁴⁾ , bn | 11.2 | <14 | 7.4 | 10.2 | 3.8 | <4 |
| Gross NPE ratio ⁽⁴⁾ , % | 5.7 | <6.7 | 3.6 | 4.7 | 100 | 100 |
| Net NPE ratio ⁽⁴⁾ , % | 2.3 | <3 | 1.5 | 2.2 | 100 | 100 |
| NPE coverage ⁽⁴⁾ , % | 61.0 | >54 | 57.8 | >51 | 65.8 | >57 |
| UTP coverage, % | 50.7 | >38 | 48.3 | >39 | 54.8 | >38 |
| Bad loans coverage ⁽⁴⁾ , % | 72.2 | >63 | 70.7 | >64 | 74.1 | >63 |

(1) Stated net profit for 9M19 and adjusted net profit for FY19.

(2) Group and Group Core adjusted net profit and RoTE exclude net impacts from disposal of real estate (+258m in 1Q19), Fineco (+1,176m in 2Q19) and one-offs (-351m in 2Q19, o/w Ocean Breeze disposal -178m and others -173m (o/w -151m Core and -22m Non Core)).

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

(4) Figures as of 3Q19 benefit from IFRS5 classification of a NPL residential mortgage portfolio.

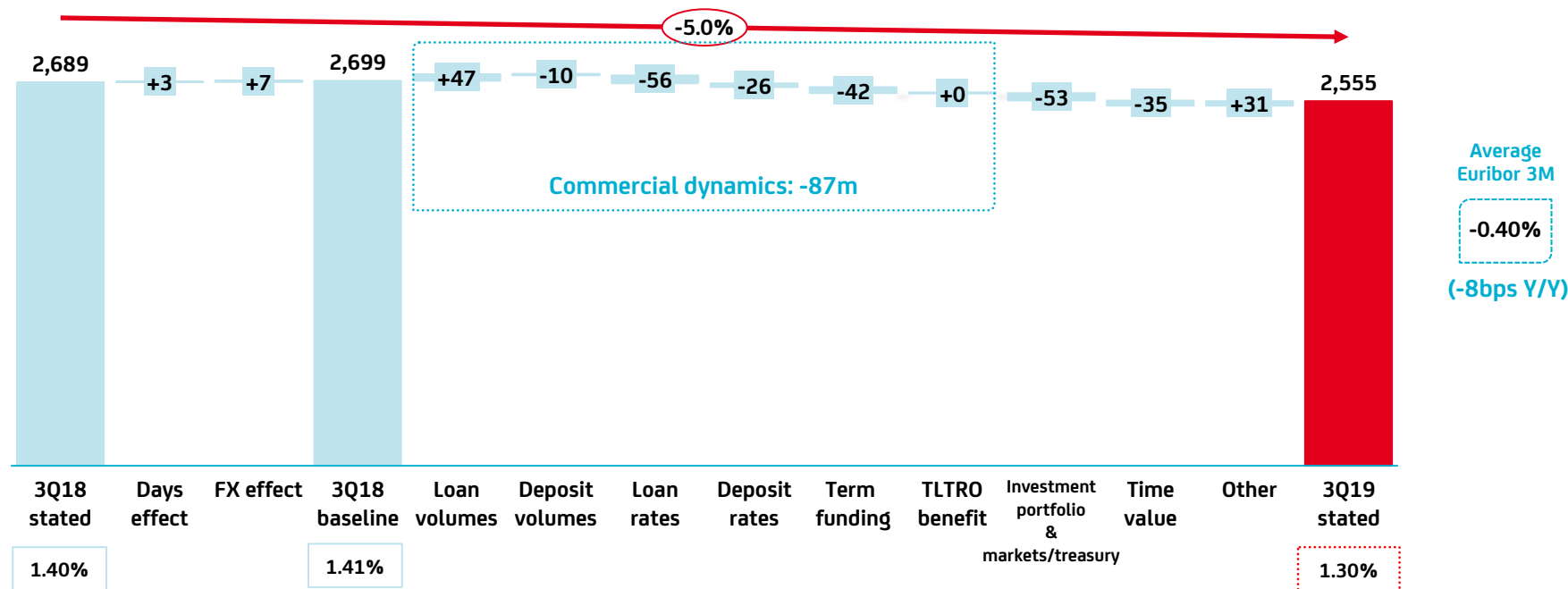


Group – Net interest at 2.6bn in 3Q19, down 5.0% Y/Y mainly due to more competitive loan rates and lower investment portfolio and treasury

1 2 3 4 5 6 7 8

Annex – P&L

Net interest⁽¹⁾ Y/Y, m



(1) Net contribution from hedging strategy of non-maturity deposits in 3Q19 at 353m, +4.4m Q/Q and -16.1m Y/Y.

47 (2) Net interest margin calculated as interest income divided by interest earning assets minus interest expenses divided by interest bearing liabilities.



TFAs – Divisional breakdown

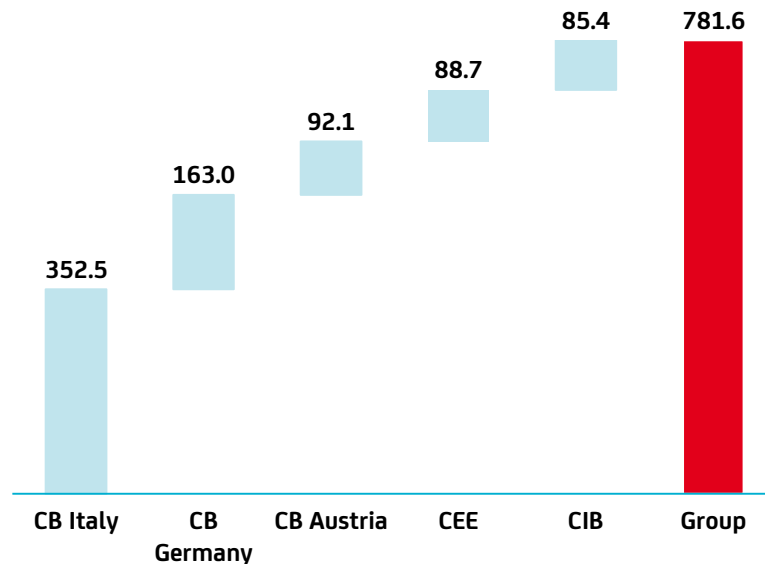
1 2 3 4 5 6 7 8

Annex – Balance sheet

Main drivers

- Group TFAs up 14.3bn (+1.9% Q/Q) to 781.6bn in 3Q19:
 - CB Italy: TFAs up 4.0bn (+1.1% Q/Q) to 352.5bn thanks to higher AuM (+2.3% Q/Q)
 - CB Germany: TFAs up 2.3bn (+1.4% Q/Q) to 163.0bn thanks to higher AuM (+3.2% Q/Q) and deposits (+1.2% Q/Q)
 - CB Austria: TFAs up 1.0bn (+1.1% Q/Q) to 92.1bn thanks to higher AuC (+3.9% Q/Q)
 - CEE: TFAs up 2.0bn (+3.0% Q/Q at constant FX) to 88.7bn thanks to higher deposits (+2.6% Q/Q at constant FX)
 - CIB: TFAs up 5.0bn (+6.2% Q/Q) to 85.4bn. AuC (+8.6% Q/Q) performed very well

3Q19 TFAs⁽¹⁾ divisional breakdown, bn



Systemic charges – Breakdown by type and division

1 2 3 4 5 6 7 8

Annex – P&L

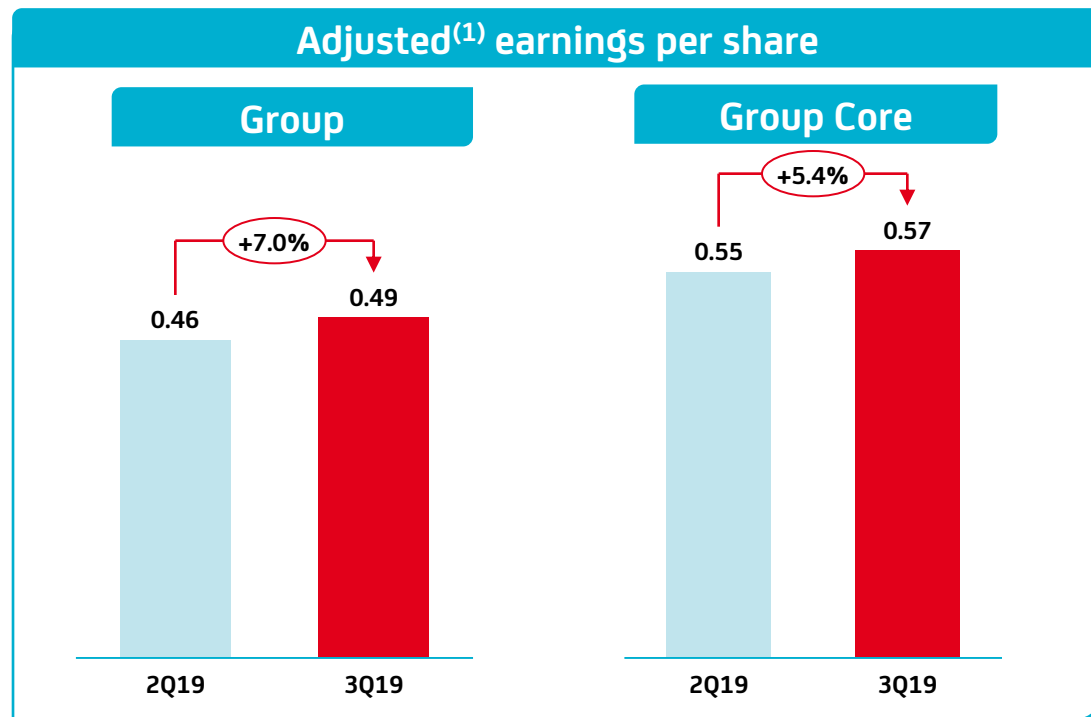
| 3Q19, m | Systemic Charges | o/w SRF | o/w DGS | o/w Bank levies |
|------------|------------------|---------|---------|-----------------|
| CB Italy | 81 | 0 | 81 | 0 |
| CB Germany | 7 | 0 | 7 | 0 |
| CB Austria | 4 | 0 | 0 | 4 |
| CEE | 16 | 0 | 14 | 2 |
| CIB | 3 | 0 | 2 | 1 |
| GCC | 35 | 0 | 8 | 27 |
| Non Core | 1 | 0 | 0 | 1 |
| Group | 148 | 0 | 112 | 36 |



Group – Adjusted⁽¹⁾ 3Q19 Core earnings per share at 0.57

1 2 3 4 5 6 7 8

Annex – EPS



Yapi – Net operating profit 0.1bn in 3Q19 up 24.6% Y/Y at constant FX

1 2 3 4 5 6 7 8

Main drivers⁽¹⁾

- Net interest up 0.5% Q/Q at constant FX thanks to lower cost of funding
- Fees up 30.2% Y/Y at constant FX, with positive contributions from all fee components
- Costs up 1.8% Y/Y at constant FX, with lower HR costs (-2.4% Y/Y) thanks to efficiency measures, offsetting higher Non HR costs (+8.1% Y/Y)
- CoR at 278bps in 3Q19, down 83bps Y/Y thanks to FX rate impact on stage 2 provisioning
- Net operating profit 102m in 3Q19 up 24.6% Y/Y at constant FX thanks to lower LLPs
- Further reduction of FX loans / total loans ratio to 40.1% (-3.8p.p. Q/Q)
- RoAC at 9.8% in 9M19

Annex – Country details

| Data in m | 3Q18 | 2Q19 | 3Q19 | Δ % vs.2Q19 | Δ % vs.3Q18 | 9M18 | 9M19 | Δ % vs. 9M18 |
|--------------------------------|-------|-------|-------|----------------|----------------|-------|-------|-----------------|
| Total revenues | 302 | 272 | 300 | +4.9% | -4.3% | 883 | 887 | +15.3% |
| o/w Net interest | 253 | 201 | 211 | +0.5% | -18.3% | 687 | 621 | +3.7% |
| o/w Fees | 50 | 66 | 73 | +4.6% | +30.2% | 192 | 213 | +27.7% |
| Operating costs | -83 | -90 | -91 | -3.8% | +1.8% | -279 | -273 | +12.2% |
| Gross operating profit | 219 | 182 | 209 | +9.2% | -6.8% | 605 | 614 | +16.8% |
| LLPs | -152 | -105 | -108 | -1.8% | -24.5% | -265 | -320 | +38.7% |
| Net operating profit | 67 | 77 | 102 | +24.2% | +24.6% | 339 | 294 | -0.6% |
| Net profit | 24 | 63 | 71 | +6.9% | +98.7% | 207 | 211 | +17.0% |
| RoAC | 3.2% | 8.8% | 10.0% | +1.2p.p. | +6.8p.p. | 8.7% | 9.8% | +1.0p.p. |
| C/I | 27.4% | 33.2% | 30.3% | -2.9p.p. | +2.9p.p. | 31.5% | 30.7% | -0.8p.p. |
| CoR (bps) | 361 | 270 | 278 | +7 | -83 | 197 | 273 | +76 |
| FX loans/Total loans | 50.1% | 43.9% | 40.1% | -3.8p.p. | -10.0p.p. | 50.1% | 40.1% | -10.0p.p. |
| Gross NPE ratio ⁽²⁾ | 5.9% | 8.5% | 9.3% | +83bps | +337bps | 5.9% | 9.3% | +337bps |

(1) Managerial view representing proportional contribution of Yapi to P&L (UniCredit Group participates with 40.95% through the Joint Venture). Yapi is valued at equity method and contributes to the Group P&L via the dividend line. RWA of Yapi contributes 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, gross NPE ratio and CoR variations at current FX).

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



Russia – Net operating profit 0.1bn in 3Q19 up 57.6% Y/Y at constant FX

1 2 3 4 5 6 7 8

Main drivers⁽¹⁾

- Net interest down 5.3% Q/Q at constant FX due to impacts from currency swaps
- Fees up 3.1% Y/Y at constant FX, thanks to financing fees (+2.7% Y/Y) and transactional fees (+3.5% Y/Y)
- Trading +30m Q/Q largely linked to the currency swaps which had impacted NII
- Costs stable Y/Y at constant FX thanks to lower Non HR costs (-5.2% Y/Y) offsetting higher HR costs (+4.7% Y/Y)
- CoR at 127bps in 3Q19, up 17bps Y/Y driven by increased coverage
- Net operating profit 97m in 3Q19 up 57.6% Y/Y at constant FX thanks to higher revenues
- RoAC at 12.9% in 9M19

Annex – Country details

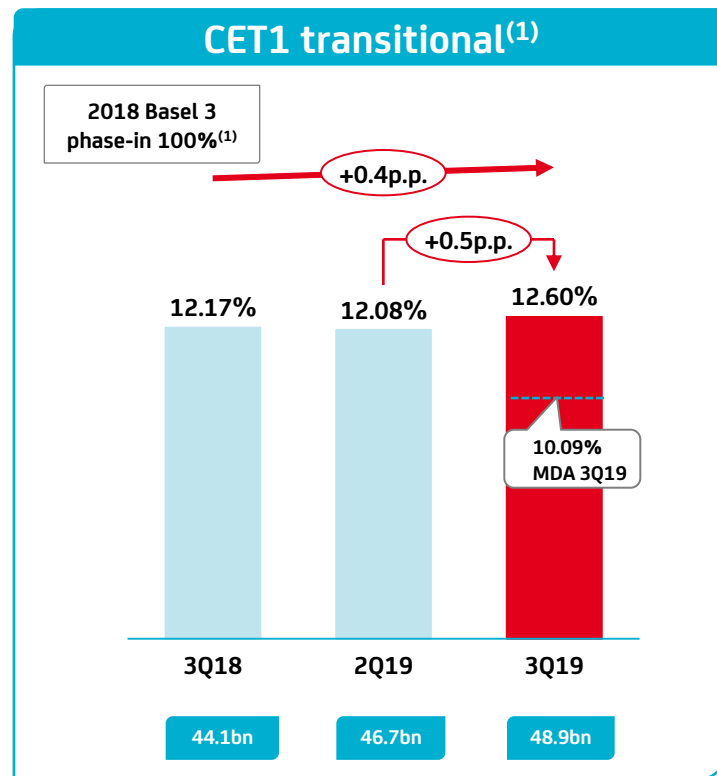
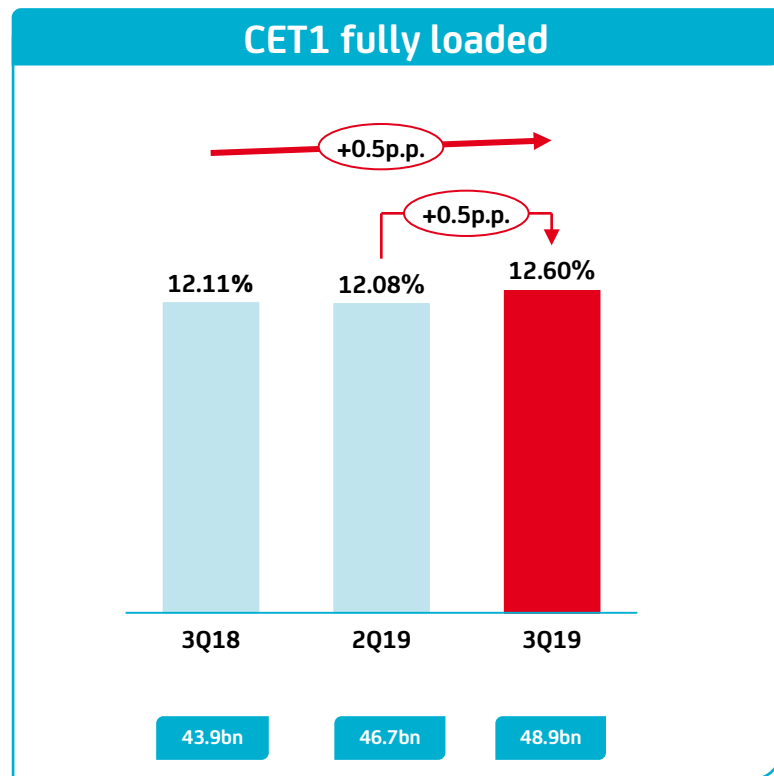
| Data in m | 3Q18 | 2Q19 | 3Q19 | Δ % vs.2Q19 | Δ % vs.3Q18 | 9M18 | 9M19 | Δ % vs. 9M18 |
|------------------------|-------|-------|-------|----------------|----------------|-------|-------|-----------------|
| Total revenues | 143 | 170 | 195 | +13.3% | +27.2% | 514 | 530 | +2.7% |
| o/w Net interest | 130 | 144 | 138 | -5.3% | -0.3% | 414 | 422 | +1.5% |
| o/w Fees | 29 | 31 | 31 | +0.1% | +3.1% | 88 | 91 | +2.5% |
| Operating costs | -59 | -63 | -63 | -1.1% | +0.1% | -179 | -186 | +3.4% |
| Gross operating profit | 84 | 108 | 132 | +21.7% | +45.9% | 335 | 344 | +2.3% |
| LLPs | -26 | -24 | -35 | +47.7% | +21.0% | -109 | -107 | -2.2% |
| Net operating profit | 57 | 84 | 97 | +14.6% | +57.6% | 226 | 237 | +4.4% |
| Net profit | 42 | 64 | 73 | +13.4% | +60.8% | 170 | 181 | +5.7% |
| RoAC | 10.5% | 13.3% | 15.8% | +2.5p.p. | +5.3p.p. | 13.2% | 12.9% | -0.3p.p. |
| C/I | 41.2% | 36.8% | 32.2% | -4.6p.p. | -9.0p.p. | 34.8% | 35.1% | +0.3p.p. |
| CoR (bps) | 110 | 87 | 127 | +40 | +17 | 150 | 130 | -19 |
| FTEs | 4,135 | 4,159 | 4,201 | +1.0% | +1.6% | 4,135 | 4,201 | +1.6% |
| Gross NPE ratio | 8.2% | 7.7% | 6.9% | -81bps | -125bps | 8.2% | 6.9% | -125bps |



Group – CET1 capital fully loaded and transitional

1 2 3 4 5 6 7 8

Annex – Capital



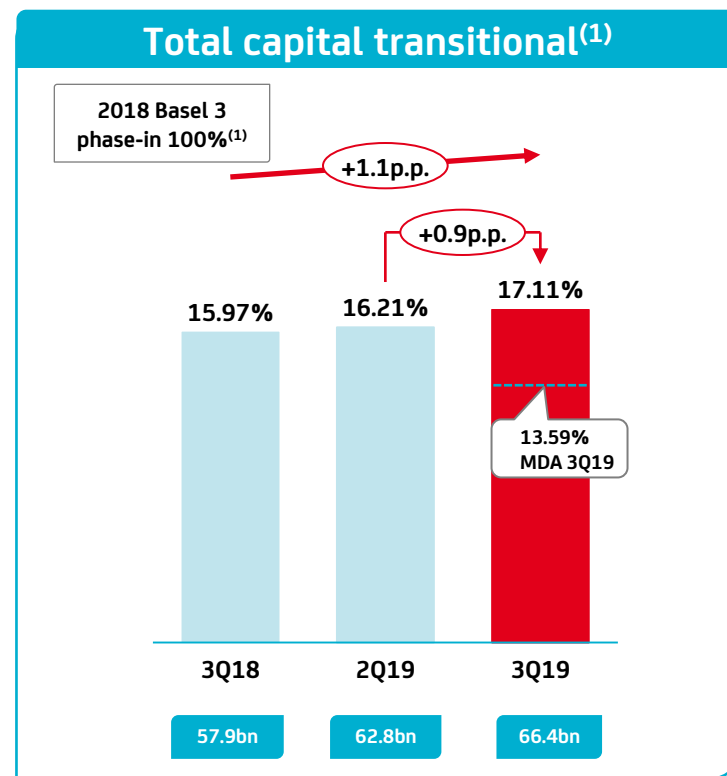
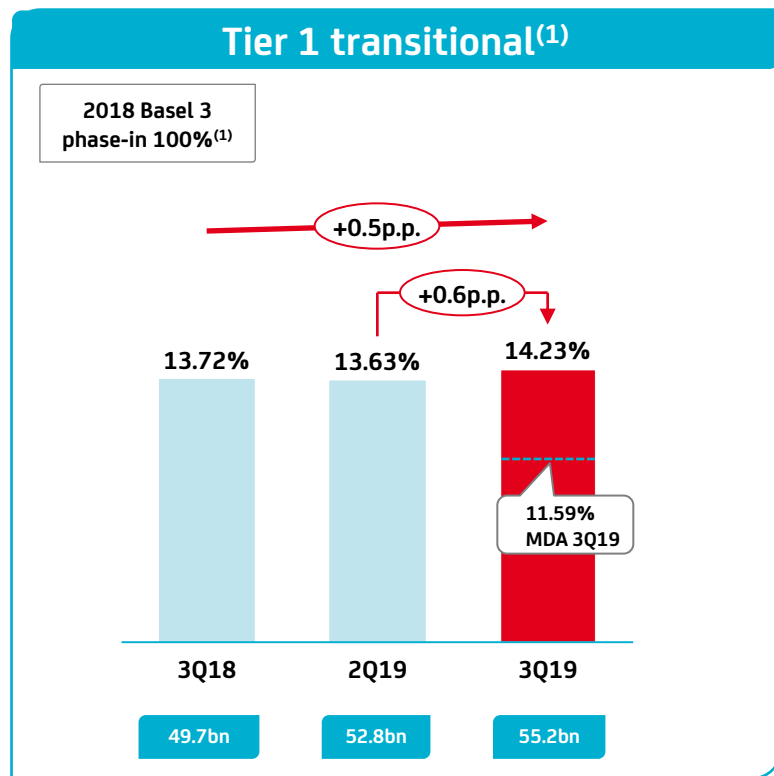
⁽¹⁾ Phase-in of net liability related to Defined Benefit Obligation at 80% in 2018.



Group – Transitional Tier 1 and total capital ratios well above MDA levels

1 2 3 4 5 6 7 8

Annex – Capital



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

Absolute amount for Tier 1 capital transitional and total capital transitional.

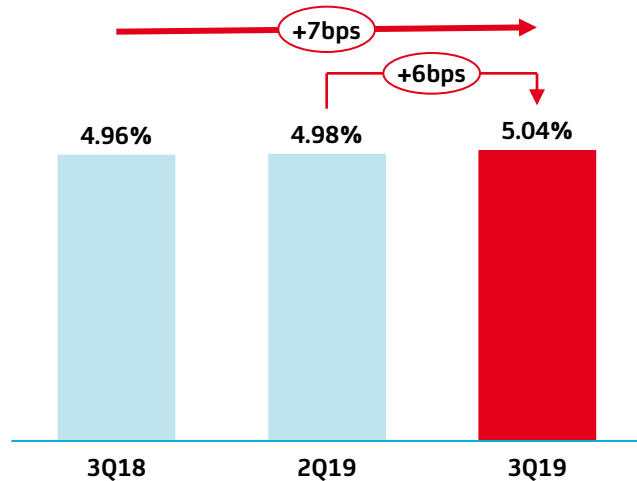


Group – Leverage ratio fully loaded at 5.04%, up 6bps Q/Q and up 7bps Y/Y

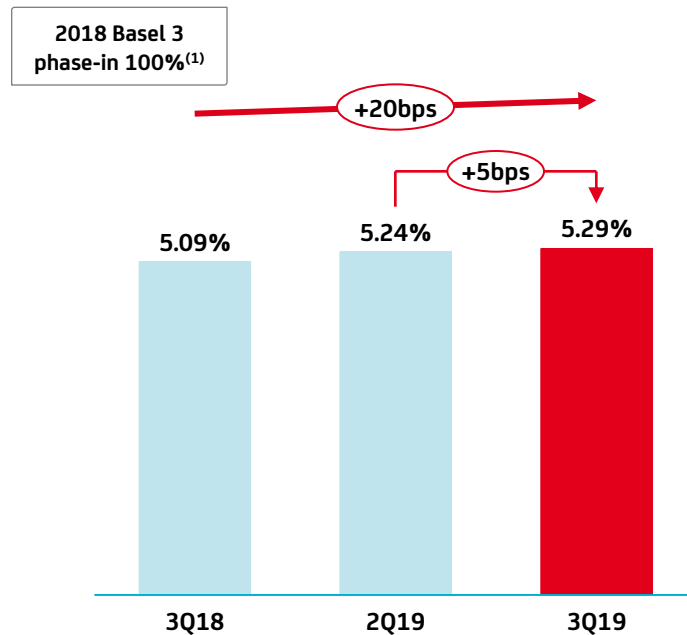
1 2 3 4 5 6 7 8

Annex – Capital

Basel 3 leverage ratio fully loaded⁽¹⁾



Basel 3 leverage ratio transitional⁽¹⁾



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



Asset quality by division

1 2 3 4 5 6 7 8

Annex – Asset quality

| 3Q19 | Group | Group Core | CB Italy | CB Germany | CB Austria | CEE | CIB | Non Core |
|---------------------------------------|-------|------------|----------|------------|------------|------|-------|----------|
| Gross loans ⁽¹⁾ , bn | 501.2 | 489.9 | 148.6 | 89.7 | 46.9 | 71.5 | 134.7 | 11.2 |
| Gross NPE ⁽¹⁾ , bn | 28.8 | 17.5 | 7.4 | 1.5 | 1.8 | 3.7 | 3.0 | 11.2 |
| Net NPE ⁽¹⁾ , bn | 11.2 | 7.4 | 3.3 | 0.8 | 0.9 | 1.1 | 1.2 | 3.8 |
| Gross NPE ratio ⁽¹⁾ , % | 5.7 | 3.6 | 5.0 | 1.7 | 3.9 | 5.1 | 2.3 | 100.0 |
| Net NPE ratio ⁽¹⁾ , % | 2.3 | 1.5 | 2.3 | 0.9 | 1.9 | 1.6 | 0.9 | 100.0 |
| NPE coverage ⁽¹⁾ , % | 61.0 | 57.8 | 55.4 | 46.0 | 51.5 | 69.4 | 59.7 | 65.8 |
| UTP coverage, % | 50.7 | 48.3 | 46.0 | 30.9 | 27.7 | 61.9 | 49.8 | 54.8 |
| Bad loans coverage ⁽¹⁾ , % | 72.2 | 70.7 | 71.8 | 46.9 | 84.3 | 85.2 | 71.6 | 74.1 |

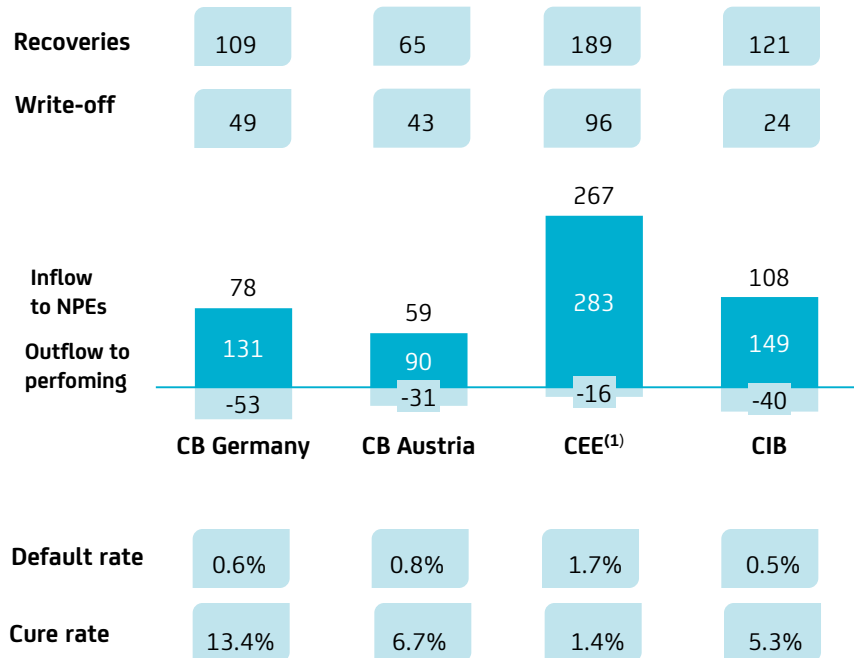


Asset quality – NPE dynamics CB Germany, CB Austria, CEE and CIB

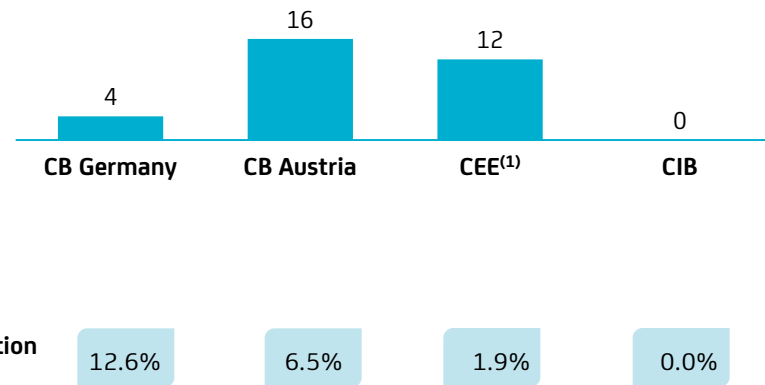
1 2 3 4 5 6 7 8

Annex – Asset quality

Net flows to NPEs, recoveries and write-offs – 3Q19, m



Migrations from Unlikely to Pay to Bad Loans – 3Q19, m

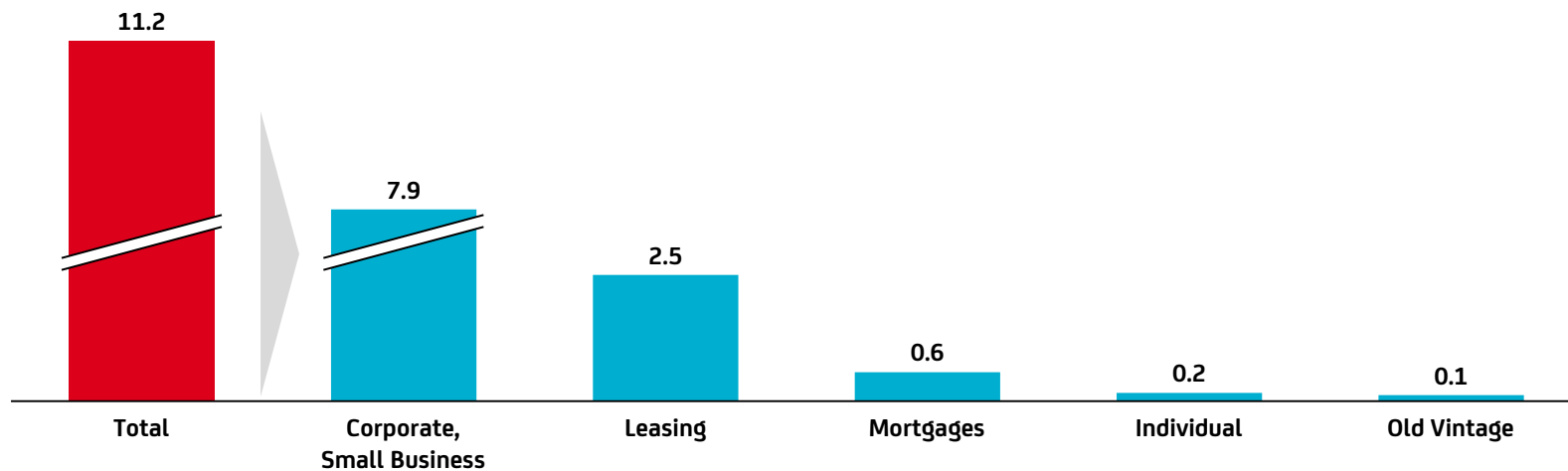


Asset quality – Non Core gross NPEs breakdown by asset class

1 2 3 4 5 6 7 8

Annex – Asset quality

3Q19 Non Core gross NPEs⁽¹⁾, bn

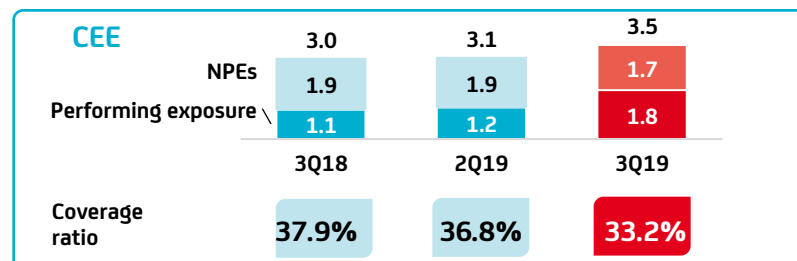
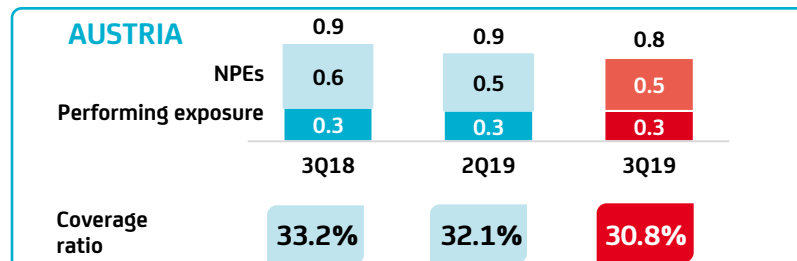
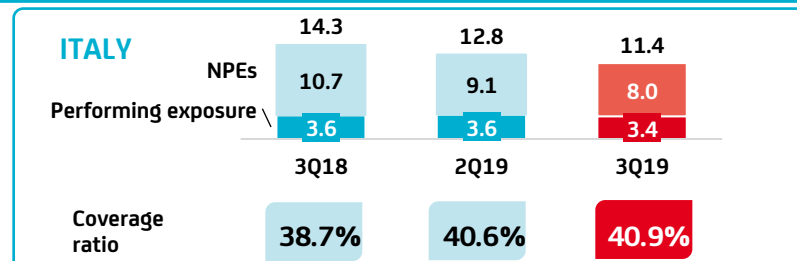
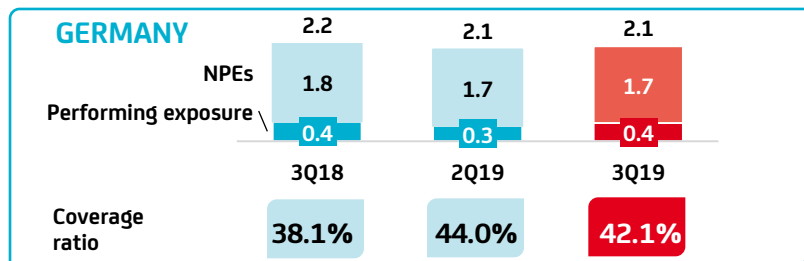
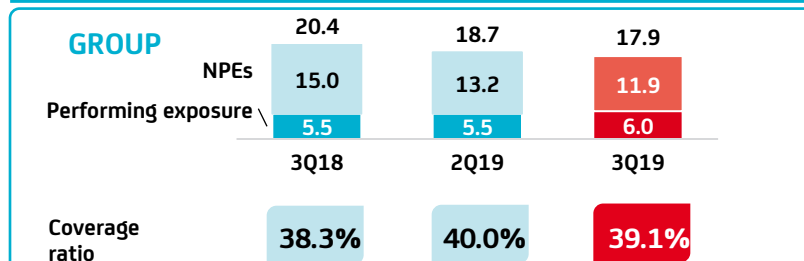


Asset quality – Forborne exposures by region

1 2 3 4 5 6 7 8

Annex – Asset quality

Forborne loans⁽¹⁾, bn



Asset quality – 3Q19 Group EL stock at 38bps with new business contribution at 33bps

1 2 3 4 5 6 7 8

Annex – Asset quality

Group

o/w 1bp due to model impact

0.33%

0.38%

New business

Stock

CB Italy

o/w 4bps due to model impact

0.44%

0.61%

New business

Stock

o/w 3bps due to model impact

CB Germany

0.19%

0.17%

New business

Stock

CB Austria

0.45%

0.26%

New business

Stock

CEE

0.61%

0.59%

New business

Stock

o/w 1bp due to model impact

CIB

0.17%

0.18%

New business

Stock

o/w 1bp due to model impact



Glossary



Glossary⁽¹⁾ (1/6)

Glossary

| | |
|----------------------------|---|
| Adjusted Net Profit | Refers to Group, Group Core and divisions. Stated net profit adjusted for non recurring items of relevance at Group level |
| AT1 | Additional Tier 1 Capital |
| AuC | Assets under Custody |
| AuM | Assets under Management (including Asset under Advisory) |
| 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 2016 perimeter, i.e. retail only. Excluding minor premises, corporate and private banking (Yapi at 100%) |
| BTP | This refers to the whole Italian sovereign bond portfolio (BTPs, BOTs, et al) |
| 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 only for Leasing |
| CET1 ratio | Common Equity Tier 1 ratio fully loaded throughout the document unless otherwise stated |
| 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 |
| Commercial revenues | Sum of net interest and fees |
| 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 daily average volume of commercial net loans (assuming 365 days convention, adjusted for 360 days convention where analytically available) |
| Days effect | Effect related to quarters having different numbers of days |
| DBO | Defined Benefit Obligation |



| | |
|----------------------|---|
| Default rate | Percentage of gross loans migrating from performing to NPEs over a given period (annualised) divided by the initial amount of gross loans |
| DGS | Deposit Guarantee Scheme |
| DPS | Dividend per share |
| EBA | European Banking Authority |
| EL | Expected Loss |
| EMEA | Europe, Middle East and Africa |
| EPS | Earnings per share |
| 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 |
| FVOCI | Fair Value through Other Comprehensive Income |
| FTE | Full-Time Equivalent: an FTE of 1.0 is equivalent to a full-time worker |
| FY/FY | Current full year vs previous full year |



Glossary (4/6)

Glossary

| | |
|--|---|
| Group Core | Group Core is equivalent to Group excluding Non Core. It is not a separate division |
| Group Corporate Centre (Group CC) | "Global Corporate Centre" includes COO Services, Corporate Centre Global Functions, inter-segment adjustments and consolidation adjustments not attributable to individual segments |
| 1H/1H | Current half year vs same period previous year |
| LLP | Loan Loss Provision |
| MDA | Maximum Distributable Amount |
| 9M/9M | Current nine months vs same period previous year |
| Migration rate | Representing the percentage of UTPs that turn into bad loans |
| 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) |
| 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 |
| Non HR costs | Other administrative expenses (incl. indirect costs) net of expense recoveries, plus depreciation and amortisation |
| Normalised Net Profit | Refers to divisions only. Stated net profit adjusted for non-recurring items of relevance at divisional level |



| | |
|-----------------------------------|---|
| NPEs | Non-Performing Exposures (customer loans) including the following: Bad Loans ("Sofferenze"), Unlikely to Pay ("Inadempienze Probabili") and Past Due ("Esposizioni scadute e/o sconfinanti deteriorate") |
| NPE ratio (UCG definition) | NPEs (customer loans) divided by total customer loans |
| NPL ratio (EBA definition) | NPLs (Bad loans, Unlikely to Pay and Past Due from customer loans and loans to banks) divided by (total customer loans and loans to banks) |
| 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 |
| 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 of 12.5%, including deductions for shortfall and securitisations |
| RoTE | Return on Tangible Equity (Annualised Net Profit divided by Average Tangible Equity) |
| RWA | Risk-Weighted Asset |
| SMEs | Small and Medium sized Enterprises |
| SRF | Single Resolution Fund |



Glossary (6/6)

| | |
|--------------------------|--|
| Stated Net Profit | Refers to Group, Group Core and divisions. Profit as shown in our financial statements |
| 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 |
| TBVpS | Tangible Book Value per Share |
| TFAs | Group commercial Total Financial Assets. Non-commercial elements, i.e. Group Corporate Centre, Non Core, Leasing/Factoring and Market Counterparts are excluded |
| Time Value | Difference between the sum of expected recoverable cash flows of NPEs and its net present value |
| TLAC | Total Loss-Absorbing Capacity |
| TLTRO | Targeted Longer-Term Refinancing Operations |
| TRY | Turkish New Lira |
| T2 | Tier 2 capital |
| UTP | Unlikely To Pay: the classification in this category is the result of the judgment of the bank about the unlikelihood, 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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