# UniCredit Group

## Presentation to Fixed Income Investors

May 2013

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# Executive Summary
## UniCredit – a strong investment proposition with a successfully strengthened Balance Sheet

- **A well diversified pan-European bank with a leading market franchise in Italy, Germany, Austria and Central Eastern Europe**
- **Continued strengthening of our capital base with CT1 at 11.03% and CET1 fully loaded at 9.64% after disposals and buy-backs**
- **De-leveraging pays off with one of the lowest leverage ratios in Europe**
- **Highly liquid balance sheet with an immediately available liquidity buffer of around 140 bn – well above wholesale funding maturing in 1 year**
- **LLPs down and net new impaired loans inflows decelerating**
- **Successful management actions, in particular disciplined cost control, position us well for improved profitability**

# Agenda

- **Introduction & Strategy**
- Consolidated Results 1Q13
- Annex

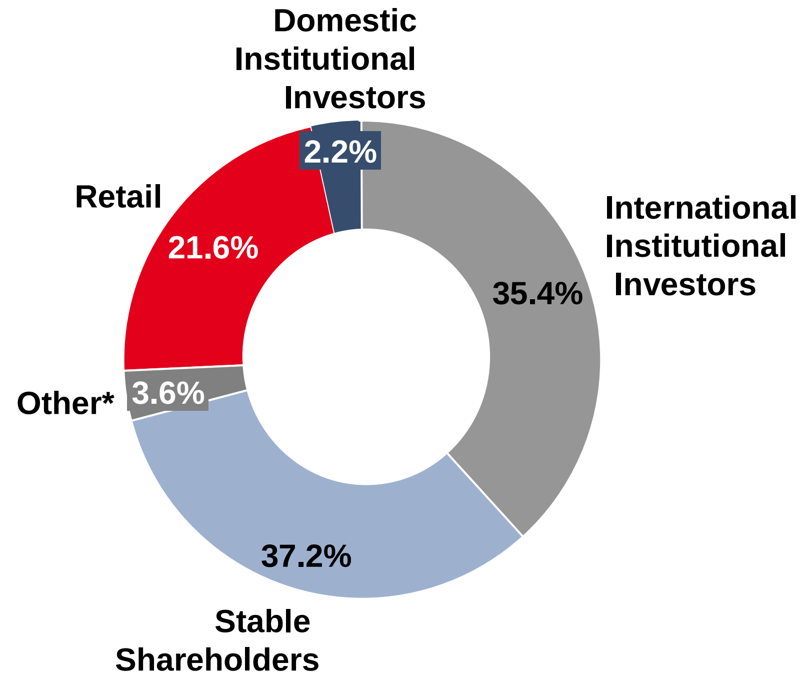
# UniCredit at a glance

## A clear international profile based on a strong European identity

### UniCredit Highlights

- Strong local roots in almost 20 countries
- Over 155,000 employees
- About 9,300 branches
- Around 33 mn customers in Europe
- One of the most important banks in Europe with 913 bn total assets
- Part of the 28 global systemically important banks (G-SIBs) worldwide
- Market capitalization around 24 bn
- Capital increase 7.5 bn in 2012, with strong response from all investor clusters
- Core Tier 1 Ratio at 11.03% under Basel 2.5 and 9.46% under Basel 3 fully loaded

### Shareholders' Structure[1]




**Main shareholders:**

- Stable shareholders, e.g. Foundations
- Institutional investors, e.g. Blackrock
- Retail investors

(1) Based on latest available data. Source: Sodali
(*) Including unidentified shares owned by the Group and Cashes

# Pillars of Strategic Plan 2013 – 2015

How to achieve our strategic objectives

| Balance Sheet Structure | Simplification & Cost Management | Business Refocusing | Italy Turnaround |
|---|---|---|---|
| ■ Capital strengthening<br>■ Funding & Liquidity: rebalancing of L/D ratio<br>■ Risk: conservative risk-taking framework | ■ Central Functions streamlining<br>■ Operations: enhancing structural efficiency<br>■ Strict cost control<br>■ Networks redesign | ■ CIB: business reshaping and run-off portfolio<br>■ CEE: focused growth | ■ New service model<br>■ Improving asset quality<br>■ Greater efficiency |



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# Italy's Macro Picture 1/3

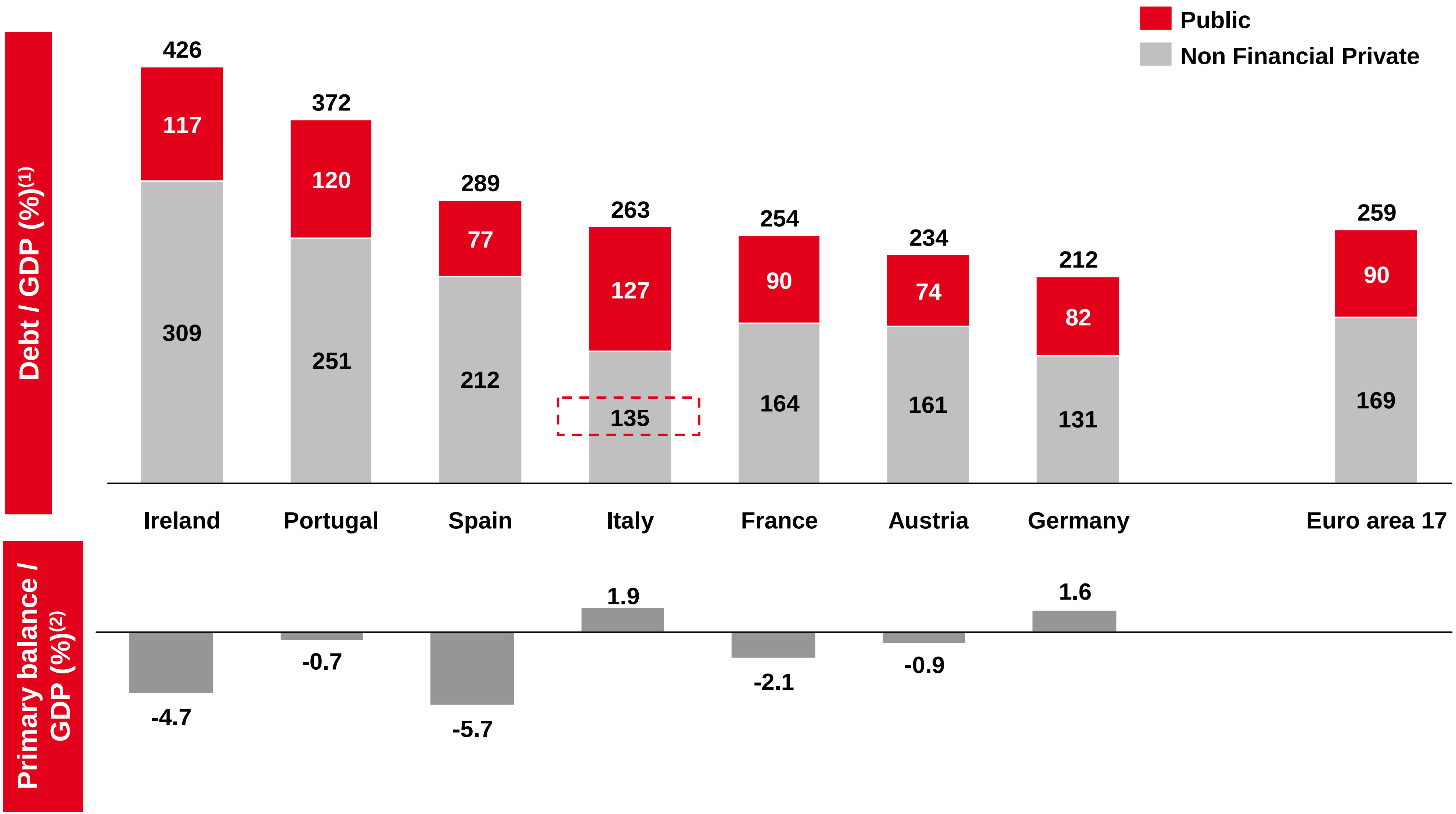
## Despite negative GDP growth, Deficit and Debt to GDP ratio under control

- **Third largest economy in Euro-zone**; no housing sector bubble burst
- **Deficit/GDP ratio is under control**: 2012 stood at -3%, lower than the Euro-zone (-4.1%)[1]
- **Primary budget surplus at 1.9%**, higher than Germany (1.6%) and France (-2.1%)[2]
- **Debt/GDP ratio peaked at 127% in 2012** and it is expected to stabilize around that level
- **Non-financial private sector debt at 135% of GDP** is one of the lowest in Europe
- **Low foreign debt**: ~65% of Italian sovereign bonds held by domestic investors[3]
- **Households' net financial wealth over GDP at 172%** is higher than European peers[4]
- **Deposit Growth:** banks' deposits from private customers advanced in 2012 by 6.7% yoy[5]
- **Unemployment rate at 11.6%, but still below Euro-average of 12.0%**
- **Trade Balance Rebalancing:** after almost a decade, in 2012 Italy has posted a strong trade balance **surplus**; this trend is expected to be confirmed for the coming years

(1) Source: Bloomberg for Italy, Eurozone data as of 2011 Souce:IMF WEO Oct '12
(2) Source: OECD, as of YE 2012
(3) Source: Bank of Italy, data as of Sep '12
(4) Household net financial wealth defined as financial wealth minus liabilities, source: ECB, 'Euro Area Accounts' 3Q 2012
(5) Bank of Italy's Dec '12 data

# Italy's Macro Picture 2/3

## Total indebtedness is in line with France and Germany, yet with a sounder primary balance

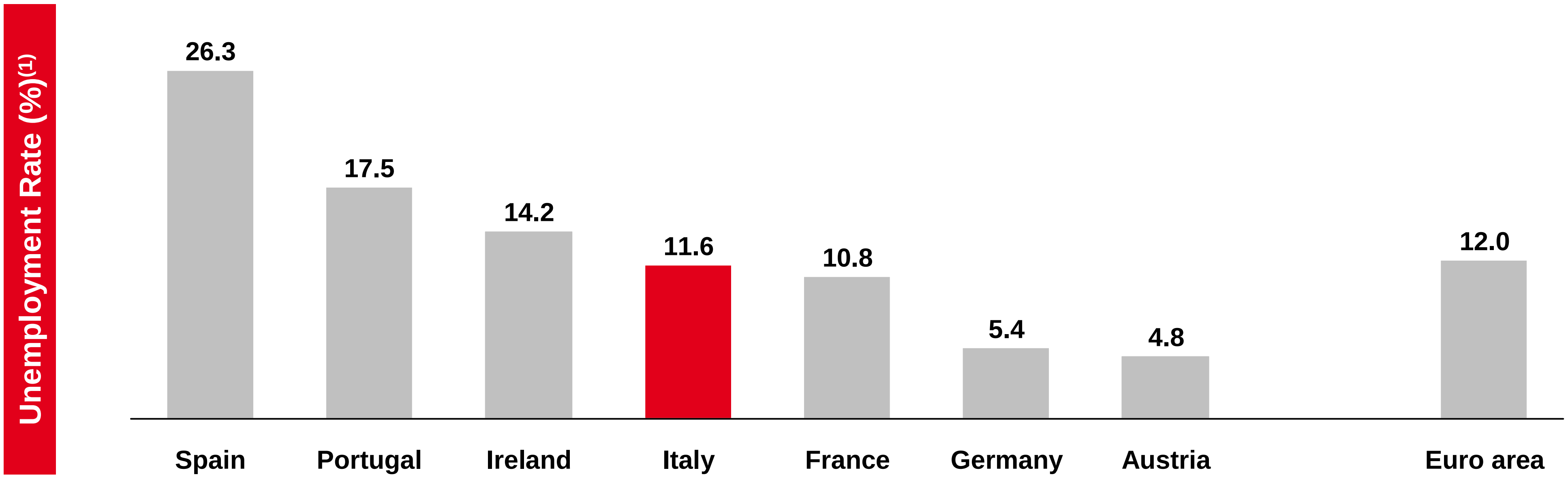


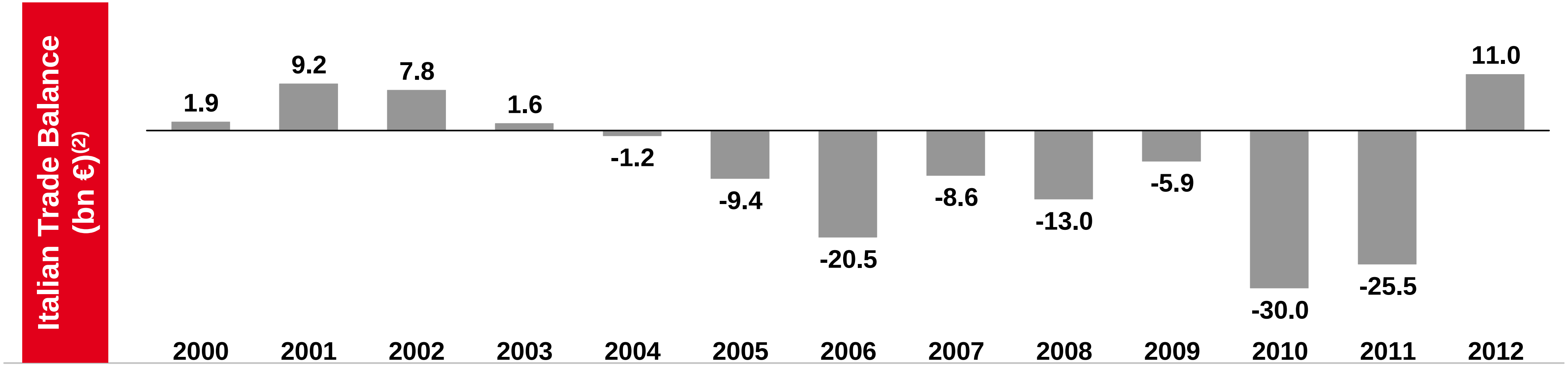

[1] Non Financial Private Debt (loans, debt securities and pension fund reserves), source: ECB, 'Euro Area Accounts' Q3 2012, GDP: sum of 4 quarters: 4Q2011 – 3Q 2012; Public Debt & GDP data source: Eurostat

[2] General government primary balanced (source: OECD 2012E)

# Italy's Macro Picture 3/3

Italian Trade Balance back to positive in 2012; Unemployment still under control compared to other peripheral countries




(1) Unemployment rate as of Feb '13; source: Eurostat

(2) Trade Balance, source: ISTAT

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- **Consolidated Results 1Q13**
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# Executive Summary

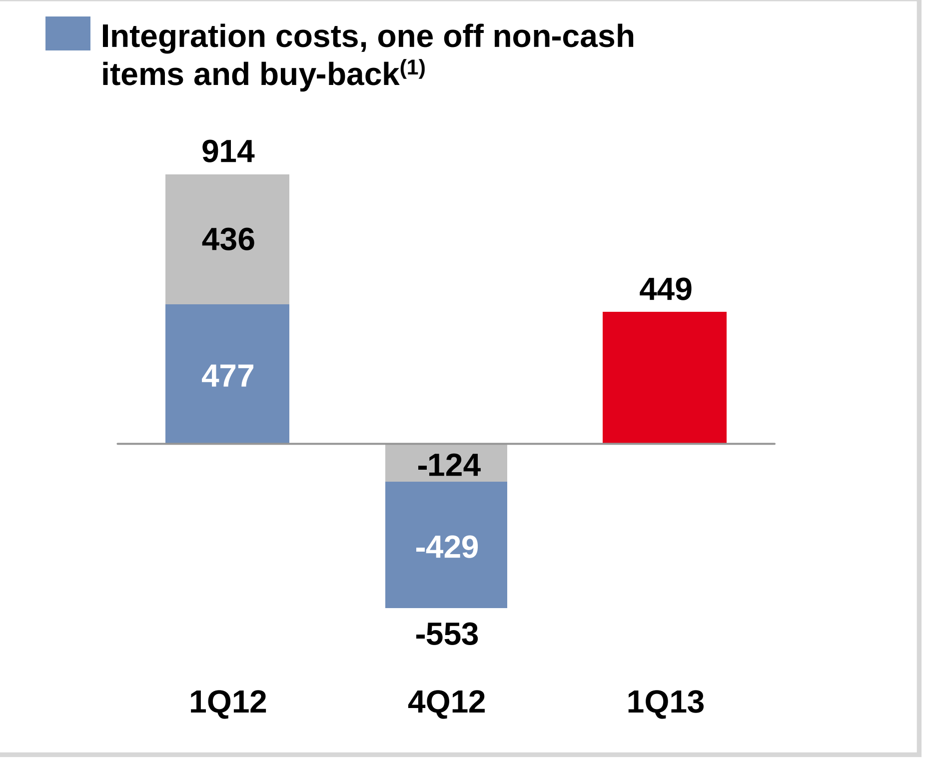
## Enhanced profitability, supported by CEE & Poland and Western Europe back to positive. Balance sheet strength and stable capital base confirmed

- **1Q13 Net profit at 449 mln vs. 553 mln loss in 4Q12. Net profit sustained by strong NOP recovery and GOP up 9.7% q/q with resilient core revenues (+0.4% q/q). Positive contribution by Western Europe**
  - ✓ Revenues materially increasing (+5.6% q/q net of 4Q12 buy-back), with net interest stabilizing q/q thanks to strong re-pricing actions despite still weak loan demand, increasing fees and growing trading income
  - ✓ Other expenses materially down (-3.1% q/q) thanks to effective cost management actions, while staff expenses trend was affected by release on variable compensation in 4Q12
  - ✓ After coverage enhancement provisioning in 4Q12, loan loss provisions were sharply down. This is also supported by decreasing flows to impaired loans. 2013 outlook confirmed despite difficult macro environment in Italy
  - ✓ The bottom line will in the coming quarters benefit from the bond buy back closed in April 2013 and the completion of the sale of the Yapi insurance companies, which will also positively impact the capital position as the closing of the sale of Kazakhstan
  - ✓ Western Europe strongly contributed to revenues generation (+10% q/q; core revenues +2.0% q/q), Commercial Bank Italy reached break even and lowered cost of deposits; excellent commercial performance of Asset Gathering, posting 2.1 bn net inflows, and of Pioneer, reaching 2.5 bn net inflows on non captive channels; CIB achieved 17% Return on Allocated Capital
- **Solid balance sheet with further improved liquidity position and a stable capital base**
  - ✓ Funding gap further shrinking in Western Europe
  - ✓ Risk Weighted Assets down q/q driven by lower credit RWAs in Commercial Bank Italy and in CIB
  - ✓ Basel 2.5 Core Tier 1 ratio at 11.03%; Basel 3 fully-loaded CET1 ratio at 9.64% post disposals and buy back

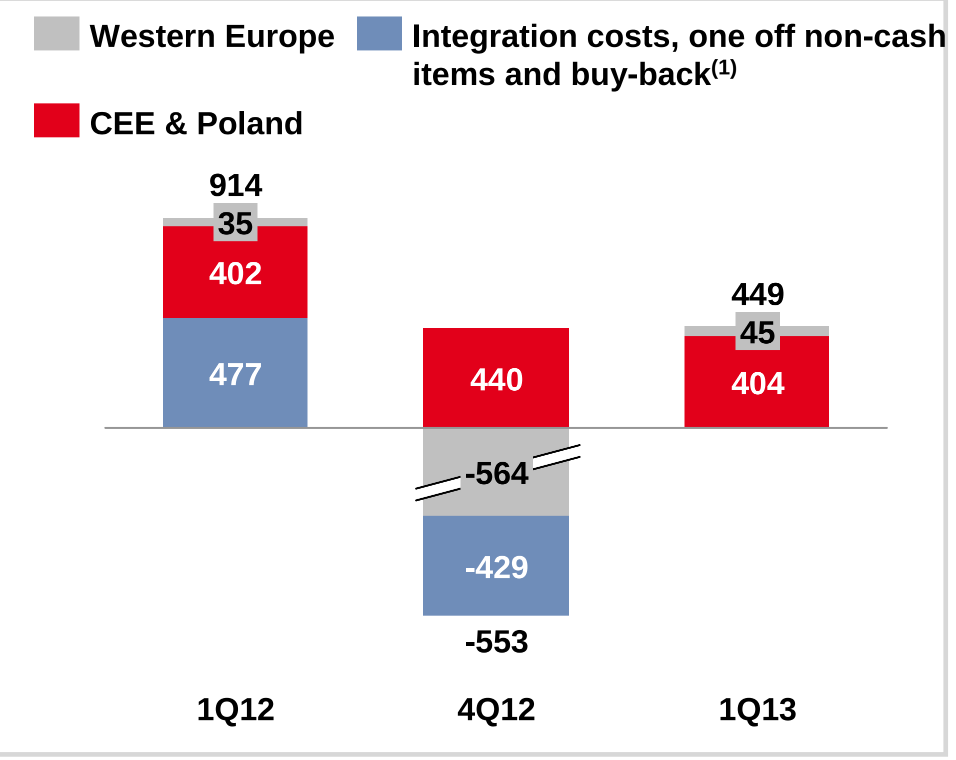
# Net profit breakdown

Net profit at 449 mln, supported by CEE & Poland and Western Europe back to positive

## Net profit (mln)




## Net profit by region (mln)




- CEE & Poland (driven by Russia and Turkey) continue to contribute to the bottom line, illustrating the pertinence of geographical diversification
- The improvement primarily comes from Western Europe, with positive contribution of Commercial Bank in Italy and Germany

(1) 1Q12 post tax impact: buy-back (+477 mln post tax); 4Q12 post tax impact: integration costs (-174 mln), buy-back (+26 mln), goodwill impairment (-22 mln) and Kazakhstan (-260 mln)



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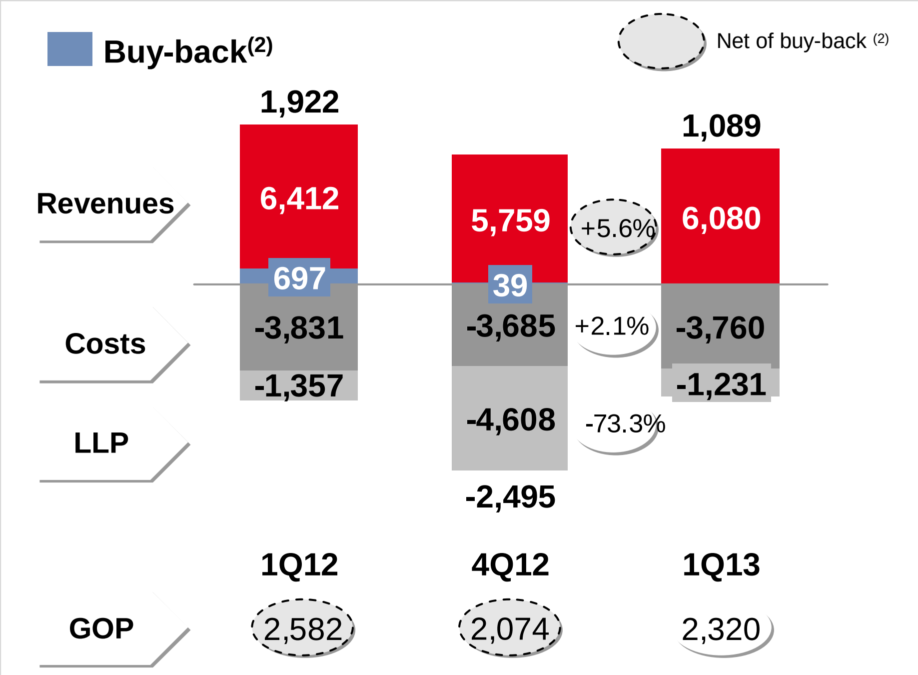
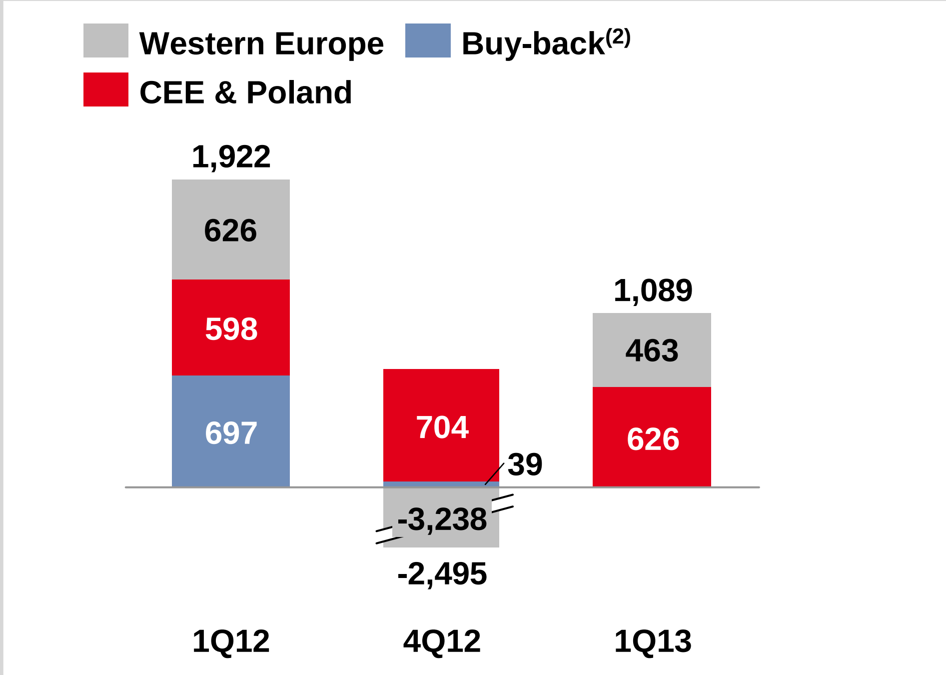
# Net Operating Profit breakdown
Increasing revenues, LLP sharply down after being exceptionally high 4Q12, and significant growth in Western Europe

## Net Operating Profit(1) (mln)




## Net Operating Profit(1) by region (mln)



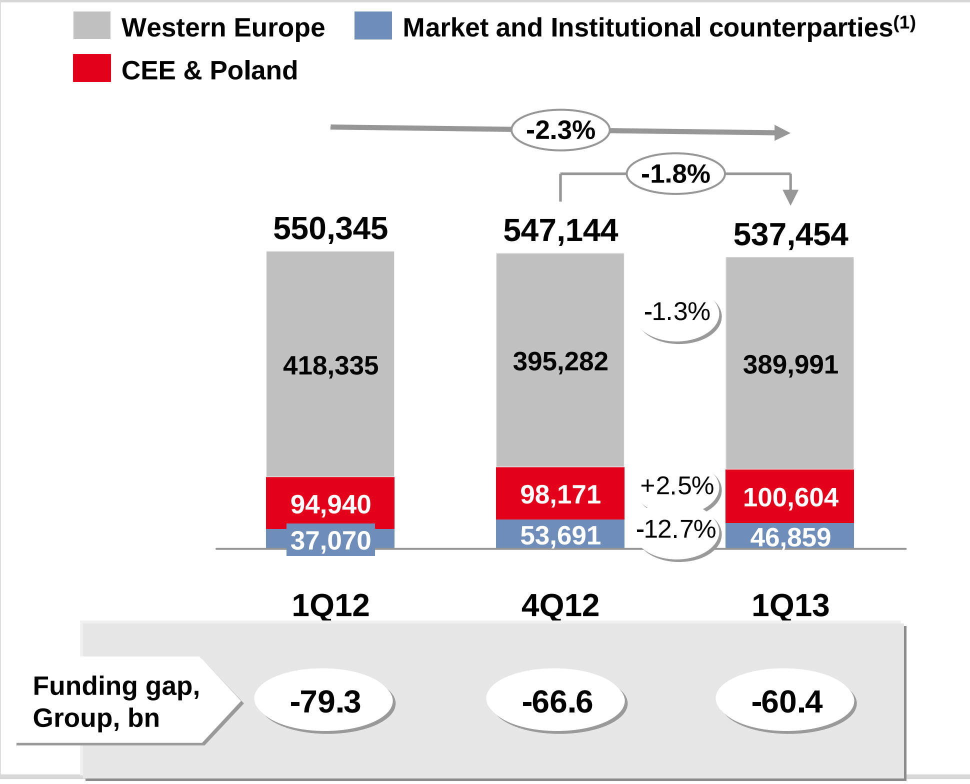

- Revenue trend reversed, more than offsetting cost increase q/q
- Tangible cost reduction y/y, driven by staff expenses
- LLP sharply down, after the exceptionally high 4Q12 enhancement action on the coverage ratio
- Positive contribution of both Western Europe and CEE & Poland

(1) Operating profit after Loan Loss Provisions

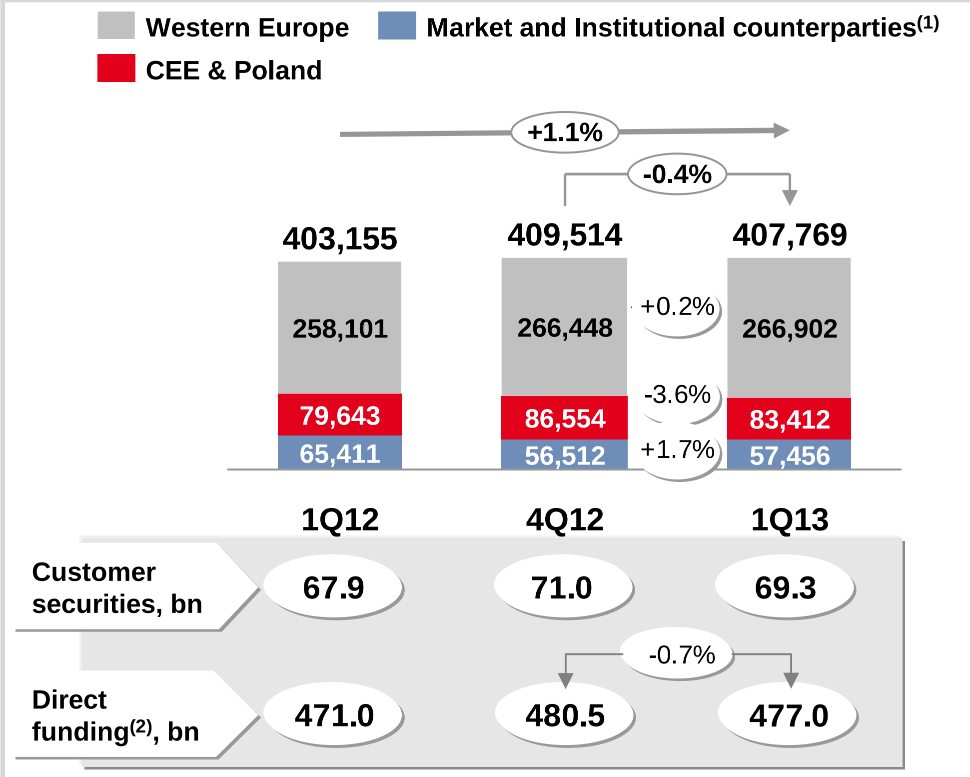
(2) Proceeds from buy-back related to tender offers on T1-UT2 in 1Q12 and on ABS in 4Q12

# Volumes
## Weak loan volumes but funding gap continues to improve

### Customer loans (mln)




### Customer deposits (mln)




- Loans down by 9.7bn q/q reflecting the still weak commercial loan demand in Western Europe and decrease of market counterparties
- Customer deposits slightly down by 1.7 bn mainly following the expiry of some corporate and institutional big tickets in CEE

(1) Market counterparties include mostly Clearing Houses like Cassa Compensazione e Garanzia, Euroclear, Clearstream

(2) Direct funding: customer deposits + customer securities in issue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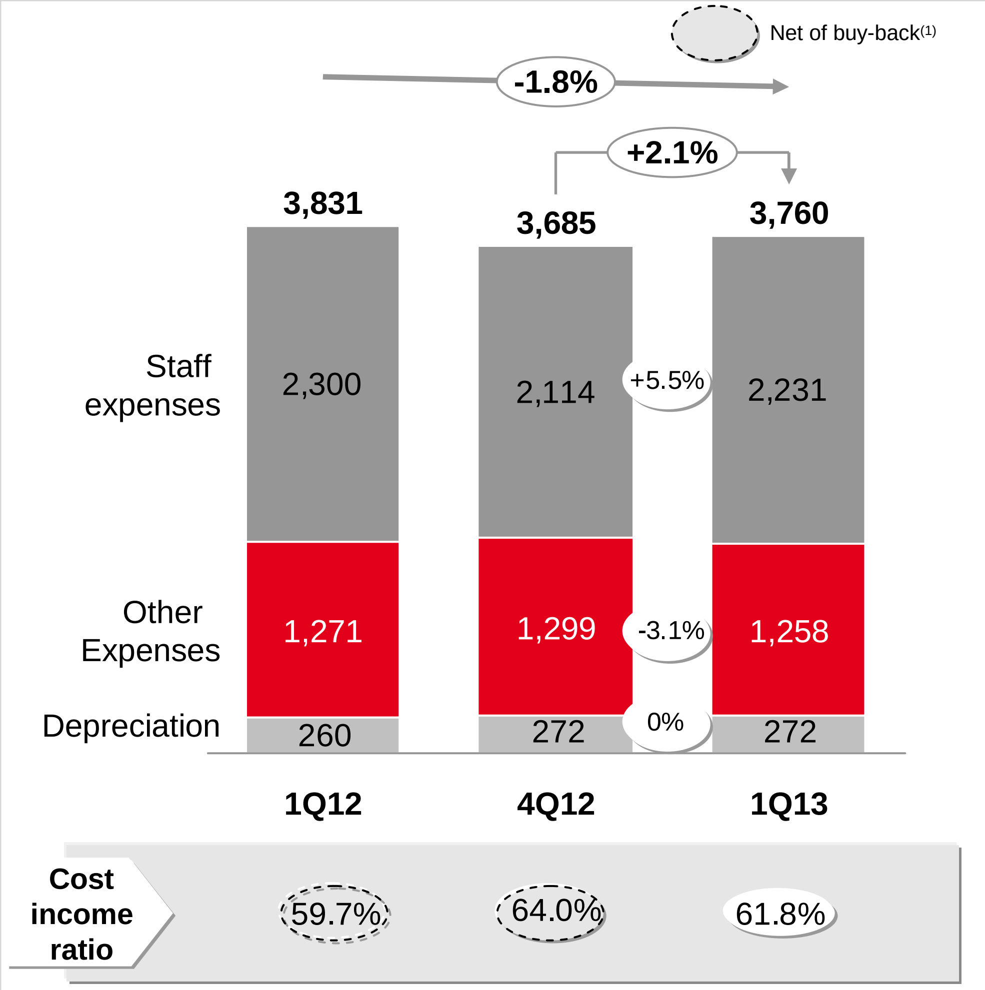
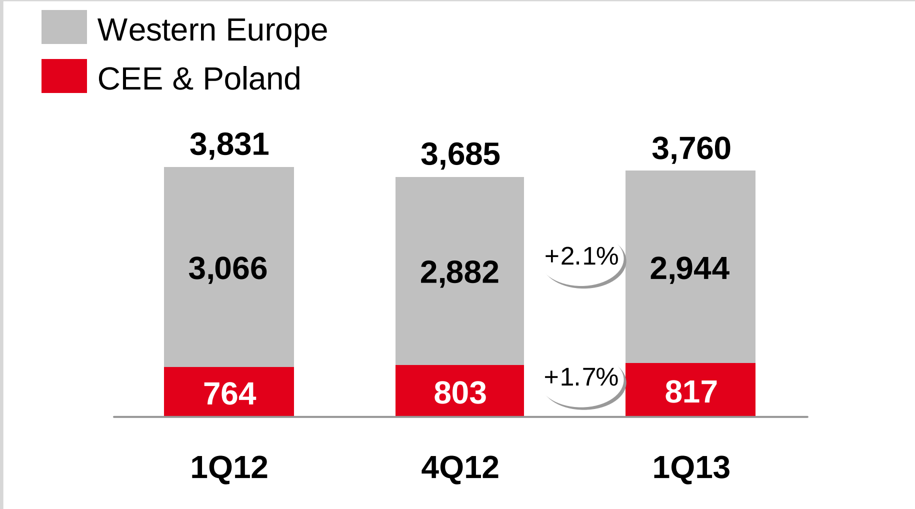
# Operating Costs

## Down y/y with quarterly increase due to an exceptionally low 4Q

### Total operating costs (mln)




### Total operating costs by region (mln)



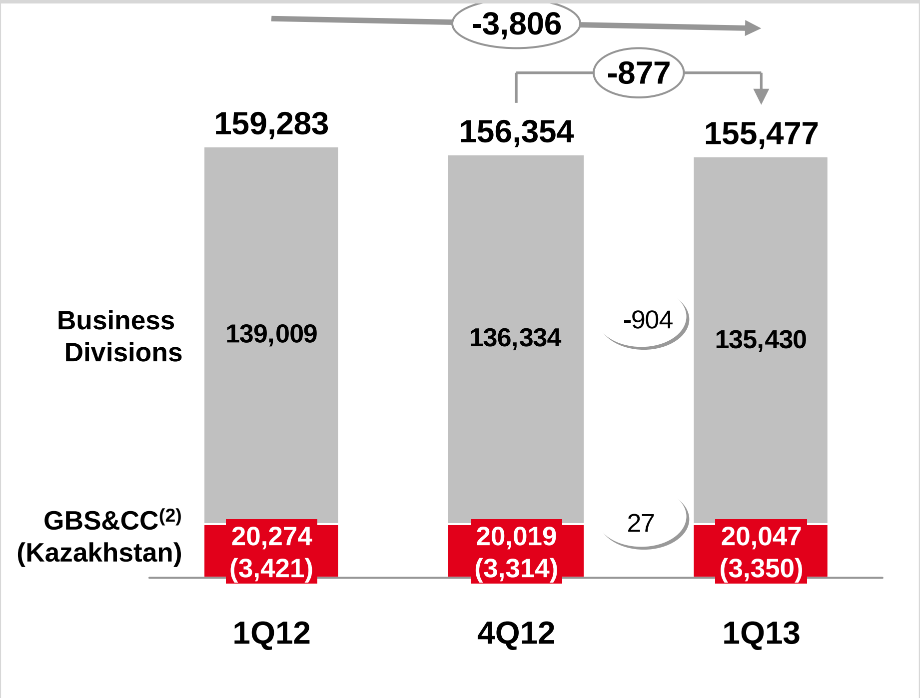

- Decreasing yearly trend confirmed, driven by both staff and other expenses
- Operating costs up q/q after the exceptionally low 4Q12, with different mix among items
- Staff expenses growing after 4Q release of variable compensation
- Other expenses strongly down q/q despite bank levy in Hungary (28 mln entirely booked in 1Q)

(1) Proceeds from buy-back related to tender offers on T1-UT2 in 1Q12 and on ABS in 4Q12

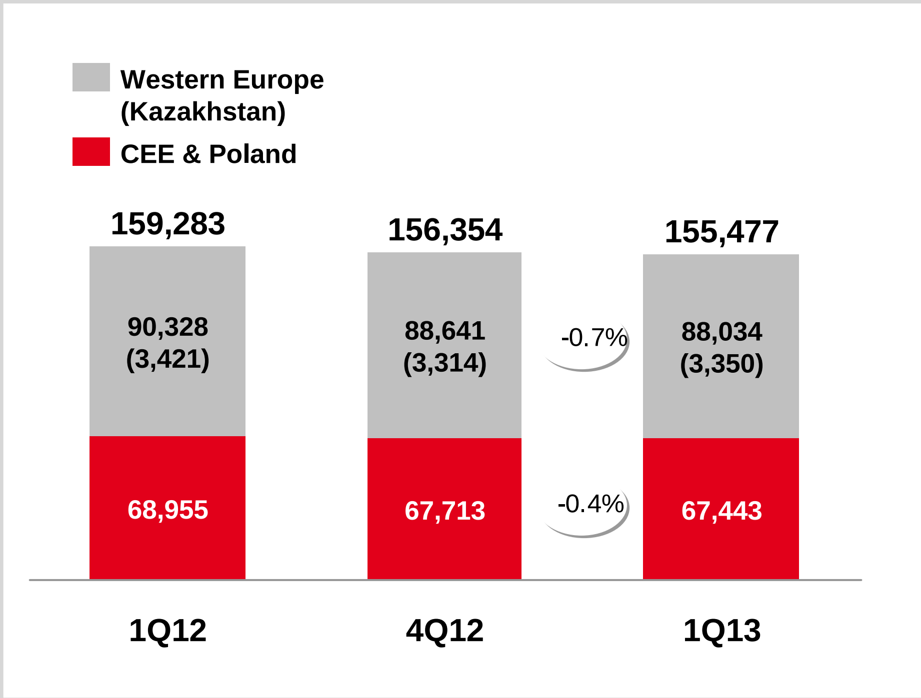
# FTEs

## Staff reduction continued this quarter with almost 900 fewer FTEs mainly in Western Europe

### FTEs(1) (unit)




### FTEs by region (unit)




- Western Europe showed a decline q/q of 643 FTEs(1) o/w: Commercial Bank in Italy -269 (-0.7%) driven by restructuring initiatives, in Germany -243 (-1.7%) and in Austria -56 (-0.8%) due to turnover
- Fast reduction of FTE and effective reallocation of internal resources to replace leavers
- Out of GBS&CC(2),14,345 FTE are fully dedicated to serve the networks; providing IT, back office and real estate services, with full allocation to the Business divisions of the relevant costs

(1) FTEs related to Kazakhstan have been temporally re-classified in the Corporate Center (Western Europe)

(2) Global Banking Services (i.e. the operating machine) and Corporate Center



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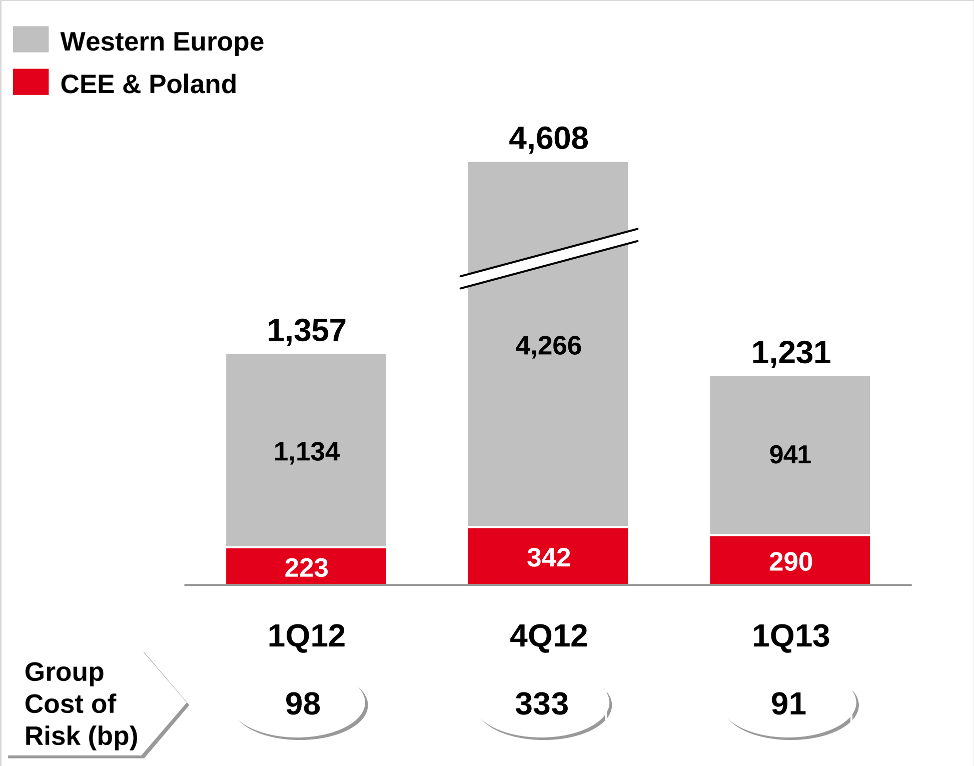
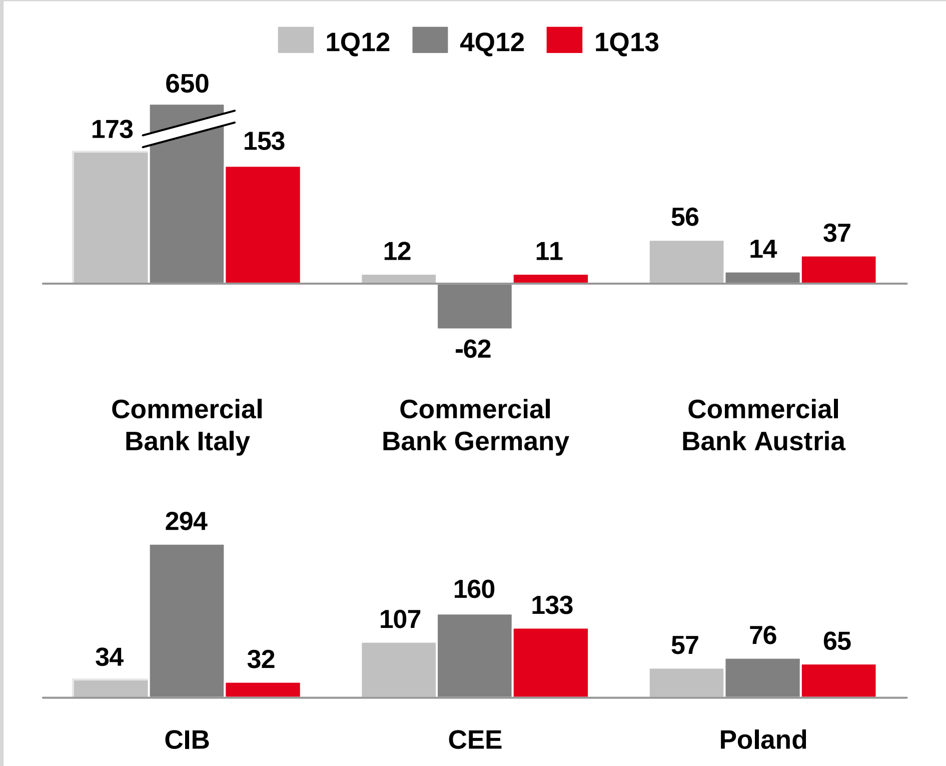
# Cost of Risk

CoR down after exceptional 4Q12 coverage enhancement in Italy
Lower LLP confirmed in 2013 despite macro environment in Italy not improving

## Loan Loss Provisions (mln) – Group COR (bps)




## Cost of Risk (bps)




- CoR sharply down following the exceptional spike in 4Q12
- Despite an Italian macro environment which continues to be weak, the decrease of Loan Loss Provisions in 2013 at Group level, compared to 2012 adjusted for 2.1 bn coverage enhancement, is confirmed
- In the Commercial Bank Germany, the cost of risk remained at low level (in 4Q12 there was an exceptional release of provisions), confirming the positive trend of the asset quality



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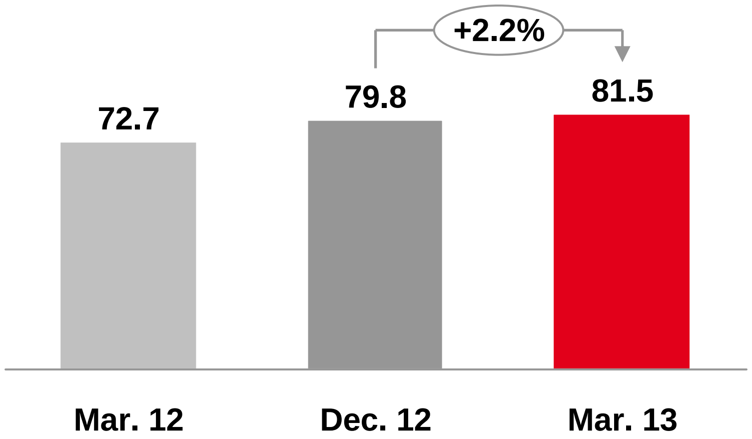
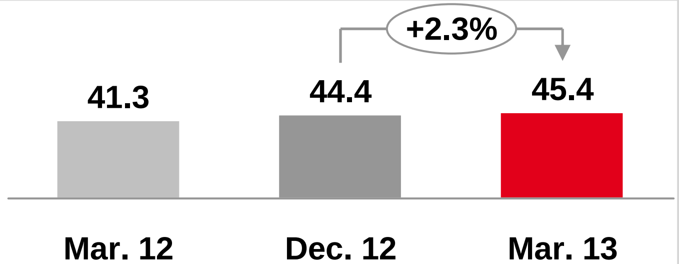
# Group Asset Quality
## Credit deterioration in Italy slowed down in the quarter
## Improving trend in Germany and Poland, stable in Austria

### Gross impaired loans (bn)



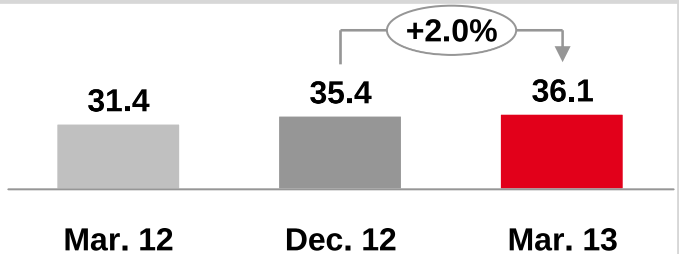

| | Mar. 12 | Dec. 12 | Mar. 13 |
|---|---|---|---|
| Coverage ratio | 43.6% | 44.8% | 44.2% |
| Net impaired loans ratio | 7.5% | 8.1% | 8.5% |

### NPLs (bn)




| | Mar. 12 | Dec. 12 | Mar. 13 |
|---|---|---|---|
| Coverage ratio | 57.1% | 56.4% | 55.6% |

### Other impaired loans (bn)



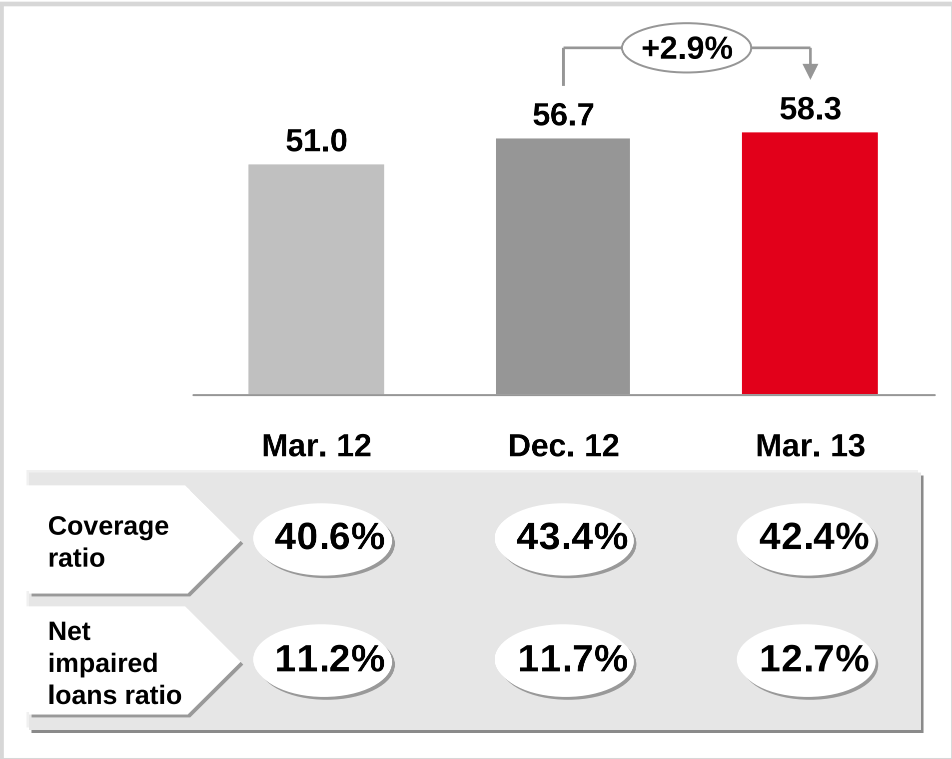

| | Mar. 12 | Dec. 12 | Mar. 13 |
|---|---|---|---|
| Coverage ratio | 25.8% | 30.3% | 29.8% |

- Major CEE countries (Russia and Turkey) showed positive trends, while other smaller CEE countries (Slovenia, Serbia and Croatia) slightly deteriorated

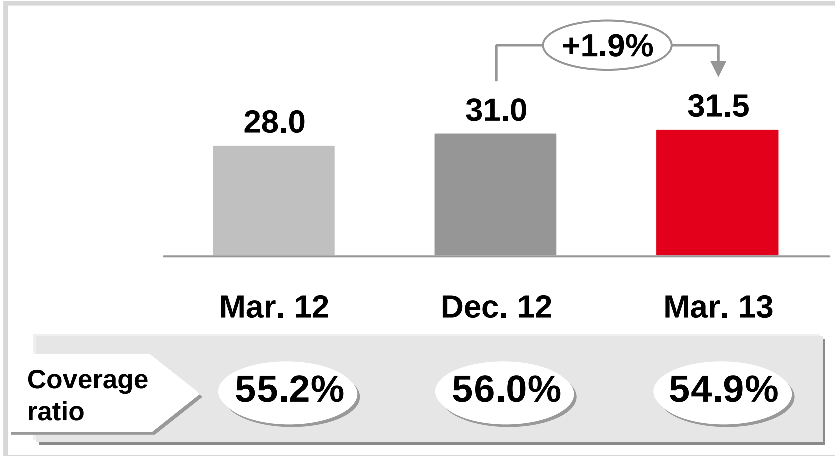
# Asset Quality in Italy

## Slowdown of growth of impaired loans for the second quarter in a row (+2.9% q/q vs +3.2% q/q in 4Q12 and +5.2% q/q in 3Q12)

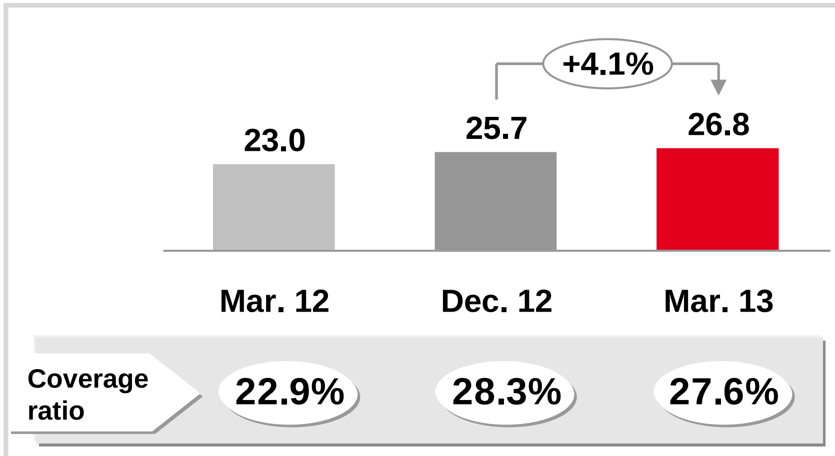
**Gross impaired loans** (bn)




**NPLs** (bn)




**Other impaired loans** (bn)



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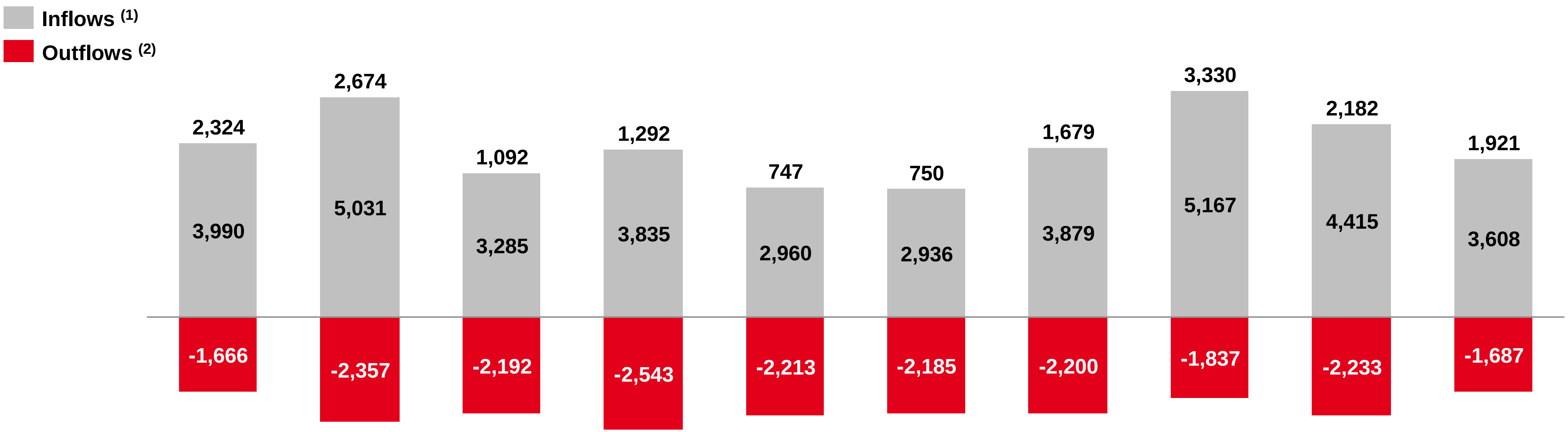
# Asset Quality in Italy

## Gross flows decelerated for the second quarter in a row due to fewer inflows from performing

### Gross impaired loans flows (mln)




| | Quarterly avg. 1H09 | Quarterly avg. 2H09 | Quarterly avg. 1H10 | Quarterly avg. 2H10 | Quarterly avg. 1H11 | Quarterly avg. 2H11 | Quarterly avg. 1H12 | 3Q12 | 4Q12 | 1Q13 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net flows** (mln) | 2,324 | 2,674 | 1,092 | 1,292 | 747 | 750 | 1,679 | 3,330 | 2,182 | 1,921 |
| **Reverse ratio** | 42% | 47% | 67% | 66% | 75% | 74% | 57% | 36% | 51% | 47% |

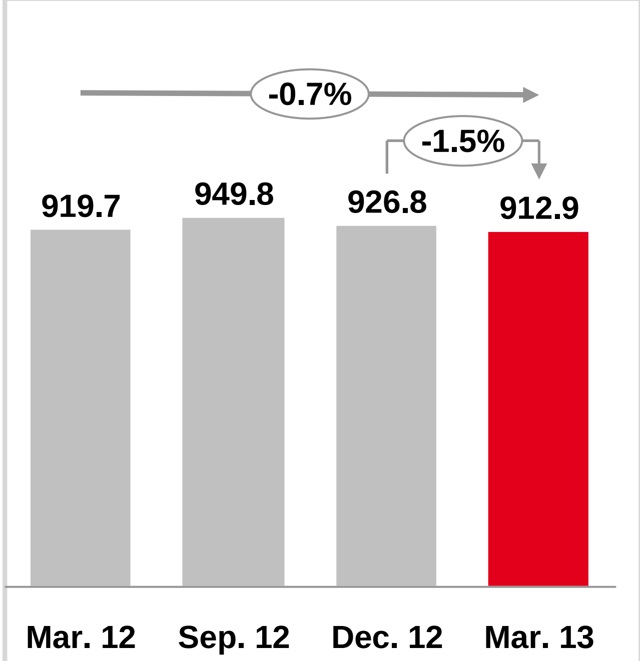
(1) Inflows from Gross Performing Loans to Gross Impaired Loans in the period

(2) Outflows include Collections and flows from Gross Impaired Loans back to performing loans in the period

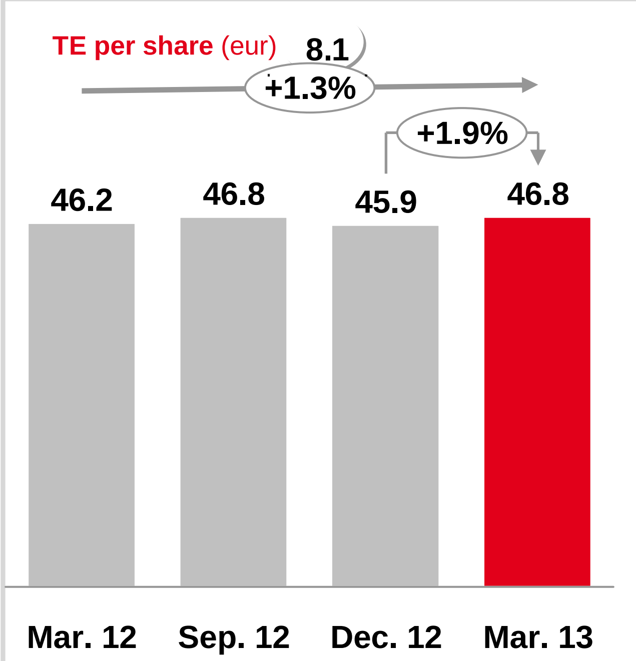
# Balance Sheet structure

## Total assets down due to lower loans to customers and trading assets
## Leverage ratio keeps reducing to 17.6x

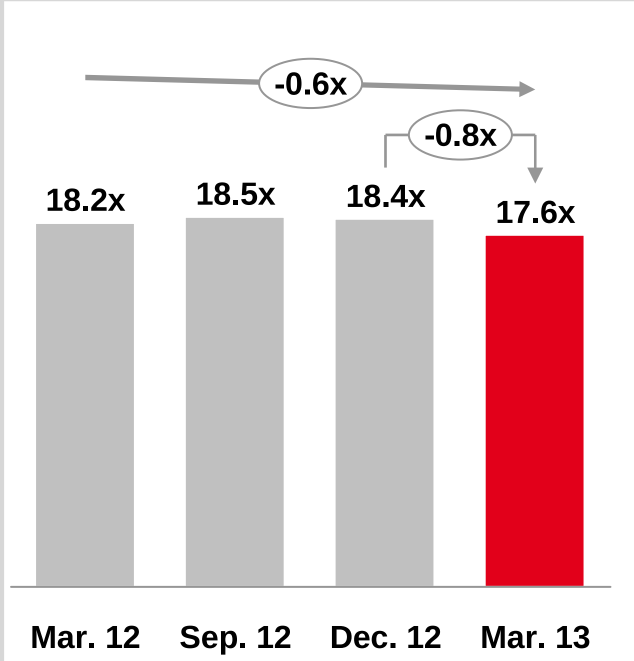
**Total assets** (bn)




**Tang. Shareholders' Equity**[1] (bn)




**Leverage ratio**[2]




- Total assets decrease mainly related to lower loans to customers and lower trading assets mainly due to mark-to-market effect on derivatives
- Tangible Equity affected by IAS 19R impact (1.2bn). December 2012 restated accordingly
- Leverage ratio keeps reducing and being one of the lowest in Europe

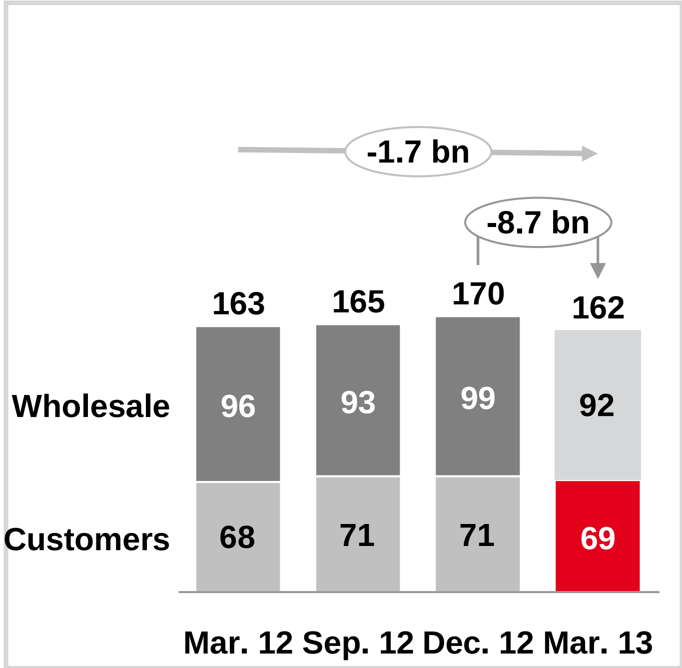
(1) Defined as Shareholders' equity - Goodwill - Other intangible assets

(2) Defined as Tangible Assets/ Tangible Equity as per IFRS (not reflecting netting agreements on derivatives)

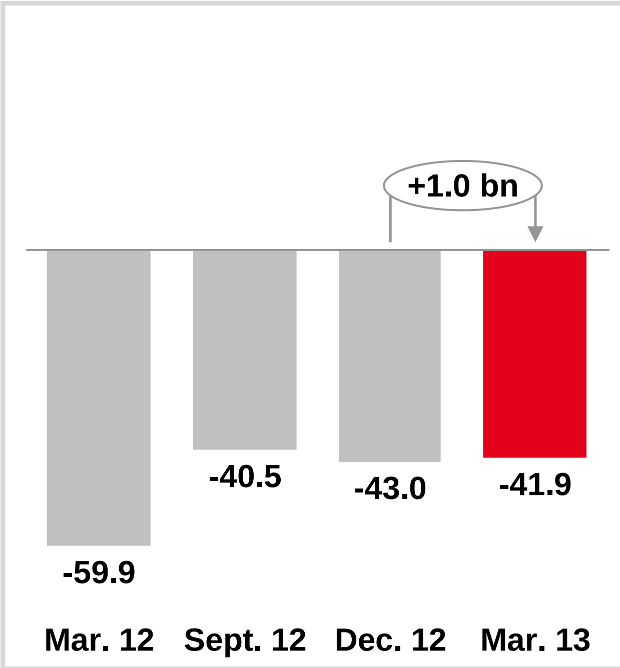
# Balance Sheet structure

## Securities in issue down leveraging on the strong liquidity position of the Group

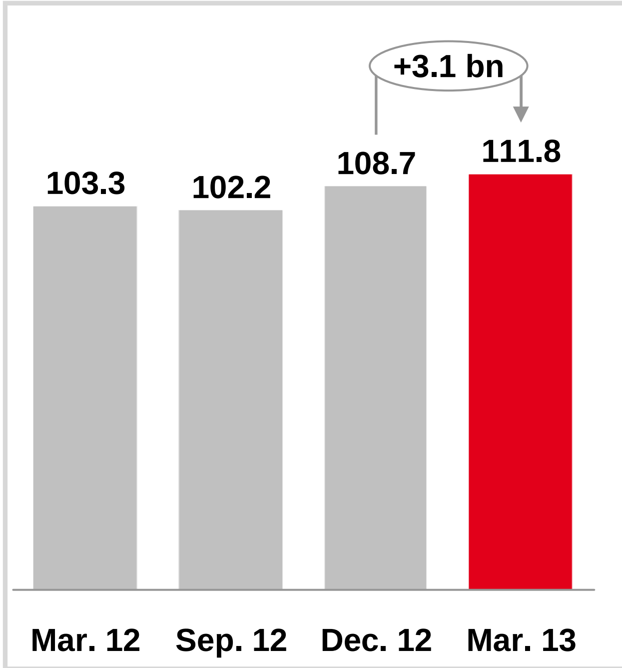
**Securities in issue** (bn)




**Net interbank position** (bn)




**Financial investments**(1) (bn)



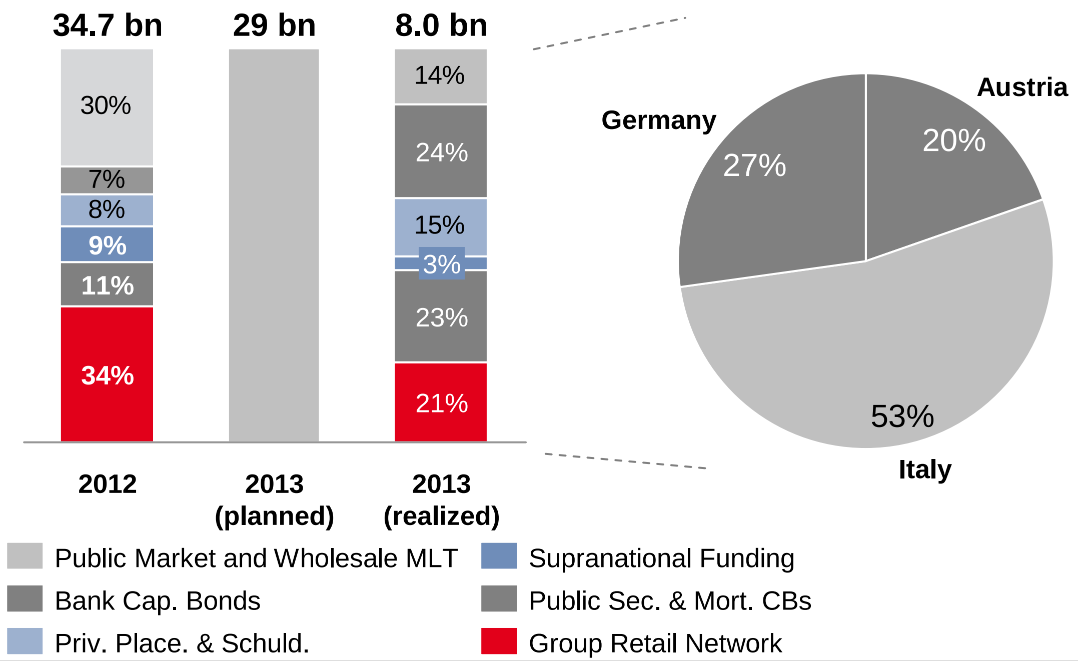

- Securities in issue down, with customers representing about 43% of the total securities placed by the Group
- Net interbank position improving by 1 bn
- ECB gross funding represents 26.1 bn as of today
- Financial investments up, mostly driven by AFS and Fair Value portfolios

(1) Financial Investments include AFS, HtM, Fair Value portfolios

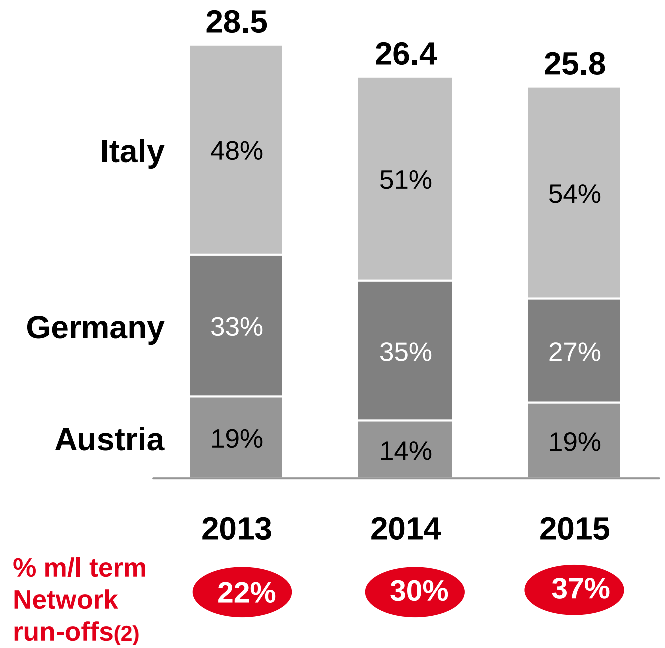
# Medium-Long Term funding plan

## 2013 Funding Plan well on track through high quality and diversified issuance

### Funding Mix




### % of m/l term run-offs by Region(1)




- As of May 2nd, **over 27% of 2013 funding plan (approx 29 bn) already realized for a total amount of about 8 bn (25% in Italy)**
- Out of the 8 bn already issued, ca 1.6 bn are retail bonds **(network bonds still represent only about 6.2% of customers' TFA**, providing room for further securities placement)
- UniCredit has been very successful in its funding diversification strategy and ability to tap different markets with very successful transactions in the Covered Bond and Subordinated (Sing$ and US$) space, in addition to tapping the German, Austrian, Turkish, and Russian markets
- **Active ALM**, with bonds buy back in April 2013 leading to a **gain of 258 mln to be booked in 2Q13**

(1) Run-offs refer only to UniCredit securities placed on external market. InterCompany are not included
(2) The Network Bonds have been reclassified according to a definition based upon their origination (i.e. bonds originated through the Network only)



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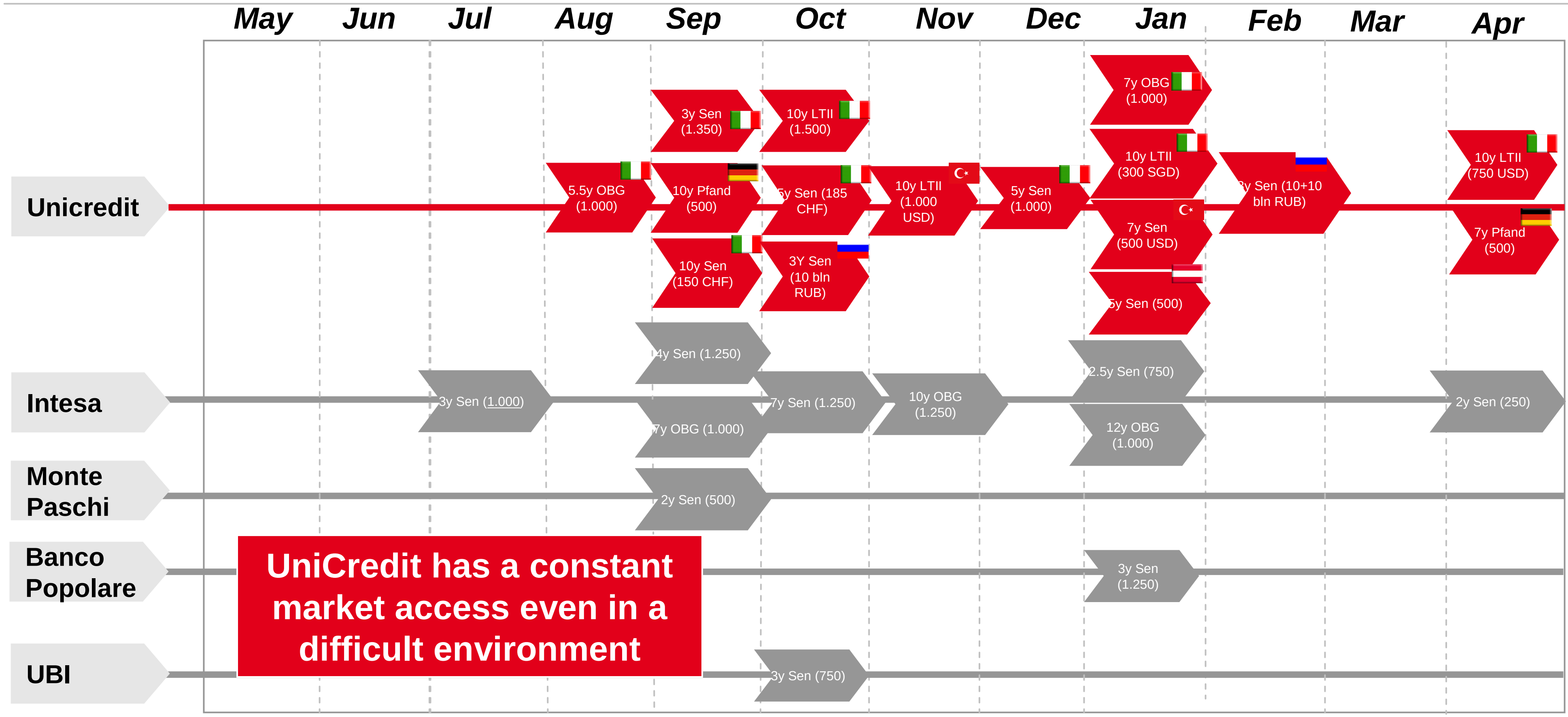
# UniCredit has continuous wholesale market access

## Strong debt market franchise confirmed

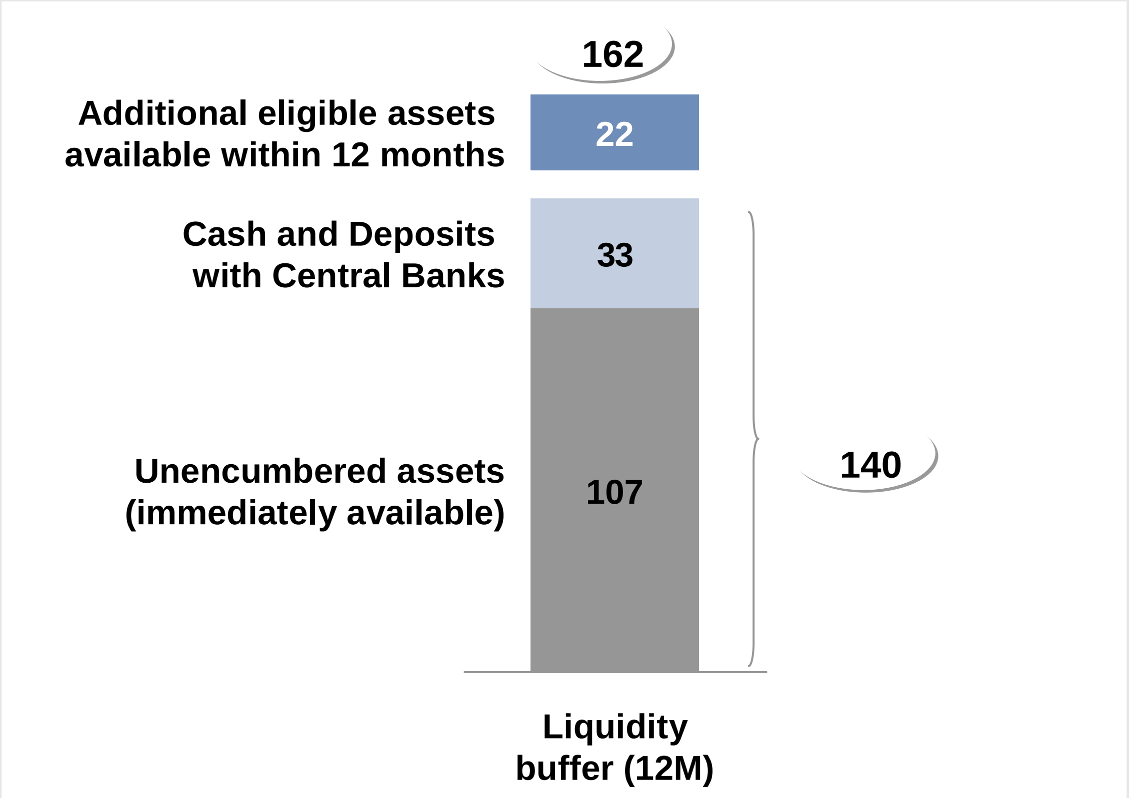



- During the financial crisis UniCredit is the **only Italian bank with a diversified and continuous wholesale access to the market**
- Latest issuances include **1 bln of 7Y OBG**, **300 mln SGD (Eur 200 mln) 10Y LTII** and **750 mln USD LTII 10Y**, all with strong interest from investors

# Liquidity

## Sound position: 1Y Liquidity buffer exceeds 12m wholesale funding

**Liquidity buffer (12 months) as of March 2013 (bn) [1]**



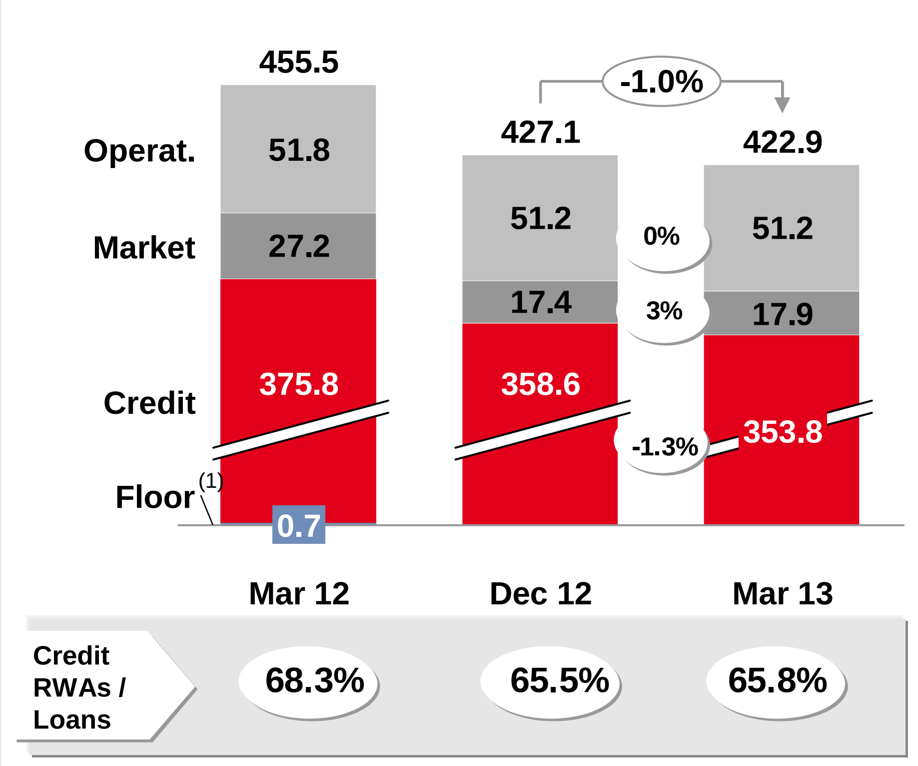

- Liquid assets immediately available amount to 140 bn net of haircut and well above 100% of wholesale funding maturing in 1 year
- This is not only true for the group, but also Italy

[1] Unencumbered assets are represented by all the assets immediately available to be used with Central Banks; Additional eligible assets (available within 12 months) consist of all the other assets eligible within 1 year time

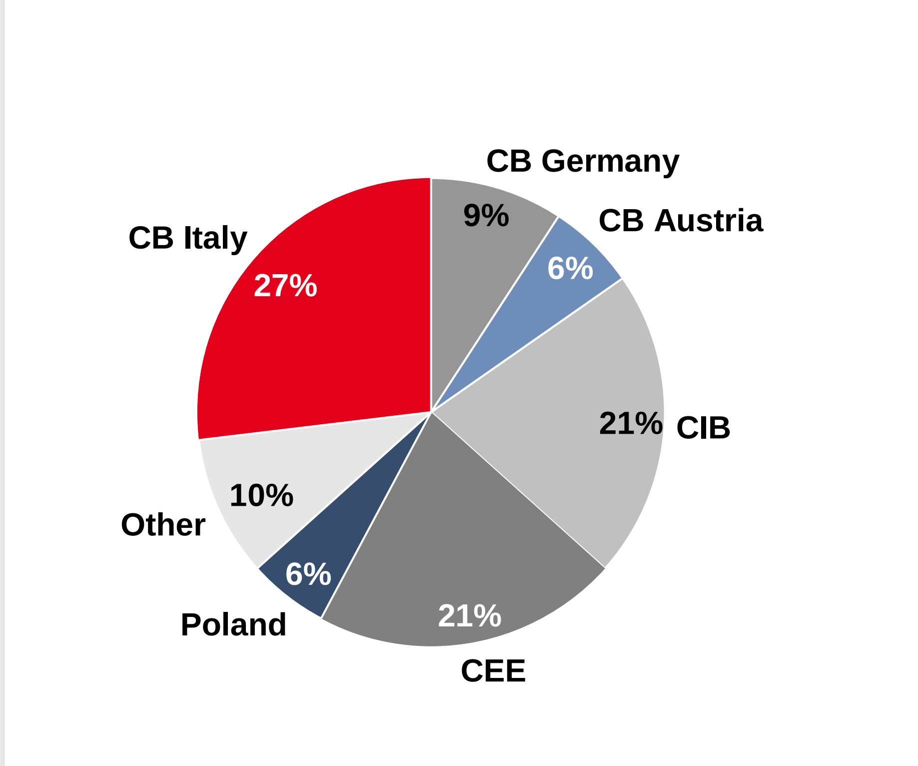
# Capital

## RWA down q/q driven by reduction in credit RWA
## Pertinence of Group's geographical diversification reconfirmed

**RWA, eop** (bln)




**RWA composition, eop** (%)



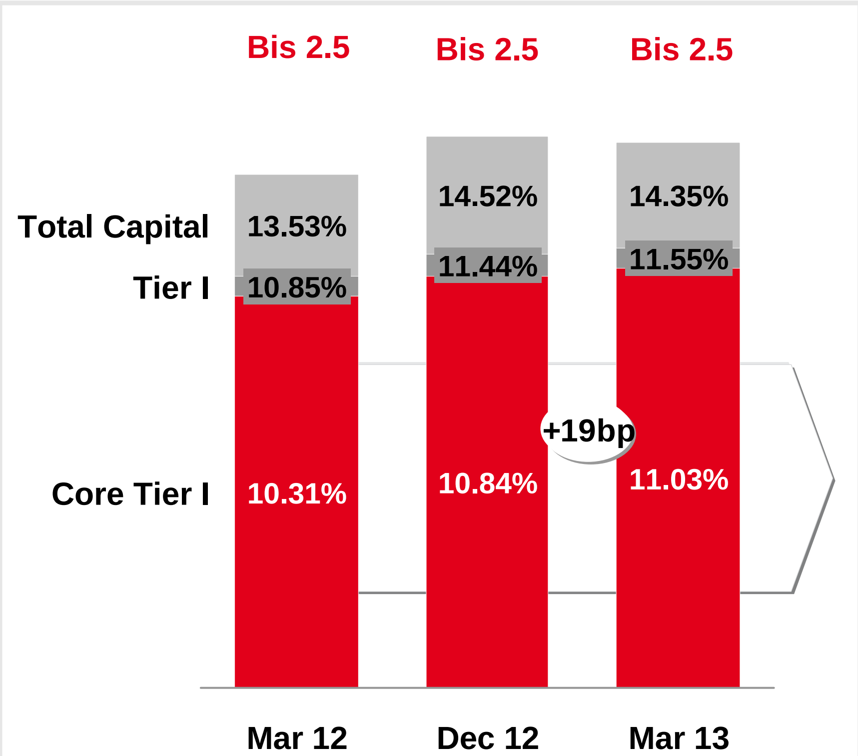

- RWA decrease related to credit RWA thanks to the ongoing optimization of CIB assets and weaker new credit demand in Italy
- The RWA breakdown on the basis of the new segment reporting highlights the diversification of the Group

[1] Bank of Italy requires that RWA calculated under the BIS 2 framework cannot exceed a certain percentage of the same RWA calculated under the previous BIS 1 framework ("the floor")

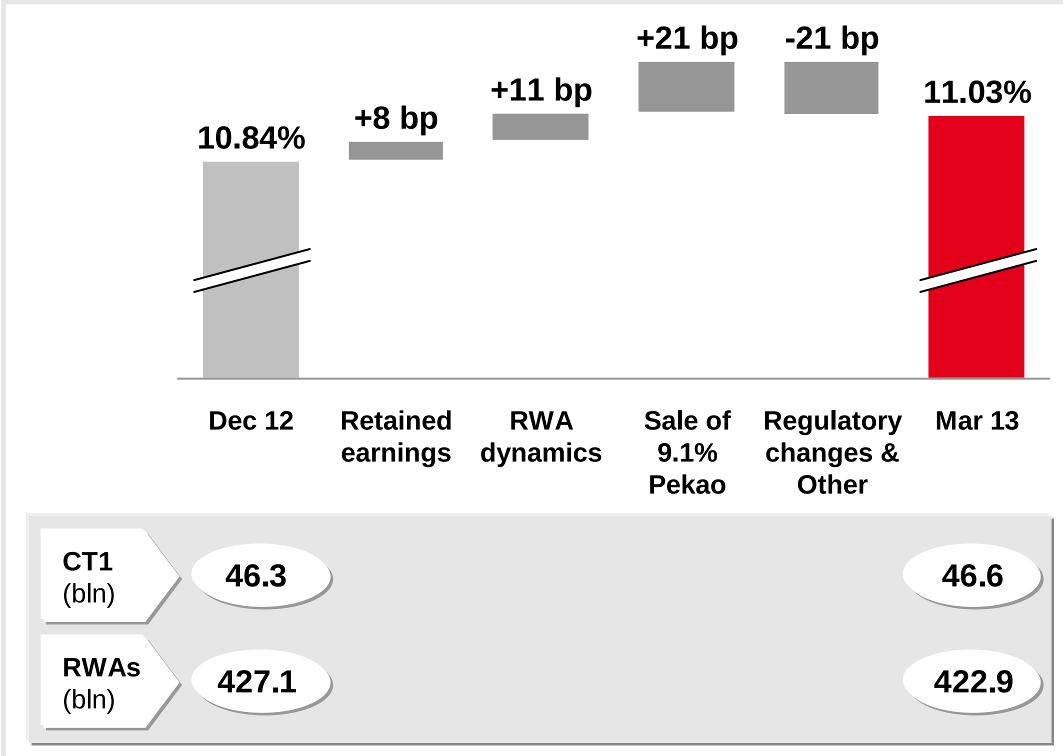
# Capital

## Strong organic capital generation in the quarter
## Sale of 9.1% Pekao fully offset the regulatory changes

### Capital ratios




### Core Tier I ratio: q/q evolution (basis points)



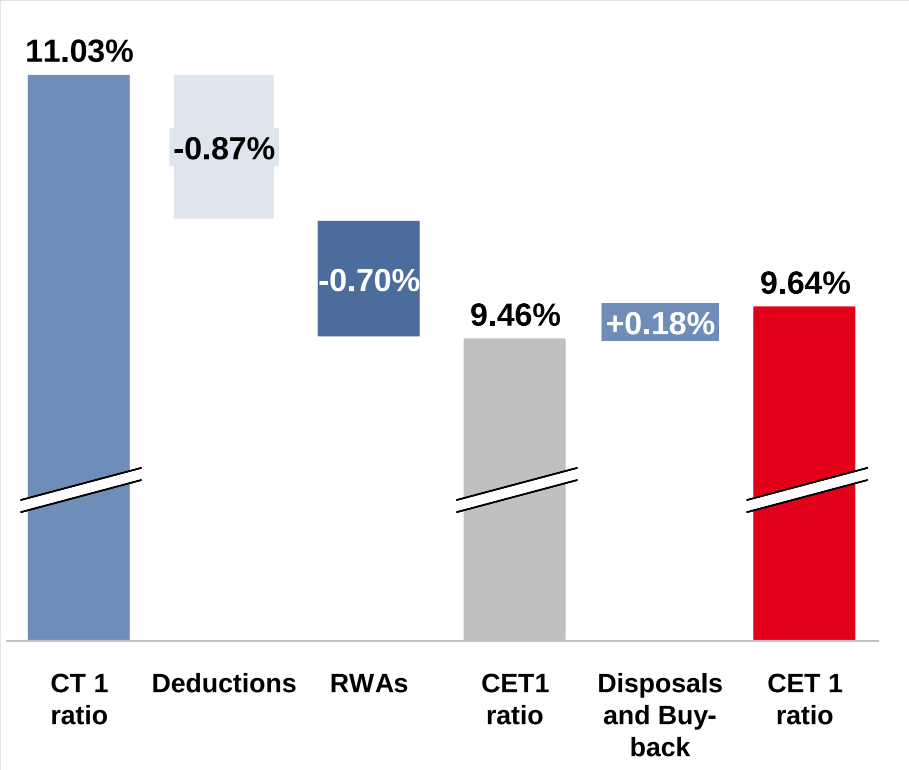

- CT1 ratio at 11.03%, +19 bps thanks to RWA dynamics and retained earnings. The sale of 9.1% shareholding in Pekao fully offset the change in regulation (since 1.1.2013 the shareholdings in insurance companies are 50% deducted from Tier 1 and 50% from Tier 2 capital), which partially anticipates Basel 3 impact
- The deal on ATF[1] will add 10 bps in 2Q13, related to the de-consolidation of RWAs, while the disposal of Yapi insurance companies will add additional 6 bps at closing. Furthermore the bond buy back will add 4 bps in 2Q13
- The capital ratios assume, for accrual purposes, a 9 cents dividend payment in line with previous year disbursement (513 mln)

(1) CT1 as at December 2012 includes a negative impact of 3 bp related to the process of disposal of ATF

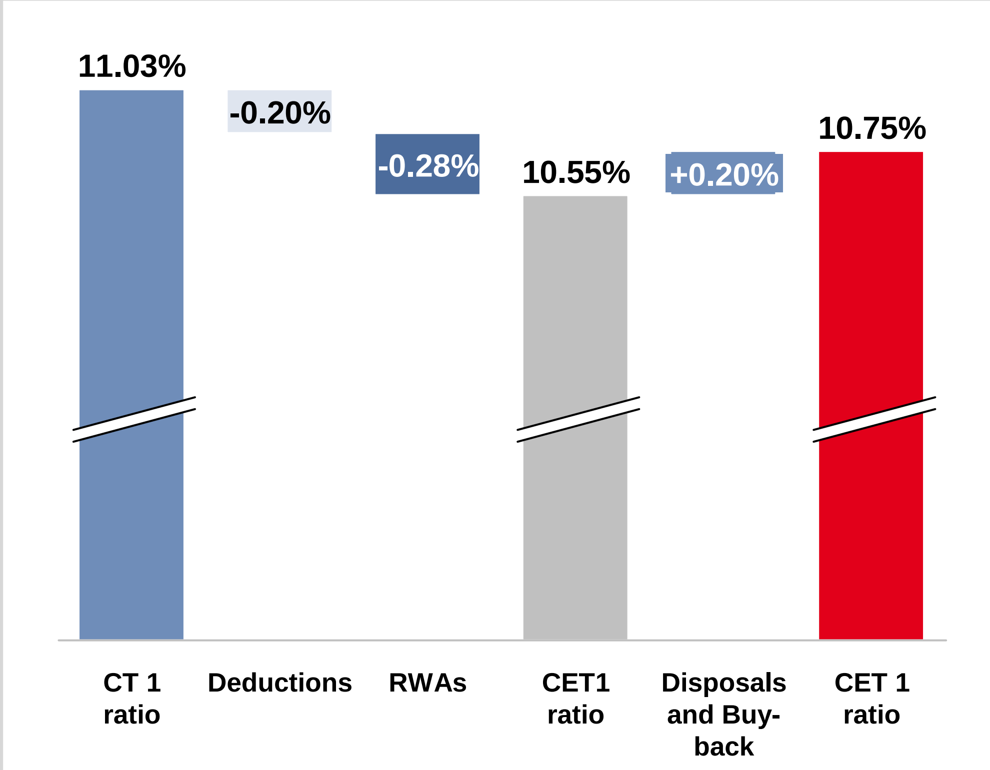
# Capital – Basel 3

Sound capital position with a 9.64% fully loaded ratio, 10.75% at the starting period of the phase in, before any earnings accrual

## CET1 ratio fully-loaded at March ‘13




## CET1 ratio - first year application (2014)




- The impact of Basel 3, is estimated at 157 bps, of which 87 bps of higher deductions, and 70 bps of higher RWAs
- The first year of application the impact of Basel 3 impact is 48 bps, leading to a CET 1 ratio of 10.55%
- The disposals already signed and the bond buy back will add 18 bps on a fully-loaded basis: the deal on ATF(1) will add 8 bps in 2Q13, related to the de-consolidation of RWAs; the disposal of Yapi insurance companies will add additional 6 bps at closing, the bond buy back will add 4 bps in 2Q13

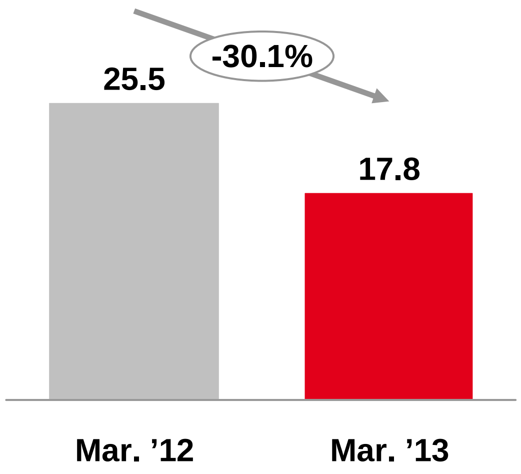
(1) CT1 as at December 2012 includes a negative impact of 3 bp related to the process of disposal of ATF

# Capital – Active management of Group asset portfolio
## Business re-focusing in CEE
## Capital optimization in CIB – run off portfolio

**Rationalization of the CEE presence**

| Exit from Kazakhstan | Sale of Yapi Kredi Sigorta | Discontinuity of banking operations in Baltics | Merger of Slovakian bank in the Czech bank | Merger of 2 banks in Ukraine | Russia: JV with Renault-Nissan |
|---|---|---|---|---|---|
| **Completed** | **Signed** | **Under implementation** | **Under implementation** | **Announced** | **Signed** |

**Capital optimization in CIB – run off portfolio** (RWA, bn)(1)




- **Reduction in CIB run off portfolio mostly driven by Markets' assets**
- **The reduction came with negligible impact on P&L**

(1) Perimeter post divisional re-organization and adjusted to exclude assets included in the Italian Optimization Portfolio



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# New Segment Reporting

## A geographical approach in the commercial banking business (69% of the Group RWAs)

| KPIs | | 2012 Cost / Income | 2012 RWA contribution | 2012 ROAC | 1Q 2013 ROAC | |
|---|---|---|---|---|---|---|
| **Commercial Bank Italy** | Households, Small Business, Corporate, Private Bank | 58% | 28% | -19% | 1% | ■ Back to profit in 1Q13, also thanks to costs (network transformation plan) and revenues (fees and lower interest expenses on deposits)<br>■ Focus on CoR reduction and multi-channel approach in households banking |
| **Commercial Bank Germany** | Households, Small Business, Corporate, Private Bank | 73% | 9% | 20% | 25% | ■ Strong corporate banking and good trading income delivering good ROAC in 2012 and 1Q13<br>■ Ongoing implementation of multi-channel approach in households banking |
| **Commercial Bank Austria** | Households, Small Business, Corporate, Private Bank | 84% | 6% | -10% | -3% (1) | ■ ROAC impacted by high cost/income but improving in 1Q13<br>■ Ongoing implementation of multi-channel approach in households banking |
| **Poland** | Pekao Group | 46% | 6% | 32% | 29% | ■ Outstanding ROAC and high cost efficiency<br>■ Resilient top line, macro environment pressure to be tackled by increasing commercial effectiveness and higher efficiency |
| **CEE** | Banks in 14 countries | 45% | 20% | 18% | 16% | ■ Good ROAC slightly affected in 1Q13 by top line pressure in some markets<br>■ Ongoing rationalization of country presence |

(1) Normalized for Swiss legal case



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# New Segment Reporting
## "Global" businesses in CIB, AM and AG

| KPIs | | 2012 | | | 1Q 2013 | |
|---|---|---|---|---|---|---|
| | | Cost / Income | Weight RWA | ROAC | ROAC | |
| **CIB** | Large and Multinational Corporates Investment Bank | 39% | 21% | 8% | 17% | ■ Large part of the business client oriented, with the bulk of reorganization completed in 2012<br>■ Material ROAC increase in 2013 following coverage enhancement in 2012 |
| **Asset Gathering** | Fineco DAB DAT | 55% | 1% | 66% | 47% | ■ High growth business delivering 2.1 bn net inflows in 1Q13 and acceleration of new clients acquisition (+40K)<br>■ TFA base of over 71 bn with high ROAC |
| **Asset Management** | Pioneer Group | 68% | 0% | 37% | 65% | ■ Strategic plan leveraging on enhancement of non captive channels under implementation already delivering results with ca. 3 bn net inflows<br>■ Significant ROAC improvement |



UniCredit

# Agenda

- Introduction & Strategy
- Consolidated Results 1Q13
- **Annex**

# P&L

## UniCredit net profit at 449 mln in 1Q13

| | 1Q12 | 4Q12 | 1Q13 | q/q % | y/y % |
|---|---|---|---|---|---|
| **Total Revenues** | 7,110 | 5,799 | 6,080 | 4.9% | -14.5% |
| **Operating Costs** | -3,831 | -3,685 | -3,760 | 2.1% | -1.8% |
| **Gross Operating Profit** | 3,279 | 2,114 | 2,320 | 9.7% | -29.3% |
| **Net Write-downs on Loans** | -1,357 | -4,608 | -1,231 | -73.3% | -9.3% |
| **Net Operating Profit** | 1,922 | -2,495 | 1,089 | n.m. | -43.3% |
| **Other Non Operating items**(1) | -46 | -426 | -92 | n.m. | 100.9% |
| **Income tax** | -744 | 2,721 | -374 | n.m. | -49.7% |
| **Profit (Loss) from non-current assets held for sale, after tax** | -4 | -154 | 8 | n.m. | n.m. |
| **Minorities** | -98 | -72 | -84 | 17.4% | -14.0% |
| **PPA and goodwill impairment** | -117 | -127 | -98 | -22.6% | -16.2% |
| **Group Net Income** | 914 | -553 | 449 | n.m. | -50.9% |

The items 100b ("Gains and losses on disposal of available-for-sale financial assets") and 100c ("Gains and losses on disposal of held-to-maturity financial assets") have been re-classified into the item "Net trading income". Previously, these two items were included in the item Net income from investments in the Condensed Income Statement

(1) Provisions for Risks & Charges (1Q13: -110 mln), Profits from Investments (1Q13: 21 mln) and Integration Costs (1Q13: -3 mln)

# UniCredit Ratings Overview

UniCredit's excellent diversification is a key rating strength, but the tough operating environment and Eurozone sovereign crisis are key concerns – UC SpA is currently constrained by Italy's ratings, but German and Austrian subsidiaries are rated higher

| Agency | Ratings | | Comments |
|---|---|---|---|
| STANDARD & POOR'S | **LT/ST** | BBB+/A-2 | ▪ Key drivers: **sovereign risk and economic & banking industry conditions** plus asset quality and profitability<br>▪ S&P states: "**Diversification** is significantly helping to limit deterioration in profitability and asset quality at group level"<br>▪ The UC SpA rating is capped at Italy's BBB+/A2 due to S&P's methodology<br>▪ As a particular case among European banks, SP's rates the "core " subsidiaries UC Bank AG and UC Bank Austria at the higher A/A1 |
| | **Outlook** | Neg | |
| | **Stand-alone** | bbb+ | |
| | **Lower Tier II** | BBB | |
| | **Upper Tier II** | BBB- | |
| | **Tier I** | BB+ | |
| | **Italy** | BBB+ | |
| Moody's | **LT/ST** | Baa2/P-2 | ▪ Key drivers: **operating environment and Eurozone crisis**, weak profitability and asset quality, restricted market funding access<br>▪ Moody's views our "...**well diversified activities both by business line and geography**" as a key rating strength<br>▪ UC SpA downgraded twice as part of a broader European review (14th May ) and following Italy's downgrade to 'Baa2' (from 'A3') on the 13th July |
| | **Outlook** | Neg | |
| | **Stand-alone** | Baa2 | |
| | **Lower Tier II** | Baa3 | |
| | **Upper Tier II** | Ba1 | |
| | **Tier I** | Ba2 | |
| | **Italy** | Baa2 | |
| FitchRatings | **LT/ST** | BBB+/F2 | ▪ Key drivers: **Eurozone financial debt crisis, asset quality** and execution risk of strategic plan<br>▪ Fitch highlights that "the bank's **considerable geographical risk and revenue diversification**"<br>▪ Fitch stated that **UC SpA could potentially be rated one notch higher than Italy** |
| | **Outlook** | Neg | |
| | **Stand-alone** | bbb+ | |
| | **Lower Tier II** | BBB | |
| | **Upper Tier II** | BB+ | |
| | **Tier I** | BB | |
| | **Italy** | BBB+ | |