

**GROUP NET PROFIT AT €403 M IN 2Q14 AND AT €1.1 BN IN 1H14 (+37.8% H/H)**

**NET PROFIT REACHES €618 M IN 2Q14 AND €1.3 BN IN 1H14 (+64.4% H/H) EXCLUDING THE REVISED TAX CHARGE ON THE VALUATION OF THE STAKE IN BANCA D'ITALIA**

**SOLID BALANCE SHEET WITH CET1 RATIO FULLY LOADED IMPROVING TO 10.4% AND SOUND LEVERAGE RATIO BASEL 3 FULLY LOADED: 4.7%, AMONG THE BEST IN EUROPE**

**GROUP ASSET QUALITY KEEPS IMPROVING WITH GROSS IMPAIRED LOANS DOWN AT €82.4 BN AND COVERAGE RATIO ABOVE 51% IN LINE WITH BEST EUROPEAN PEERS**

**2Q14 CORE BANK NET PROFIT AT €1 BN (€2 BN IN 1H14) WITH HIGH QUALITY REVENUE MIX**

**COMMERCIAL BANK ITALY NET PROFIT AT €0.6 BN IN 2Q14 (+16.6% Q/Q) WITH €3.1 BN NEW MEDIUM-LONG TERM LOANS GRANTED IN 2Q14 (+13.3% Q/Q) FOR A TOTAL OF €6 BN IN 1H14 (+52.3% H/H)**

**CEE & POLAND KEY CONTRIBUTORS TO GROUP RESULTS WITH €0.4 BN NET PROFIT IN 2Q14 (+14.1% Q/Q)**

**NON-CORE GROSS LOANS FURTHER DOWN BY €2.6 BN IN 2Q14 (-3.1% Q/Q AND -9.5% H/H)**

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Another strong quarterly performance with 2Q14 net profit of €403 m leading to a 1H14 net profit of €1.1 bn. Adjusted for the revised tax charge on the valuation of the stake in Banca d'Italia, net profit 2Q14 and 1H14 reach €618 m and over €1.3 bn respectively with an annualised RoTE<sup>1</sup> of 6.5%.

Significant strengthening of regulatory capital ratios, pro-forma for Fineco IPO and for the sale of DAB, with CET1 ratio fully loaded<sup>2</sup> increasing to 10.4% and CET1 ratio transitional to 10.8% thanks to RWA reduction, retained earnings and scrip dividend. Total capital ratio transitional at 15.0%.

Solid balance sheet confirmed with a sound leverage ratio Basel 3 fully loaded at 4.7%, amongst the best in Europe. Funding gap at €24.4 bn (-€6.3 bn Q/Q).

Group asset quality keeps improving with gross impaired loans decreasing to €82.4 bn. The coverage ratio remains high at 51.2% despite the sale of over 1.3 bn vintage NPLs reducing the coverage ratio by c. 65bps. The stock of Italian gross impaired loans of UniCredit decreases in 1H14 and displays a significantly lower yearly growth rate compared to Italian banks' average.

The Core Bank posts a net profit<sup>3</sup> of €1.0 bn also in 2Q14, reaching €2.0 bn as of 1H14 (+7.1% H/H) thanks to growing revenues (+2.9% Q/Q) and declining costs (-2.1% Q/Q). Commercial Bank Italy is the largest contributor to Core Bank's net profit, followed by CEE & Poland and CIB.

Positive trends registered in 1Q14 are confirmed in 2Q14 resulting in the high quality of the Core Bank's revenue mix: net interest income increases (+3.3% Q/Q, +5.9% Y/Y), mainly thanks to the re-pricing of deposits, and fees are also higher (+3.3% Q/Q, +8.5% Y/Y) across all business segments.

Strong revamp in new medium-long term lending volumes in Italy with €3.1 bn in 2Q14 (+13.3% Q/Q) for a total of c. €6 bn granted in 1H14 mainly driven by household mortgages (+146.2% H/H) and corporate loans (+62.5% H/H).

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<sup>1</sup> RoTE = net profit/ tangible equity. Tangible equity net of €0.9 bn Additional Tier 1 and annualized net profit.

<sup>2</sup> CET1 ratio fully loaded estimated pro-forma on the basis of understanding of the regulatory framework which will be in force starting from 2019, hence anticipating all the effects that will gradually be factored in.

<sup>3</sup> Core Bank's net profit does not include the revised tax charge on the valuation of the stake in Banca d'Italia (€215 m).

All divisions positively contributed to Core Bank's results: Commercial Bank Italy's net profit amounts to €0.6 bn thanks to higher revenues (+1.3% Q/Q) and cost reduction (-5.0% Q/Q); CEE & Poland post a net profit of €0.4 bn (+14.1% Q/Q at constant FX) thanks to the positive performance achieved in all key markets; CIB's net profit stands at €0.2 bn (-45.4% Q/Q) mainly affected by valuation adjustments impacting trading profit. Adjusted for such negative items, CIB's revenues are up Q/Q; Asset Management and Asset Gathering confirmed the positive performance of 1Q14, posting €47 m net profit with €185.5 bn AUM (+3.4% Q/Q) and €40 m net profit with €82.0 bn TFA (+3.6% Q/Q) respectively.

Non-Core portfolio run-down on track, with gross loans at €81.0 bn (-€2.6 bn Q/Q and -€8.5 bn Y/Y).

The Board of Directors of UniCredit approved 1H14 results on August 5<sup>th</sup>. Federico Ghizzoni, CEO of UniCredit commented: *"The positive results achieved in this quarter confirm the Group's strong performance, despite the uncertain macroeconomic environment. These results bring us closer to our target of c. €2 bn net profit for 2014, which is now more challenging in light of the revised tax charge on the valuation of the stake in Banca d'Italia, not included in our projections. UniCredit confirms itself as one of the most solid banks in Europe: our CET1 ratio fully loaded increases to 10.4% and our leverage ratio Basel 3 fully loaded stands at 4.7%. Geographical diversification remains one of our key strengths. Italy displays increasing profitability and new loan origination increases by over 50% versus first half 2013, confirming our commitment to support the real economy."*

## 2Q14 KEY FINANCIAL DATA

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### GROUP

- **Net profit:** €403 m (€618 m and 5.9% RoTE excluding taxes on the stake in Banca d'Italia)
- **Revenues:** €5.7 bn net of tender offers' proceeds<sup>4</sup> (+1.9% Q/Q, -2.8% Y/Y)
- **Total costs:** €3.4 bn (-2.7% Q/Q, -2.0% Y/Y)
- **AQ:** LLP at €1.0 bn (+19.7% Q/Q, -34.5% Y/Y), coverage ratio 51.2%, net impaired loan ratio 8.4%
- **Capital adequacy<sup>5</sup>:** CET1 ratio fully loaded 10.4%; CET1 ratio transitional at 10.8%; Tier 1 ratio 11.3%

### CORE BANK

- **Net profit:** €1.0 bn (-2.6% Q/Q, +1.1% Y/Y)
- **Revenues:** €5.6 bn net of tender offers' proceeds<sup>4</sup> (+2.9% Q/Q, +0.1% Y/Y)
- **Total costs:** €3.3 bn (-2.1% Q/Q, -2.7% Y/Y) with a cost/ income<sup>4</sup> ratio of 58%
- **AQ:** LLP at €0.6 bn (+15.3% Q/Q, -1.4% Y/Y), cost of risk at 56bps

## 1H14 KEY FINANCIAL DATA

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### GROUP

- **Net profit:** €1.1 bn (€1.3 m and 6.5% RoTE excluding taxes on the stake in Banca d'Italia)
- **Revenues:** €11.3 bn net of tender offers' proceeds<sup>4</sup> (-3.2% H/H)
- **Total costs:** €6.9 bn (-1.9% H/H)
- **AQ:** LLP at €1.8 bn (-31.9% H/H)

### CORE BANK

- **Net profit:** €2.0 bn (+7.1% H/H)
- **Revenues:** €11.1 bn net of tender offers' proceeds<sup>4</sup> (-0.7% H/H)
- **Total costs:** €6.6 bn (-2.3% H/H) with a cost/ income<sup>4</sup> ratio of 59%
- **AQ:** LLP at €1.1 (-1.4% H/H); cost of risk at 52bps

<sup>4</sup> Gross proceeds from the tender offers (buy-back) on debt securities amounting to €254 m in 2Q13 and to €49 m in 2Q14.

<sup>5</sup> CET 1 ratio fully loaded and CET1 ratio transitional pro-forma for Fineco IPO and for the sale of DAB (+25bps).

## UNICREDIT GROUP - 2Q14 HIGHLIGHTS

**Net profit** at €403 m leading to a 1H14 net profit of €1.1 bn (+37.8% H/H). Adjusted for the revised tax charge on the valuation of the stake in Banca d'Italia, net profit 2Q14 and 1H14 reaches €618 m and €1.3 bn (+64.4% H/H) respectively with an **annualised RoTE**<sup>6</sup> of 6.5%.

**Total assets** broadly stable at €839 bn, as the growth in financial investments (+€6.3 bn Q/Q) and in financial assets held for trading (+€4.7 bn Q/Q) compensates lower loans to banks (-€3.1 bn Q/Q) and lower loans to institutional and market counterparts (-€7.6 bn Q/Q).

**Tangible equity** increases to €43.5 bn (+3.4% Q/Q) thanks to the contribution of €0.9 bn Additional Tier 1 and net profit generated in the period.

**RWA/ total assets** stands at 47.5%, still a relatively high level compared to European peers.

**Funding gap** further shrinking to €24.4 bn at Group level (improving by €39.2 bn Y/Y) and at €15.2 bn for Italy (improving by €23.2 bn Y/Y).

**Asset quality** dynamics confirm the positive trends registered in 1Q14 with gross impaired loans decreasing for the second quarter in a row to €82.4 bn (-0.1% Q/Q). Coverage ratio stands at a sound level of 51.2% despite the sale of vintage NPL portfolios<sup>7</sup>. NPLs slightly up to €49.6 bn (+0.6% Q/Q) with a strong coverage ratio of 61.1%. Other impaired loans decline to €32.8 bn (-1.2% Q/Q) with a coverage ratio of 36.3%.

**CET1 ratio fully loaded**<sup>2</sup> reaches 10.4%, pro-forma for Fineco IPO and for the sale of DAB (+25bps). Such significant strengthening has been achieved thanks to RWA reduction<sup>8</sup> (+42bps), increase in AFS and FX reserve (+18bps), scrip dividend (+9bps) and retained earnings<sup>9</sup> (+6bps). **CET1 ratio transitional** pro-forma stands at 10.8%.

**Tier 1 ratio** and **total capital ratio transitional** stand at 11.3% and 15.0% respectively, including €0.9 bn Additional Tier 1.

**Leverage ratio Basel 3 fully loaded** at 4.7% among the best in Europe, confirming the high solidity of UniCredit's balance sheet.

**Funding plan** 2014 executed for 53%. As of today, UniCredit has repaid €17.1 bn of LTRO, of which €10 bn in 2Q14. The remainder €9 bn will be gradually reimbursed. Funding plan 2014 is currently under review in light of capital markets' conditions and the liquidity effects connected with the new ECB facilities.

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<sup>6</sup> RoTE = Net profit/ Tangible equity. Tangible equity net of €0.9 bn Additional Tier 1 ("AT1") and annualized net profit.

<sup>7</sup> In 2Q14, UniCredit completed the sale of vintage NPL portfolios with total gross book value of €1.3 bn.

<sup>8</sup> RWA reduction mainly achieved thanks to the optimization allowed by regulatory change to market and operational RWA calculation and diversification related benefits.

<sup>9</sup> Interim net profit after dividend accrual assumed at 10 €cents in line with the previous year.

## CORE BANK - 2Q14 RESULTS

**Net profit** at €1.0 bn<sup>10</sup> (-2.6% Q/Q, +1.1% Y/Y) in 2Q14. Main contributors are: Commercial Bank Italy with €574 m (+16.6% Q/Q and 33% RoAC), CEE & Poland with €392 m (+14.1% Q/Q at constant FX and 19% RoAC) and CIB with €213 m (-45.4% Q/Q and over 12% RoAC). Net profit reached €2.0 bn as of 1H14 (+7.1% H/H) leading to a **risk adjusted profitability** (RoAC<sup>11</sup>) of 11.1%.

**Net operating profit** net of tender offers' proceeds<sup>12</sup> strongly up at €1.8 bn (+9.1% Q/Q, +6.4% Y/Y) as growing revenues and declining costs more than compensate the increase in LLP. Net operating profit totalled €3.4 bn as of 1H14 (+2.8% H/H).

**Revenues** net of tender offers' proceeds<sup>12</sup> increase to above €5.6 bn (+2.9% Q/Q, flat Y/Y) and display a high quality mix. Key contributors to such revenue growth are: Commercial Bank Italy with €2.1 bn (+1.3% Q/Q, +7.6% Y/Y), CEE & Poland with over €1.4 bn (+9.1% Q/Q, flat Y/Y) and Commercial Bank Austria with €0.4 bn (+13.4% Q/Q, +10.4% Y/Y).

**Net interest income** increases to €3.1 bn reaching €6.2 bn as of 1H14 (+3.3% Q/Q, +5.9% Y/Y and +4.7% H/H) as the re-pricing of deposits offsets the subdued dynamics on the lending side.

**Customer loans** decrease slightly to €426.2 bn (-1.5% Q/Q) mainly due to Institutional and Market Counterparts (-15.6% Q/Q). Commercial loans held up well in 2Q14, increasing by €1.3 bn mostly driven by CEE & Poland.

**New medium-long term lending flows in Italy** confirm the positive trend registered in the past quarters, with €3.1 bn new loans granted in 2Q14 (+18.5% Q/Q). Total new lending in 1H14 reached €5.9 bn (+52.3% H/H) driven by household mortgages (+146.2% H/H) and corporate loans (+62.5% H/H).

**Direct funding**<sup>13</sup> slightly down to €450.3 bn (-0.3% Q/Q) mainly as effect of the tender offer of network bonds<sup>14</sup> in Italy executed in 2Q14 for €2.5 bn and despite the positive trend registered in CEE & Poland and CIB.

**Fees and commissions** increase to €1.9 bn (+3.3% Q/Q, +8.5% Y/Y), in excess of €3.7 bn as of 1H14 (+4.9% H/H) thanks to the strong growth registered in all components: investment services fees amount to €841 m (+1.9% Q/Q, +10.5% Y/Y) confirming the rebound in asset under management and bancassurance products demand registered in 1Q14; financing services fees amount to €462 m (+5.2% Q/Q, +9.4% Y/Y) driven by credit related fees in CIB; transactional banking fees amount to €585 m (+4.0% Q/Q, +4.9% Y/Y).

**Dividends and other income**<sup>15</sup> amount to €309 m (+107.6% Q/Q, +2.2% Y/Y) mainly thanks to Yapi Kredi's<sup>16</sup> strong quarterly performance (€86 m vs. €50 m in 1Q14) and to the higher dividends received on the stake in Banca d'Italia (€84m vs. €15m in 2Q13).

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<sup>10</sup> Core Bank's net profit and taxes do not include the revised tax charge on the valuation of the stake in Banca d'Italia (€215 m).

<sup>11</sup> RoAC = net profit/allocated capital. Allocated capital is calculated as 9% of RWAs, including deductions for shortfall and securitisations.

<sup>12</sup> Gross proceeds from the tender offers (buy-back) on debt securities amounting to €254 m in 2Q13 and to €49 m in 2Q14.

<sup>13</sup> Direct funding defined as the sum of customer deposits and customer securities.

<sup>14</sup> Network bonds comprise the securities placed both through UniCredit commercial network and 3<sup>rd</sup> party networks.

<sup>15</sup> Including net other expenses/income.

**Trading income** net of tender offers' proceeds<sup>12</sup> decreases to €314 m (-34.2% Q/Q, -50.6% Y/Y) mostly affected by c. €120 m credit adjustments for counterparty risk in CIB.

**Total costs** further down to €3.3 bn (-2.1% Q/Q, -2.7% Y/Y) reaching €6.6 bn as of 1H14 (-2.3% H/H) in line with the Group's cost reduction targets. Staff expenses reach €2.0 bn (-3.9% Q/Q, -5.0% Y/Y) while other administrative expenses and depreciation and amortization remain broadly stable in the quarter. Cost/income ratio, net of tender offers' proceeds<sup>12</sup>, decreases to 58% (vs. 61% in 1Q14). Commercial Bank Italy displays a sound cost/income ratio, net of tender offers' proceeds<sup>12</sup>, of 46%.

**Loan loss provisions (LLP)** at €603 m, showing seasonal growth Q/Q while reducing Y/Y (+15.3% Q/Q, -1.4% Y/Y) reaching €1.1 bn as of 1H14 (-1.4% H/H). Cost of risk in CEE stands at 119bps (+13bps Q/Q, -28bps Y/Y), in CIB at 43bps (+43bps Q/Q, -26bps Y/Y), in Commercial Bank Italy at 90bps (+5bps Q/Q, +22bps Y/Y) and in Asset Gathering at 49bps (+26bps Q/Q, +18bps Y/Y), resulting in a total cost of risk for the Core Bank of 56bps (+8bps Q/Q, +1bp Y/Y).

**Risk and charges** amount to €148 m, including c. €30 m booked in Hungary as a result of the new law establishing the abolition of the bid/offer spreads applied to retail foreign-currency loans. **Restructuring costs** amount to €25 m and **profit from investments** stands at €42 m, including €132 m capital gain from the disposal of the stake in SIA.

**Income taxes**<sup>10</sup> amount to €518 m, comprising c. €117 m one-off impact from DTA write-off following the reduction of IRAP tax rate which will translate into a lower tax charge on a running basis going forward. Consequently, effective tax rate lands at approximately 31%.

## NON-CORE - 2Q14 RESULTS

**Gross customer loans** shrink to €81.0 bn (-€2.6 bn or -3.1% Q/Q and -€8.5 bn or -9.5% Y/Y), of which c. 30% or €25.2 bn performing and c. 70% or €55.8 bn impaired loans.

**Gross impaired loans** decrease by €1.3 bn (-2.3% Q/Q) confirming the trend registered in 1Q14. Coverage ratio remains sound at 52.1%. NPLs amount to €35.3 bn, slightly down Q/Q and covered at 61.4%.

**Net result** strongly improving Y/Y and equal to -€370 m as of 2Q14 affected by lower revenues (€38 m, -58.4% Q/Q) and by increasing LLP (€400 m, +26.9% Q/Q) only partially compensated by cost reduction (€146 m, -15.0% Q/Q).

## DIVISIONAL HIGHLIGHTS - 2Q14 RESULTS

**Commercial Bank Italy.** With a net profit at €0.6 bn (+16.6% Q/Q, +28.0% Y/Y) and 33% RoAC, Commercial Bank Italy is top performer among divisions for the second quarter in a row. Revenues improve (+1.3% Q/Q) and costs register a significant reduction (-5.0% Q/Q) in line with the Strategic Plan targets.

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<sup>16</sup> Starting from 1<sup>st</sup> January 2014, following the introduction of IFRS 11 the former proportional consolidation has been ruled out and Koç/ Yapi Kredi Group (Turkey) is now valued according to the equity method. Consequently, the net profit Koç/ Yapi Kredi Group is booked as dividend and other income. Previous quarters have been restated accordingly.

**CEE & Poland** with a net profit of €0.4 bn (+14.1% Q/Q at constant FX and 19% RoAC) confirm their role as key contributor to Group result. Leveraging on their strong competitive positioning, the banks in Turkey, Russia, Poland and Czech Republic & Slovakia post a solid quarterly performance and jointly represent c. 80% of total net profit of CEE & Poland division in 1H14.

**CIB.** Net profit at €0.2 bn and over 12% RoAC as the positive commercial performance of GTB and F&A<sup>17</sup> is partly offset by valuation adjustments impacting trading profit. Adjusted for such negative item, CIB's revenues are up Q/Q. Client focus and commercial actions in such a challenging environment and increased competition allow CIB to defend and improve market positioning: #1 All EMEA Bonds (#4 in June 2013), #3 All EMEA Loans (#4 in March 2014, #5 in June 2013)<sup>18</sup>.

## RATINGS

	MEDIUM AND LONG-TERM	OUTLOOK	SHORT-TERM DEBT	STANDALONE RATING
Standard & Poor's	BBB	NEGATIVE	A-2	bbb
Moody's Investors Service	Baa2	NEGATIVE	P-2	D+/ba1
Fitch Ratings	BBB+	NEGATIVE	F2	bbb+

**S&P** affirmed all the ratings including the 'BBB/A-2' long-term and short-term ratings with the existing negative outlook on the 24th of March 2014.

**Moody's** on the 29th of May changed the outlook on 82 European banks including UniCredit SpA (from stable to negative) as the rating agency is reviewing its systemic support assumptions.

**Fitch's** ratings reaffirmed on the 13th of May at 'BBB+/F2' with the existing negative outlook.

<sup>17</sup> Global Transaction Banking and Finance & Advisory.

<sup>18</sup> Source: Dealogic.



Attached are the Group's key figures, the consolidated balance sheet and income statement, the quarterly evolution of the consolidated income statement and balance sheet, the first half 2014 income statement comparison for the Core Bank and for the Non-Core.

*Declaration by the Senior Manager in charge of drawing up company accounts*

The undersigned, Marina Natale, in her capacity as the senior manager in charge of drawing up UniCredit S.p.A.'s company accounts

DECLARES

pursuant to Article 154 bis of the 'Uniform Financial Services Act' that the accounting information relating to the Consolidated First Half Financial Report as at June 30<sup>th</sup>, 2014 as reported in this press release corresponds to the underlying documentary reports, books of account and accounting entries.

**Nominated Official in charge of  
drawing up Company Accounts**



Milan, August 5<sup>th</sup> 2014

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**UNICREDIT 2Q14 GROUP RESULTS - DETAILS OF CONFERENCE CALL**

**MILAN, AUGUST 5<sup>TH</sup> 2014 – 15.00 CEST**

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**CONFERENCE CALL DIAL IN**

**ITALY: +39 02 805 88 11**

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THE **CONFERENCE CALL** WILL ALSO BE **AVAILABLE VIA LIVE AUDIO WEBCAST AT**

<https://www.unicreditgroup.eu/group-results>, WHERE THE SLIDES WILL BE DOWNLOADABLE

**UNICREDIT GROUP: INCOME STATEMENT**

(€ million)	1H13	1H14	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14
Net interest	6,132	6,256	3,057	3,075	3,032	3,139	3,077	3,179
Dividends and other income from equity investments	408	370	144	264	362	191	104	266
Net fees and commissions	3,713	3,836	1,892	1,822	1,794	1,853	1,890	1,947
Net trading, hedging and fair value income	1,540	831	638	902	372	593	472	359
Net other expenses/income	91	19	54	36	102	(6)	36	(17)
<b>OPERATING INCOME</b>	<b>11,884</b>	<b>11,312</b>	<b>5,785</b>	<b>6,099</b>	<b>5,662</b>	<b>5,770</b>	<b>5,578</b>	<b>5,733</b>
Staff expenses	(4,249)	(4,089)	(2,142)	(2,107)	(2,080)	(2,045)	(2,087)	(2,002)
Other administrative expenses	(2,641)	(2,818)	(1,325)	(1,316)	(1,281)	(1,434)	(1,399)	(1,419)
Recovery of expenses	340	417	146	193	165	212	191	226
Amortisation, depreciation and impairment losses on intangible and tangible assets	(509)	(437)	(255)	(254)	(251)	(479)	(216)	(221)
<b>Operating costs</b>	<b>(7,060)</b>	<b>(6,926)</b>	<b>(3,576)</b>	<b>(3,484)</b>	<b>(3,448)</b>	<b>(3,746)</b>	<b>(3,510)</b>	<b>(3,416)</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>4,824</b>	<b>4,385</b>	<b>2,209</b>	<b>2,615</b>	<b>2,215</b>	<b>2,024</b>	<b>2,068</b>	<b>2,317</b>
Net write-downs on loans and provisions for guarantees and commitments	(2,704)	(1,842)	(1,173)	(1,532)	(1,482)	(9,295)	(838)	(1,003)
<b>NET OPERATING PROFIT (LOSS)</b>	<b>2,120</b>	<b>2,543</b>	<b>1,037</b>	<b>1,083</b>	<b>733</b>	<b>(7,271)</b>	<b>1,230</b>	<b>1,314</b>
Provisions for risks and charges	(274)	(157)	(99)	(175)	(170)	(525)	(14)	(143)
Integration costs	(12)	(44)	(3)	(9)	(16)	(699)	(4)	(40)
Net income from investments	2	102	20	(19)	(22)	912	62	40
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>1,836</b>	<b>2,446</b>	<b>955</b>	<b>881</b>	<b>526</b>	<b>(7,582)</b>	<b>1,275</b>	<b>1,171</b>
Income tax for the period	(627)	(991)	(348)	(279)	(128)	2,471	(408)	(582)
Profit (Loss) from non-current assets held for sale, after tax	(16)	(22)	24	(40)	9	(632)	3	(26)
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>1,194</b>	<b>1,433</b>	<b>631</b>	<b>563</b>	<b>407</b>	<b>(5,743)</b>	<b>870</b>	<b>563</b>
Minorities	(186)	(172)	(84)	(102)	(105)	(90)	(83)	(89)
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA</b>	<b>1,007</b>	<b>1,261</b>	<b>547</b>	<b>461</b>	<b>302</b>	<b>(5,833)</b>	<b>787</b>	<b>474</b>
Purchase Price Allocation effect	(197)	(145)	(98)	(99)	(98)	(1,378)	(74)	(71)
Goodwill impairment	-	-	-	-	0	(7,767)	-	-
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP</b>	<b>809.91</b>	<b>1,115.69</b>	<b>449</b>	<b>361</b>	<b>204</b>	<b>(14,979)</b>	<b>712</b>	<b>403</b>

**Note:** As from the first quarter of 2014, the results of the few industrial companies consolidated line by line will be fully abridged as net profit in the line "Net Other Expenses/Income" in order to focus the P&L lines on the pure banking activities. The previous periods were restated accordingly. For further information see the Prefatory Note to the Consolidated First Half Financial Report. In addition, please note that comparative figures for each quarter of 2013 were also restated following the introduction of IFRS 10 and IFRS 11. For further details see Part A Section 5, Other Matters section of Consolidated First Half Financial Report.

**UNICREDIT GROUP: EPS EVOLUTION**

	1Q13	1H13	3Q13	FY13	1Q14	1H14
Group net profit (€m) <sup>1</sup>	449	774	943	(14,070)	677	1,080
<b>N. of outstanding shares</b>						
-at period end	5,791,586,017	5,791,586,017	5,791,586,017	5,791,586,017	5,800,084,357	5,865,730,863
-shares cum dividend	5,694,829,611	5,694,829,611	5,694,829,611	5,694,829,611	5,703,327,951	5,768,974,457
of which: savings shares	2,423,898	2,423,898	2,423,898	2,423,898	2,423,898	2,449,313
Avg. no. of outstanding shares <sup>2</sup>	5,693,128,235	5,693,983,623	5,694,268,718	5,694,410,094	5,696,885,385	5,708,947,128
Avg. no. of potential dilutive shares	-	21,324,162	-	27,109,723	-	27,477,294
Avg. no. of diluted shares	5,702,918,190	5,715,307,785	5,704,058,673	5,721,519,817	5,724,178,893	5,736,424,422
EPS (€) - annualised	0.08	0.14	0.17	(2.47)	0.12	0.19
Diluted EPS (€) - annualised	-	0.14	-	(2.46)	-	0.19

**Notes:** 1. Adjusted for CASHES coupon. 2. Net of avg. no. of treasury shares and of further 96,756,406 shares held under a contract of usufruct.



## UNICREDIT GROUP: BALANCE SHEET

ASSETS	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14
Cash and cash balances	6,743	6,708	6,692	10,520	12,499	9,975
Financial assets held for trading	98,451	93,584	87,802	80,701	79,368	84,079
Loans and receivables with banks	79,342	67,637	72,825	62,685	73,093	70,013
Loans and receivables with customers	515,631	511,146	505,181	484,309	484,817	477,093
Financial investments	111,586	117,213	118,276	125,839	129,451	135,773
Hedging instruments	17,947	15,946	15,184	12,390	12,586	13,845
Property, plant and equipment	11,301	11,235	11,016	10,818	10,690	10,509
Goodwill	11,406	11,313	11,308	3,533	3,528	3,536
Other intangible assets	3,811	3,762	3,717	1,793	1,797	1,854
Tax assets	17,658	17,306	17,359	19,834	19,635	18,897
Non-current assets and disposal groups classified as held for sale	7,951	4,185	3,902	3,928	3,166	3,325
Other assets	11,032	10,056	11,522	11,187	10,994	9,789
<b>Total assets</b>	<b>892,859</b>	<b>870,091</b>	<b>864,782</b>	<b>827,538</b>	<b>841,623</b>	<b>838,689</b>
LIABILITIES AND SHAREHOLDERS' EQUITY						
Deposits from banks	117,374	125,847	124,329	107,445	118,253	109,863
Deposits from customers	387,743	385,828	382,679	393,498	397,165	401,490
Debt securities in issue	165,777	163,234	162,090	164,266	163,073	159,515
Financial liabilities held for trading	92,994	77,832	77,499	63,799	62,622	63,637
Financial liabilities designated at fair value	759	684	700	711	638	649
Hedging instruments	20,062	16,142	15,042	12,745	13,521	15,018
Provisions for risks and charges	8,773	8,692	8,773	9,459	9,115	9,602
Tax liabilities	7,542	4,898	4,913	3,900	4,156	3,790
Liabilities included in disposal groups classified as held for sale	5,964	2,228	2,102	2,129	1,447	1,401
Other liabilities	19,436	19,681	21,513	19,530	20,784	21,553
Minorities	4,186	3,831	3,963	3,334	3,391	3,234
Group Shareholders' Equity:	62,250	61,195	61,179	46,722	47,460	48,937
- Capital and reserves	62,412	61,259	60,874	61,002	46,595	47,640
flow hedging reserve	(610)	(874)	(709)	(315)	152	182
- Net profit (loss)	449	810	1,014	(13,965)	712	1,116
<b>Total liabilities and Shareholders' Equity</b>	<b>892,859</b>	<b>870,091</b>	<b>864,782</b>	<b>827,538</b>	<b>841,623</b>	<b>838,689</b>

**Note:** Comparative figures for each quarter of 2013 were restated following the introduction of IFRS 10 and IFRS 11. For further details see the Part A Section 5, Other Matters section of the Consolidated First Half Financial Report.

## UNICREDIT GROUP: STAFF AND BRANCHES

Staff and Branches (units)	Jun 13	Mar 14	Jun 14	Y/Y change	Q/Q change
Employees <sup>1</sup>	133,245	131,333	130,577	-2,668	-756
Branches <sup>2</sup>	9,079	7,921	7,765	-1,314	-156
of which: - Italy	4,235	4,130	4,067	-168	-63
- Other countries	4,844	3,791	3,698	-1,146	-93

**Notes.** 1. "Full time equivalent" data (FTE): number of employees counted for the rate of presence. Comparative figures were restated following the introduction of IFRS 10 and IFRS 11. 2. Since 2014, excludes the branches of Koç/Yapi Kredi Group (Turkey).

**CORE BANK: INCOME STATEMENT**

(million of €)	1H13	1H14	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14
Net interest	5,889	6,165	2,930	2,959	2,944	3,060	3,032	3,133
Dividends and other income from equity investments	408	425	144	264	362	191	104	321
Net fees and commissions	3,543	3,717	1,802	1,741	1,723	1,780	1,828	1,889
Net trading, hedging and fair value income	1,531	841	640	891	390	592	477	364
Net other expenses/income	93	33	55	38	107	5	45	(12)
<b>OPERATING INCOME</b>	<b>11,463</b>	<b>11,181</b>	<b>5,570</b>	<b>5,893</b>	<b>5,526</b>	<b>5,629</b>	<b>5,486</b>	<b>5,695</b>
Staff expenses	(4,177)	(4,013)	(2,107)	(2,070)	(2,043)	(2,007)	(2,047)	(1,967)
Other administrative expenses	(2,372)	(2,546)	(1,173)	(1,199)	(1,156)	(1,305)	(1,254)	(1,292)
Recovery of expenses	295	386	134	161	147	194	178	208
Amortisation, depreciation and impairment losses on intangible and tangible assets	(508)	(435)	(254)	(254)	(250)	(475)	(216)	(219)
<b>Operating costs</b>	<b>(6,763)</b>	<b>(6,608)</b>	<b>(3,401)</b>	<b>(3,362)</b>	<b>(3,302)</b>	<b>(3,593)</b>	<b>(3,338)</b>	<b>(3,269)</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>4,701</b>	<b>4,573</b>	<b>2,169</b>	<b>2,531</b>	<b>2,223</b>	<b>2,036</b>	<b>2,148</b>	<b>2,425</b>
Net write-downs on loans and provisions for guarantees and commitments	(1,143)	(1,126)	(531)	(611)	(585)	(1,990)	(523)	(603)
<b>NET OPERATING PROFIT (LOSS)</b>	<b>3,558</b>	<b>3,447</b>	<b>1,638</b>	<b>1,920</b>	<b>1,638</b>	<b>46</b>	<b>1,625</b>	<b>1,822</b>
Provisions for risks and charges	(264)	(141)	(95)	(168)	(154)	(493)	7	(148)
Integration costs	(12)	(28)	(3)	(9)	(15)	(692)	(3)	(25)
Net income from investments	2	105	20	(19)	(22)	918	62	42
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>3,284</b>	<b>3,382</b>	<b>1,560</b>	<b>1,724</b>	<b>1,447</b>	<b>(222)</b>	<b>1,690</b>	<b>1,691</b>
Income tax for the period	(1,014)	(1,253)	(508)	(506)	(379)	(90)	(520)	(518)
Profit (Loss) from non-current assets held for sale, after tax	(16)	(22)	24	(40)	9	(632)	3	(26)
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>2,255</b>	<b>2,107</b>	<b>1,076</b>	<b>1,179</b>	<b>1,077</b>	<b>(943)</b>	<b>1,174</b>	<b>933</b>
Minorities	(186)	(172)	(84)	(102)	(105)	(90)	(83)	(89)
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE</b>	<b>2,069</b>	<b>1,934</b>	<b>991</b>	<b>1,077</b>	<b>972</b>	<b>(1,033)</b>	<b>1,090</b>	<b>844</b>
Purchase Price Allocation effect	(197)	(145)	(98)	(99)	(98)	(1,378)	(74)	(71)
Goodwill impairment	-	-	-	-	0	(7,767)	-	-
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP</b>	<b>1,871</b>	<b>1,789</b>	<b>893</b>	<b>978</b>	<b>874</b>	<b>(10,179)</b>	<b>1,016</b>	<b>989</b>

**Note:** As from 1Q14, the results of the few industrial companies consolidated line by line will be fully abridged as net profit in the line "Net Other Expenses/Income" in order to focus the P&L lines on the pure banking activities. The previous periods were restated accordingly. In addition, please note that comparative figures for each quarter of 2013 were also restated following the introduction of IFRS 10 and IFRS 11. Core Bank's income statement does not include the revised tax charge related to valuation of the stake in Banca d'Italia (€215).

**NON-CORE: INCOME STATEMENT**

(million of €)	1H13	1H14	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14
Net interest	243	91	128	116	88	78	45	46
Dividends and other income from equity investments	0	(56)	0	0	0	0	0	(56)
Net fees and commissions	170	120	90	80	71	73	62	58
Net trading, hedging and fair value income	10	(11)	(2)	12	(18)	1	(6)	(5)
Net other expenses/income	(2)	(13)	(1)	(2)	(5)	(11)	(9)	(5)
<b>OPERATING INCOME</b>	<b>421</b>	<b>131</b>	<b>215</b>	<b>206</b>	<b>137</b>	<b>141</b>	<b>92</b>	<b>38</b>
Staff expenses	(72)	(76)	(35)	(37)	(37)	(38)	(40)	(36)
Other administrative expenses	(270)	(272)	(152)	(117)	(125)	(128)	(145)	(127)
Recovery of expenses	45	31	13	32	17	17	13	18
Amortisation, depreciation and impairment losses on intangible and tangible assets	(0)	(2)	(0)	(0)	(0)	(4)	(0)	(2)
<b>Operating costs</b>	<b>(297)</b>	<b>(319)</b>	<b>(175)</b>	<b>(122)</b>	<b>(145)</b>	<b>(153)</b>	<b>(172)</b>	<b>(146)</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>123</b>	<b>(188)</b>	<b>40</b>	<b>83</b>	<b>(8)</b>	<b>(12)</b>	<b>(80)</b>	<b>(108)</b>
Net write-downs on loans and provisions for guarantees and commitments	(1,562)	(716)	(642)	(920)	(896)	(7,305)	(315)	(400)
<b>NET OPERATING PROFIT (LOSS)</b>	<b>(1,438)</b>	<b>(903)</b>	<b>(602)</b>	<b>(837)</b>	<b>(905)</b>	<b>(7,316)</b>	<b>(395)</b>	<b>(508)</b>
Provisions for risks and charges	(10)	(15)	(3)	(7)	(15)	(32)	(20)	5
Integration costs	(0)	(15)	0	(0)	(1)	(7)	(0)	(15)
Net income from investments	0	(2)	0	0	0	(6)	0	(2)
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>(1,449)</b>	<b>(936)</b>	<b>(605)</b>	<b>(844)</b>	<b>(921)</b>	<b>(7,361)</b>	<b>(415)</b>	<b>(521)</b>
Income tax for the period	387	262	160	227	251	2,561	112	150
Profit (Loss) from non-current assets held for sale, after tax	0	0	0	0	0	0	0	0
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>(1,062)</b>	<b>(674)</b>	<b>(445)</b>	<b>(617)</b>	<b>(670)</b>	<b>(4,800)</b>	<b>(303)</b>	<b>(370)</b>
Minorities	0	0	0	0	0	0	0	0
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA</b>	<b>(1,062)</b>	<b>(674)</b>	<b>(445)</b>	<b>(617)</b>	<b>(670)</b>	<b>(4,800)</b>	<b>(303)</b>	<b>(370)</b>
Purchase Price Allocation effect	0	0	0	0	0	0	0	0
Goodwill impairment	-	-	-	-	-	-	-	-
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP</b>	<b>(1,062)</b>	<b>(674)</b>	<b>(445)</b>	<b>(617)</b>	<b>(670)</b>	<b>(4,800)</b>	<b>(303)</b>	<b>(370)</b>

**Note:** As from 1Q14, the results of the few industrial companies consolidated line by line will be fully abridged as net profit in the line "Net Other Expenses/Income" in order to focus the P&L lines on the pure banking activities. The previous periods were restated accordingly. In addition, please note that comparative figures for each quarter of 2013 were also restated following the introduction of IFRS 10 and IFRS 11. Non Core's income statement does not include the revised tax charge related to valuation of the stake in Banca d'Italia (€215).