Banking that matters. UniCredit

MILAN, 7 AUGUST 2019

UNICREDIT: A PAN-EUROPEAN WINNER

SUCCESSFUL EXECUTION OF TRANSFORM 2019 UNDERPINS UNICREDIT'S NEW 2020-2023 STRATEGIC PLAN

VERY STRONG QUARTERLY RESULTS BENEFITTING FROM NET POSITIVE EXCEPTIONAL ITEMS[1] AND RESILIENT COMMERCIAL DYNAMICS

- **2Q19 GROUP ADJUSTED NET PROFIT OF €1.0 BN, UP 0.4 PER CENT Y/Y[2]. STATED NET PROFIT OF €1.9 BN, UP 81.0 PER CENT Y/Y**
- **1H19 ADJUSTED GROUP CORE ROTE AT 10.7 PER CENT, DOWN 0.2 P.P. 1H/1H[2]. 1H19 ADJUSTED GROUP ROTE AT 8.8 PER CENT, UP 0.1 P.P. 1H/1H[2]**

FOCUSED EXECUTION OF TRANSFORM 2019 CONTINUES TO DELIVER TANGIBLE RESULTS

- **NET FTE AND 98 PER CENT OF BRANCH REDUCTION TARGETS ACHIEVED, WELL AHEAD OF PLAN**
- **2Q19 COSTS AT €2.5 BN, DOWN 4.4 PER CENT Y/Y**
- **2Q19 COR AT 60 BPS**
- **2Q19 NON CORE GROSS NPES OF €15.7BN, DOWN €5.8 BN Y/Y**

STRONG CAPITAL POSITION AND SUCCESSFUL EXECUTION OF MITIGATION ACTIONS

- **2Q19 CET1 RATIO AT 12.08 PER CENT. MDA BUFFER OF 201 BPS**
- **2Q19 CET1 RATIO INCLUDES +24 BPS FROM FINECO DISPOSAL AND -40 BPS OF REGULATORY HEADWINDS AS PER GUIDANCE**
- **2Q19 TLAC RATIO 20.69 PER CENT[3]. 2Q19 BUFFER OF 112 BPS, TARGET NOW AT THE UPPER END OF 50-100 BPS RANGE[4]**
- **2Q19 TANGIBLE EQUITY UP 4.0 PER CENT Q/Q TO €50.7 BN, TBVPS UP 3.9 PER CENT Q/Q TO 22.7**

EXECUTION OF FOUR FINANCIAL MEASURES CONTINUES WITH TANGIBLE RESULTS TO PREPARE FOR 2020-2023 BUSINESS STRATEGY

- **REMAINING STAKE IN FINECO SOLD IN JULY, FOR AN EXPECTED CET1 RATIO IMPACT OF +0.3 P.P. IN 3Q19**
- **BTP HOLDINGS AT €49 BN, DOWN €2 BN[5] Q/Q. BTP SENSITIVITY[6] -1.8 BPS POST TAX, DOWN 27 PER CENT SINCE 3Q18**
- **NON CORE GROSS NPES AT €15.7 BN, DOWN €5.8 BN Y/Y**

---

[1] Exclude extraordinary items related to events occurred in 2Q19 for €825 m (mainly related to the impacts from FinecoBank S.p.A. 17 per cent disposal for €1,176 m, and to Ocean Breeze Group disposal, classified as Held for Sale, for -€178 m).

[2] Group and Group Core adjusted net profit and RoTE exclude extraordinary items related to events occurred in 1Q19 for €258 m (real estate disposal in Germany) and €825 m in 2Q19 (mainly related to the impacts from FinecoBank S.p.A. 17 per cent disposal for €1,176 m, and to Ocean Breeze Group disposal, classified as Held for Sale, for -€178 m).

[3] 2Q19 TLAC ratio 20.69 per cent, o/w 18.20 per cent TLAC subordination ratio and 2.5 per cent senior preferred exemption.

[4] Assuming BTP spreads remain at 2Q19 levels.

[5] BTP holdings refer to banking book and in 2Q19 are down 6bn Q/Q including Fineco and down 2bn Q/Q excluding Fineco.

[6] BTP sensitivity: +10bps parallel shift of BTP asset swap spreads has a -2.5bps pre and -1.8bps post tax impact on the fully loaded CET1 ratio as at 30 June 2019.

- Rating agencies actions: S&P has upgraded UniCredit SpA's outlook to 'stable' versus the 'negative' outlook for the Italian sovereign. Moody´s has upgraded UniCredit SpA's stand-alone and Tier 2 rating to investment grade

Outlook FY19:

- FY19 revenue guidance lowered from €19.0 bn to €18.7 bn
- FY19 €10.1 bn cost target confirmed
- FY19 CoR 55 bps target confirmed including 4 bps from models
- FY19 Non Core gross NPEs target meaningfully below €14.9 bn and closer to €10 bn
- Adjusted[7] net profit €4.7 bn, RoTE >9 per cent and Core RoTE >10 per cent
- CET1 MDA buffer by year end 2019 confirmed at the upper end of target range of 200-250 bps[8]

[7] Group and Group Core adjusted net profit and RoTE exclude extraordinary items related to events occurred in 1Q19 for €258 m (real estate disposal in Germany) and €825 m in 2Q19 (mainly related to the impacts from Fineco Bank S.p.A. 17 per cent disposal for €1,176 m, and to Ocean Breeze Group disposal, classified as Held for Sale, for -€178 m).
[8] Assuming BTP spreads remain at 2Q19 levels.

Milan, 7 August 2019: on 6 August 2019, the Board of Directors of UniCredit S.p.A. approved the 2Q19 Group's consolidated financial accounts as of June 30, 2019.

Jean Pierre Mustier, Chief Executive Officer of UniCredit S.p.A., commenting on the 2Q19 Group results said:

"We delivered another solid set of results in the first half of 2019 in what was a tough macroeconomic environment. We remain confident in the underlying fundamentals of Italy and the wider Europe. UniCredit continues to successfully finance the real economy everywhere it operates.

Our second quarter benefitted from resilient commercial dynamics and net positive exceptional items. Our adjusted net profit was 1.0 billion euro in the quarter, up 0.4 per cent whilst our stated profit was 1.9 billion euro, up 81 per cent year on year. The adjustments include both positive and negative exceptional items, as we took a number of strategic decisions, such as the disposal of Fineco and the sale of Ocean Breeze.

For the full year we confirm our targets, including Group RoTE above 9 per cent and an adjusted net profit of 4.7 billion euro, on which a 30 per cent cash dividend pay-out will apply. We are well ahead on our Transform 2019 plan execution and have already achieved our FTE reduction target as well as 98 per cent of the branch closures. In the prevailing environment with rates expected to be lower for much longer, we adjust our FY19 revenue guidance from 19.0 billion euro to 18.7 billion euro. In terms of Non Core gross NPEs they have been cut dramatically and will be closer to 10 billion euro at the end of 2019, well below our initial Transform 2019 target.

As we enter the very final stretch of Transform 2019, I am very proud of the UniCredit team who has already achieved or exceeded many of our original plan targets. Our achievements over the past three years provide a solid foundation for our next plan. We have made good progress on the four financial measures we announced last quarter to prepare for the new business strategy which we will present at our Capital Markets Day in December.

We continue to work hard as One Team, One UniCredit to ensure UniCredit remains a true pan-European winner."

UniCredit Group	
2Q19 Highlights	**Group** ■ Revenues €4.5 bn (-4.6 per cent Y/Y, -5.2 per cent Q/Q) with NII down 0.9 per cent Q/Q to €2.6 bn (-2.1 per cent Y/Y) and Fees at €1.6 bn (-3.0 per cent Y/Y) ■ Operating expenses €2.5 bn (-4.4 per cent Y/Y, -2.5 per cent Q/Q). C/I ratio at 54.3 per cent (+0.2 p.p. Y/Y, +1.5 p.p. Q/Q). ■ LLPs up 41.0 per cent Y/Y and 51.4 per cent Q/Q to €707 m, following exceptional write-backs in 2Q18, leading to 60 bps CoR (including 2 bps of IFRS9 macro scenario and 0 bps of models) ■ Adjusted net profit[9] €1.0 bn (+0.4 per cent Y/Y, -8.9 per cent Q/Q) ■ Main contributors to Group net profit are CEE and commercial banking Italy **Group Core** ■ Revenues €4.5 bn (-4.1 per cent Y/Y, -5.2 per cent Q/Q) with commercial revenues down 1.8 per cent Y/Y to €4.1 bn and Trading down 18.8 per cent Y/Y to €0.3 bn ■ Operating expenses €2.4 bn (-4.5 per cent Y/Y, -2.5 per cent Q/Q) thanks to continued strong Focus on Cost discipline. C/I at 53.3 per cent (-0.2 p.p. Y/Y, +1.5 p.p. Q/Q) ■ LLP increase by €400 m compared to 2Q18 which benefitted from write-backs in CIB, CB Austria and CEE. CoR at 44 bps, up 34 bps Y/Y and 13 bps Q/Q ■ Adjusted net profit[9] at €1.2 bn, down 6.7 per cent Y/Y and 7.6 per cent Q/Q
1H19 Highlights	**Group** ■ Revenues €9.3 bn (-3.8 per cent 1H/1H) due to lower fees (-4.6 per cent 1H/1H) at €3.1 bn and lower trading at €0.7 bn (-11.0 per cent 1H/1H) ■ Operating expenses €5.0 bn (-4.5 per cent 1H/1H) and a C/I ratio at 53.5 per cent (-0.4 p.p. 1H/1H) ■ Adjusted net profit[9] €2.2 bn (+1.0 per cent 1H/1H) **Group Core** ■ Revenues down 3.4 per cent 1H/1H to €9.3 bn mainly due to lower fees (-4.3 per cent 1H/1H) and trading income (-13.3 per cent 1H/1H) ■ Operating costs decreased by 4.4 per cent 1H/1H to €4.9 bn, resulting in a C/I ratio of 52.6 per cent (-0.6 p.p. 1H/1H) ■ Adjusted net profit[9] of €2.5 bn (-0.7 per cent 1H/1H)
Capital	■ Group 2Q19 CET1 Capital ratio at 12.08 per cent including +24 bps from Fineco disposal and -40 bps of regulatory headwinds. CET1 MDA Buffer at 201 bps ■ Fully compliant with TLAC requirement. TLAC ratio at 20.69 per cent[10] with a buffer of 112 bps. Targeting now the upper end of the 50-100 bps range

[9] Group and Group Core adjusted net profit and RoTE exclude extraordinary items related to events occurred in 1Q19 for €258 m (real estate disposal in Germany) and €825 m in 2Q19 (mainly related to the impacts from FinecoBank S.p.A. 17 per cent disposal for €1,176 m, and to Ocean Breeze Group disposal, classified as Held for Sale, for -€178 m).
[10] 2Q19 TLAC ratio 20.69 per cent, o/w 18.20 per cent TLAC subordination ratio and 2.5 per cent senior preferred exemption.

	■ 2Q19 TANGIBLE EQUITY UP 4.0 PER CENT Q/Q TO €50.7 BN, TBVPS UP 3.9 PER CENT Q/Q TO €22.7
2Q19 ASSET QUALITY	■ GROUP GROSS NPE RATIO IMPROVED TO 7.0 PER CENT (-1.8P.P Y/Y), WITH A COVERAGE RATIO OF 61.0 PER CENT ■ GROUP CORE GROSS NPE RATIO AT 3.9[11] PER CENT, DOWN 65 BPS Y/Y AND WELL BELOW THE FY19 TARGET OF 4.7 PER CENT ■ NON CORE GROSS NPE DOWN TO €15.7 BN (DOWN €2.1 BN Q/Q), WITH A COVERAGE RATIO OF 66.0 PER CENT (UP 1.9 P.P Y/Y)

[11] Weighted average "NPL" ratio of EBA sample banks is 3.1 per cent. Source: EBA risk dashboard (data as at 1Q19). UniCredit's definition of "NPE" ratio is more conservative than EBA. Comparable "NPL" ratio for UniCredit at 2Q19 would be 3.4 per cent.

TRANSFORM 2019 UPDATE

Transform 2019 is well on track, delivering consistent and tangible results:

- **Strengthen and optimise capital:** Strong capital position in 2Q19 with CET1 ratio at 12.08 per cent with an MDA buffer of 201 bps.
  CET1 MDA buffer by year end 2019 is confirmed at the upper end of the target range of 200-250 bps.[12]
  Remaining Fineco stake sold in July, with an expected CET1 ratio impact of +0.3 p.p. to be booked in 3Q19.
  2Q19 TLAC ratio of 20.69 per cent[13] with a buffer of 112 bps above the TLAC requirement of 19.6 per cent. Target now at the upper end of the 50 to 100 bps range.
  S&P has upgraded UniCredit SpA's outlook to 'stable' versus the 'negative' outlook for the Italian sovereign. Moody's has upgraded UniCredit SpA's stand-alone and Tier 2 rating to investment grade, Issuer Rating is capped at Baa1 and +2 notches above Italian sovereign rating (Baa3/stable).

- **Improve asset quality:** The original Transform 2019 asset quality targets have been materially beaten.
  The de-risking of the Group balance sheet continued during the second quarter with gross NPEs down a further €8.2 bn Y/Y and €3.1 bn Q/Q, of which €2.1 bn[14] was accounted for by disposals in 2Q19.
  Group gross NPE ratio improved to 7.0 per cent (-1.8 p.p. Y/Y).
  Group Core gross NPE ratio at 3.9 per cent[15], down 65 bps Y/Y, well below FY19 target of 4.7 per cent.
  The 2021 Non Core runoff is fully on track with FY19 Non Core gross NPEs target expected to be meaningfully below €14.9 bn and closer to €10 bn.

- **Transform operating model:** The transformation of the operating model is well ahead of plan. Since December 2015:
  - 98 per cent of 944 branch closure target in Western Europe now achieved, with 24 branches closed in 2Q19 and 925 since December 2015;
  - Transform 2019 net FTE reduction target of 14,000 achieved. FTEs down by 274 Q/Q.

  FY19 total operating costs confirmed at €10.1 bn, materially better than original Transform 2019 target.

- **Maximise commercial bank value:** Commercial initiatives are in place across the whole Group, delivering tangible results. In particular, during the second quarter of 2019:
  - A new mobile banking app, common across Western Europe, was successfully rolled out in Italy with Germany and Austria to follow. Standardisation allows for a consistent user experience and faster innovation time-to-market;
  - A new digital account opening process in Germany is creating an enhancing customer experience which allows the opening of a current account in a few minutes via mobile and online;
  - Successful insurance partnership with Allianz in Germany resulting in life insurance volumes up 68.4 per cent Y/Y;
  - UniCredit issued twelve Italian SME "Minibonds" in 1H19 totaling €71 m, contributing to the development of a capital market culture for SMEs in Italy.

  UniCredit received five 2019 Euromoney Awards for Excellence: Best Bank in Italy, Croatia, Serbia, Wealth Management and Transaction Services in CEE.

---

[12] Assuming BTP spreads remain at 2Q19 levels.
[13] 2Q19 TLAC ratio 20.69 per cent, o/w 18.20 per cent TLAC subordination ratio and 2.5 per cent senior preferred exemption.
[14] Of which €1.1 bn in Non Core.
[15] Weighted average "NPL" ratio of EBA sample banks is 3.1 per cent. Source: EBA risk dashboard (data as at 1Q19). UniCredit's definition of "NPE" ratio is more conservative than EBA. Comparable "NPL" ratio for UniCredit at 2Q19 would be 3.4 per cent.

Leading bond and loan market franchise confirmed: #2 in "EMEA All Bonds in EUR" by number of transactions[16], #1 in EMEA Syndicated Loans All Currencies[16] in Italy, Austria and CEE, #3 in Germany

- **Adopt a lean but steering centre:** The ratio of GCC costs to total costs is down to 3.3 per cent in 1H19. FY19 target of 3.5 per cent.

[16] Source: Dealogic, as at 1st July 2019. Period: 1 January – 30 June 2019; rankings by volume, unless otherwise stated.

UNICREDIT GROUP CONSOLIDATED RESULTS

(€ million)	1H18	1H19	*1H/1H*	2Q18	1Q19	2Q19	*Y/Y*	*Q/Q*
Total Revenues	9,647	9,283	*-3.8%*	4,736	4,766	4,517	*-4.6%*	*-5.2%*
Operating costs	-5,198	-4,966	*-4.5%*	-2,564	-2,515	-2,452	*-4.4%*	*-2.5%*
LLP	-997	-1,175	*+17.8%*	-502	-467	-707	*+41.0%*	*+51.4%*
Net profit	2,136	3,241	*+51.7%*	1,024	1,387	1,854	*+81.0%*	*+33.7%*
Adjusted net profit	2,136	2,158	*+1.0%*	1,024	1,129	1,029	*+0.4%*	*-8.9%*
Fully loaded CET1 ratio	12.51%	12.08%	*-0.4 p.p.*	12.51%	12.25%	12.08%	*-0.4 p.p.*	*-0.2 p.p.*
Adjusted RoTE	8.7%	8.8%	*+0.1 p.p.*	8.5%	9.4%	8.3%	*-0.2 p.p.*	*-1.1 p.p.*
Loans (excl. repos) - bn	421	432	*+2.8%*	421	429	432	*+2.8%*	*+0.7%*
Gross NPE - bn	43	34	*-19.2%*	43	38	34	*-19.2%*	*-8.4%*
Deposits (excl. repos)- bn	393	410	*+4.4%*	393	406	410	*+4.4%*	*+0.9%*
Cost/income	53.9%	53.5%	*-0.4 p.p.*	54.1%	52.8%	54.3%	*+0.2 p.p.*	*+1.5 p.p.*
Cost of risk (bps)	45	50	*+5bps*	45	40	60	*+16bps*	*+20bps*

Note: Group and Group Core adjusted net profit and RoTE exclude extraordinary items related to events occurred in 1Q19 for €258 m (real estate disposal in Germany) and €825 m in 2Q19 (mainly related to the impacts from FinecoBank S.p.A. 17 per cent disposal for €1,176 m, and to Ocean Breeze Group disposal, classified as Held for Sale, for -€178 m).

Revenues totalled €4.5 bn in 2Q19, 4.6 per cent lower Y/Y and -5.2 per cent Q/Q, mainly due to a difficult market environment. The main revenue contribution came from CEE and Commercial Banking Italy. 1H19 revenues reached €9.3 bn (-3.8 per cent 1H/1H). FY19 revenue guidance lowered from 19.0bn to 18.7bn.

Net interest income (NII)[17] was down 0.9 per cent Q/Q at €2.6 bn in 2Q19 (-2.1 per cent Y/Y), impacted by term funding (-€18 m Q/Q), which was driven by more expensive TLAC subordinated instruments, and deposit rates (-€17 m Q/Q), offsetting the positive impact from Investment Portfolio and Markets & Treasury (+€12 m Q/Q). NII adjusted for the days effect (+€18 m) and the FX effect (+€4 m) was down 1.8 per cent Q/Q. **Net interest margin**[18] decreased from 1.39 per cent in 1Q19 to 1.34 per cent in 2Q19.

Group customer loans[19] were €432.2 bn at the end of June 2019 (+2.8 per cent Y/Y, +0.7 per cent Q/Q). Group Core customer loans totalled €426.8 bn (+4.0 per cent Y/Y, +0.9 per cent Q/Q). The main contributors to Group Core customer loans were Commercial Banking Italy (€143.9 bn), Commercial Banking Germany (€87.6 bn) and CIB (€80.3 bn).

Group customer deposits[20] reached €410.1 bn as at the end of June 2019 (+4.4 per cent Y/Y, +0.9 per cent Q/Q). The main contributors were Commercial Banking Italy (€151.2 bn), Commercial Banking Germany (€89.7 bn) and CEE (€70.6 bn).

Customer loan rates[21] were flat Q/Q[22] at 2.57 per cent in 2Q19 (-5 bps Y/Y).

Dividends and other income[23] decreased to €154 m in 2Q19 (-8.8 per cent Y/Y, -7.3 per cent Q/Q). The contribution from Yapi amounted €63 m in 2Q19, down 4.5 per cent Y/Y at constant FX, down 23.7 per cent Y/Y at current FX due to the depreciation of the Turkish Lira. The TRY FX sensitivity on the Group's CET1 ratio is

---

[17] Net contribution from hedging strategy of non-maturity deposits in 2Q19 at €349 m, -€10.3 m Q/Q and -€20.1 m Y/Y.
[18] Net interest margin calculated as interest income divided by interest earning assets minus interest expenses divided by interest bearing liabilities.
[19] Managerial view; end of period volumes calculated excluding repos and, for divisions, excluding also intercompany items. Customer loans including repos amounted to €469.3 bn as at 30 June 2019 (+2.9 per cent Y/Y, +0.1 per cent Q/Q).
[20] Managerial view; end of period volumes calculated excluding repos and for divisions, also excluding intercompany items. Customer deposits including repos amounted to €453.0 bn as at 30 June 2019 (+4.2 per cent Y/Y, +0.6 per cent Q/Q).
[21] Customer loan rates calculated assuming 365 days convention, adjusted for 365 days convention where analytically available.
[22] Customer rate Q/Q excluding one-offs: CB Italy +1bp (days effect), CEE 0 bps (single names) at constant FX.
[23] Include dividends and equity investments. The entities belonging to Koc/Yapi Kredi Group are evaluated according to the equity method (dividend line of the Group P&L based on the managerial view) under the accounting perimeter and proportionally consolidated under the regulatory perimeter.

positive at around +1bp net impact for 10% adverse FX move[24]. Other dividends were up 5.5 per cent Y/Y to €91 m mainly thanks to insurance joint ventures in Italy.

Fees and commissions reached €1.6 bn in 2Q19 (-3.0 per cent Y/Y, +1.5 per cent Q/Q), broken down as follows:

– **Investment fees** were €587 m in 2Q19, down 5.0 per cent Y/Y, mainly due to lower upfront fees in Commercial Banking Italy. However investment fees showed a strong rebound Q/Q of +8.3 per cent driven by upfront fees and management fees;
– **Financing fees** stood at €404 m in 2Q19, down -11.2 per cent Y/Y (-9.0 per cent Q/Q). This was in line with syndicated loan volumes in the broader European market;
– **Transactional fees** amounted to €574 m in 2Q19, up 6.2 per cent Y/Y (+3.4 per cent Q/Q) mainly thanks to P&C insurance fees in Italy.

Total Financial Assets (TFA)[25] rose by €7.1 bn Q/Q (+€16.3 bn Y/Y), reaching €767.3 bn as at 30 June 2019 primarily thanks to positive market performance:

– **Assets under Management (AuM)** increased to €191.2 bn in 2Q19 (+€3.1 bn Q/Q) driven by a positive market performance (+€1.9 bn 2Q19) and net AuM net sales (+€1.2 bn 2Q19);
– **Assets under Custody (AuC)** amounted to €172.9 bn in 2Q19, up 1.3 per cent Q/Q, mainly thanks to a positive market performance (+€3.5 bn 2Q19), offset by negative net sales (-€1.3 bn 2Q19);
– **Deposits** increased to €403.1 bn in 2Q19, up 0.5 per cent Q/Q mainly thanks to Commercial Banking Italy (+2.4 per cent Q/Q).

Trading income totalled €253 m in 2Q19, down 19 per cent Y/Y (-42.8 per cent Q/Q) due to negative valuation adjustments (XVA)[26] (-€98 m Y/Y). Client driven trading reached €271 m in 2Q19 including an XVA[26] equal to -€64 m in the quarter (-€112 m in 1Q19 and +€34 m in 2Q18[27]). For the rest of the year, the expected average quarterly run rate of trading income is revised down from €350 m to around €300 m.

Operating costs were €2.5 bn in 2Q19 (-4.4 per cent Y/Y, -2.5 per cent Q/Q), thanks to a continued strong focus on cost discipline. In particular:

– **HR expenses** fell to €1.5 bn in 2Q19, decreasing 4.5 per cent Y/Y and 2.3 per cent Q/Q, driven by FTE reduction (-2,708 FTEs Y/Y and -274 FTEs Q/Q);
– **Non-HR costs**[28] were €0.9 bn in 2Q19, down 4.1 per cent Y/Y benefitting from lower sponsorships and real estate and down 2.8 per cent Q/Q.

The number of FTEs stood at 84,836 at the end of 2Q19 with the Transform 2019 net FTE reduction target achieved. Branch[29] numbers decreased by 163 units Y/Y to 4,535 as at the end of 2Q19 (comprising 2,884 in Western Europe and 1,651 in CEE), a reduction of 925 branches in Western Europe since December 2015. The reduction equates to 98 per cent of the 944 closures planned by the end of 2019. C/I ratio was 54.3 per cent in 2Q19 (+0.2 p.p. Y/Y, +1.5 p.p. Q/Q) and 53.5 per cent in 1H19 (-0.4 p.p. 1H/1H).

Total operating costs for FY19 are confirmed at €10.1 bn.

Gross operating profit came to €2.1 bn in 2Q19 (-4.9 per cent Y/Y, -8.3 per cent Q/Q) and €4.3 bn in 1H19 (-3.0 per cent 1H/1H).

---

[24] TRY sensitivity: 10 per cent depreciation of the TRY has around +1bp net impact (-3bps from capital, +3bps from RWA) on the fully loaded CET1 ratio. Managerial data as at 30 June 2019.
[25] Refers to Group commercial TFA. Non-commercial elements, e.g. Group Corporate Centre, Non Core, Leasing/Factoring and Market Counterparts are excluded. Numbers are managerial figures.
[26] Valuation adjustments (XVA) include: Collateral Valuation Adjustment (OIS), Debt/Credit Value Adjustment (DVA/CVA), Fair Value Adjustment and Funding Valuation Adjustment (FVA).
[27] Restated XVA numbers for 2Q18 and 1Q19
[28] Non HR costs include “other administrative expenses”, “recovery of expenses” and “amortisation, depreciation and impairment losses on intangible and tangible assets”.
[29] Branch figures consistent with CMD 2016 perimeter.

LLPs amounted to €707 m in 2Q19 (+41.0 per cent Y/Y, +51.4 per cent Q/Q) due to exceptional write-backs in 2Q18, leading to CoR of 60 bps in 2Q19, including 2 bps of IFRS9 macro scenario and 0 bps of model impact. 1H19 CoR at 50 bps. FY19 CoR target is confirmed at 55 bps, including 4 bps of model impact.

Net operating profit reached €1.4 bn in 2Q19 (-18.8 per cent Y/Y, -23.9 per cent Q/Q) and €3.1 bn in 1H19 (-9.0 per cent 1H/1H).

Other charges and provisions were €236 m in 2Q19 (-64.2 per cent Y/Y, +10.5 per cent Q/Q). Systemic charges amounted to €118 m in 2Q19 (-31.8 per cent Y/Y, -78.0 per cent Q/Q), with more than half of the full year 2019 systemic charges booked in the first quarter.

Profit from investments amounted to **-**€307 m in 2Q19, impacted by the -€259 m gross from the disposal of Ocean Breeze[30].

Income tax expense was €174 m in 2Q19 (-23.1 per cent Y/Y, -69.9 per cent Q/Q). The stated tax rate was 27.1 per cent in 1H19.

The adjusted **Group net profit** was €1.0bn in 2Q19 (+0.4 per cent Y/Y, -8.9 per cent Q/Q) and €2.2 bn in 1H19 (+1.0 per cent 1H/1H). This translates into an adjusted RoTE[31] of 8.3 per cent in 2Q19 and 8.8 per cent in 1H19. A positive operating performance was registered across all divisions, with CEE and Commercial Banking Italy as the main contributors (with stated net profits of €484 m and €244 m respectively in 2Q19).

GROUP CORE

(€ million)	1H18	1H19	*1H/1H*	2Q18	1Q19	2Q19	*Y/Y*	*Q/Q*
Total revenues	9,614	9,289	*-3.4%*	4,714	4,767	4,521	*-4.1%*	*-5.2%*
Gross operating profit	4,505	4,407	*-2.2%*	2,190	2,296	2,111	*-3.6%*	*-8.1%*
Net operating profit	4,022	3,530	*-12.2%*	2,076	1,932	1,597	*-23.1%*	*-17.3%*
Net profit	2,553	3,640	*+42.6%*	1,304	1,576	2,065	*+58.3%*	*+31.0%*
Adjusted net profit	2,553	2,535	*-0.7%*	1,304	1,318	1,217	*-6.7%*	*-7.6%*
Adjusted RoTE	10.9%	10.7%	*-0.2 p.p.*	11.3%	11.3%	10.1%	*-1.2 p.p.*	*-1.1 p.p.*
Cost/income	53.1%	52.6%	*-0.6 p.p.*	53.5%	51.8%	53.3%	*-0.2 p.p.*	*+1.5 p.p.*
Cost of risk (bps)	22	38	*16*	10	31	44	*34*	*13*
Gross NPE ratio	4.6%	3.9%	*-65 bps*	4.6%	4.2%	3.9%	*-65 bps*	*-23 bps*

Note: Group and Group Core adjusted net profit and RoTE exclude extraordinary items related to events occurred in 1Q19 for €258 m (real estate disposal in Germany) and €825 m in 2Q19 (mainly related to the impacts from FinecoBank S.p.A. 17 per cent disposal for €1,176 m, and to Ocean Breeze Group disposal, classified as Held for Sale, for -€178 m).

Group Core revenues were €4.5 bn in 2Q19 (-4.1 per cent Y/Y, -5.2 Q/Q) mainly driven by lower commercial revenues (-1.8 per cent Y/Y) and lower trading profit (-18.8 per cent). 1H19 revenues amounted to €9.3 bn (-3.4 per cent 1H/1H).

Gross new customers totalled 435k in 2Q19.

NII fell by 1.1 per cent Q/Q, impacted by pre-funding of TLAC and higher deposit rates in CEE, and amounted to €2.5 bn in 2Q19 and €5.1 bn in 1H19 (+0.3 per cent 1H/1H). Gross new loan production[32] was at €45.8 bn in 1H19 (-8.3 per cent Y/Y). Fees were down 2.7 per cent Y/Y, impacted by decreasing investment fees (-4.9 per cent Y/Y) and financing fees (-10.7 per cent Y/Y) which were partially compensated by transactional fees (+6.8 per cent Y/Y). Fees amounted to €1.6bn in 2Q19 and €3.1 bn in 1H19 (-4.3 per cent 1H/1H).

[30] 2Q19 net impact from disposal of Ocean Breeze -€178 m, with a related impact of +€81 m in the tax line.

[31] Group and Group Core adjusted net profit and RoTE exclude extraordinary items related to events occurred in 1Q19 for €258 m (real estate disposal in Germany) and €825 m in 2Q19 (mainly related to the impacts from FinecoBank S.p.A. 17 per cent disposal for €1,176 m, and to Ocean Breeze Group disposal, classified as Held for Sale, for -€178 m).

[32] Managerial figures.

Costs were down 4.5 per cent Y/Y (-2.5 per cent Q/Q) to €2.4 bn in 2Q19 thanks to continued strong cost discipline. For 1H19 costs were €4.9 bn (-4.4 per cent 1H/1H). C/I ratio was down to 52.6 per cent (-0.6 p.p. 1H/1H) in 1H19.

LLPs increased by €400 m Y/Y compared to a very low 2Q18 which had benefitted from write-backs in CIB, CB Austria and CEE. They amounted to €514 m (+41.1 per cent Q/Q). This resulted in a CoR of 38 bps in 1H19. The Group Core Gross NPE ratio stood at 3.9 per cent[33], down 65 bps Y/Y and well below the FY19 4.7 per cent target.

Group Core adjusted net profit of €1.2 bn (-6.7 per cent Y/Y, -7.6 per cent Q/Q) in 2Q19 and €2.5 bn in 1H resulted in an adjusted RoTE of 10.7 per cent (-0.2 p.p. 1H/1H). Group Core RoTE for FY19 is confirmed at above 10 per cent.

Asset Quality

Group gross NPEs were down 19.2 per cent Y/Y and 8.4 per cent Q/Q to €34.4 bn, with an improved **gross NPE ratio** of 7.0 per cent in 2Q19 (-1.8 p.p. Y/Y, -0.6 p.p. Q/Q).
Net NPEs decreased to €13.4 bn in 2Q19 (-19.3 per cent Y/Y, -6.5 per cent Q/Q) equal to a net NPE ratio of 2.9 per cent in 2Q19 (-0.8 p.p. Y/Y, -0.2 p.p. Q/Q). The coverage ratio was 61.0 per cent in 2Q19 (+0.1 p.p. Y/Y, -0.8 p.p. Q/Q). Group gross NPE disposals reached €2.1 bn in 2Q19 of which €1.1 bn was in Non Core.

Group gross bad loans were equal to €19.1 bn in 2Q19 (-20.5 per cent Y/Y, -10.5 per cent Q/Q) with a coverage ratio of 72.2 per cent (-1.3 p.p. Y/Y, -0.5 p.p. Q/Q). **Group gross unlikely to pay** decreased to €14.4 bn (-18.1 per cent Y/Y, -6.2 per cent Q/Q), with a coverage ratio of 47.9 per cent (+2.8 p.p. Y/Y, -0.3 p.p. Q/Q). **Group past due loans** slightly increased to €0.9 bn in 2Q19 (-5.4 per cent Y/Y, +5.2 per cent Q/Q) with the coverage ratio at 31.1 per cent (-2.8 p.p. Y/Y, +1.4 p.p. Q/Q).

The de-risking of the **Group Core** continued with gross NPEs[34] of €18.7 bn in 2Q19 (-11.1 per cent Y/Y, -5.4 per cent Q/Q) and a gross NPE ratio of 3.9 per cent[33] (-0.6 p.p. Y/Y, -0.2 p.p. Q/Q). The coverage ratio was 56.7 per cent (-0.9 p.p. Y/Y, -1.4 p.p. Q/Q). Gross bad loans were at €9.1 bn in 2Q19 (-13.0 per cent Y/Y, -8.4 per cent Q/Q) with a coverage ratio of 69.6 per cent (-2.1 p.p. Y/Y, -1.0 p.p. Q/Q). Gross unlikely to pay fell further to €8.8 bn in 2Q19 (-10.3 per cent Y/Y, -3.3 per cent Q/Q) with a coverage ratio of 46.1 per cent (+1.3 p.p. Y/Y, -1.1 p.p. Q/Q).

Inflows from performing loans to NPEs amounted to €1.3 bn in 2Q19. The default rate stood at 1.2 per cent in 2Q19, up 0.1 p.p. Q/Q. The cure rate[35] amounted to 9.5 per cent in 2Q19, below 2Q18 (10.3 per cent). The migration rate[36] of unlikely to pay came to 17.1 per cent in the quarter.

Commercial Banking Italy gross NPEs[37] stood at €8.3 bn in 2Q19 (-13.5 per cent Y/Y, -4.7 per cent Q/Q), with a gross NPE ratio of 5.6 per cent (-0.9 p.p Y/Y, -0.3 p.p Q/Q) and a coverage ratio of 54.6 per cent. Net NPEs were €3.8 bn with the net NPE ratio at 2.6 per cent (-0.4p.p Y/Y, flat Q/Q) in 2Q19. Gross bad loans were €3.9 bn (-16.9 per cent Y/Y, -10.9 per cent Q/Q) with a coverage ratio of 67.6 per cent in 2Q19. Gross unlikely to pay exposures were €3.8 bn (-12.3 per cent Y/Y, +0.1 per cent Q/Q) with a coverage ratio of 45.2 per cent in 2Q19.

[33] Weighted average "NPL" ratio of EBA sample banks is 3.1 per cent. Source: EBA risk dashboard (data as at 1Q19). UniCredit's definition of "NPE" ratio is more conservative than EBA. Comparable "NPL" ratio for UniCredit at 2Q19 would be 3.4 per cent.
[34] Gross NPEs including gross bad loans, gross unlikely to pay and gross past due. Gross past due at €918 m in 2Q19 (+5.9 per cent Q/Q and +4.0 per cent Y/Y).
[35] Back to performing.
[36] Migrating to bad loans.
[37] Gross NPEs including gross bad loans, gross unlikely to pay and gross past due. Gross past due at €610 m in 2Q19 (+11.3 per cent Q/Q and 4.7 per cent Y/Y).

Inflows to NPEs in Commercial Banking Italy amounted to €804 m in 2Q19 with a default rate of 2.2 per cent in 2Q19, slightly up versus 2Q18 (2.1 per cent). The cure rate reached 12.0 per cent in 2Q19, slightly lower than 2Q18 (12.1 per cent). The migration rate was up 3.9 p.p Y/Y to 31.0 per cent in 2Q19.

The **Non Core** runoff, by 2021, is fully on track with gross loans falling further to €15.7 bn in 2Q19 (-€8.2 bn Y/Y, -2.1 bn Q/Q). The Non Core rundown, to meaningfully beat FY19 €14.9 bn gross NPE target and be closer to €10 bn, is confirmed. In 2Q19, the improvement in Non Core gross NPEs[38] was supported by: i) write-offs of €0.5 bn, ii) recoveries of €0.3 bn, iii) disposals of €1.1 bn, and iv) back to Core of €0.1 bn[39]. Net NPEs fell to €5.3 bn in 2Q19 (-31.0 per cent Y/Y, -12.1 per cent Q/Q), while the NPE coverage ratio stood at 66.0 per cent in 2Q19 (+1.9 p.p. Y/Y, +0.2 p.p. Q/Q).

CAPITAL & FUNDING

The Group **CET1 ratio** fell 18 bps Q/Q to 12.08 per cent in 2Q19. The positive effect from the Fineco deconsolidation[40] (+24 bps), earnings generation[41] (+18 bps), FVOCI[42, 43] (+8bps), FX[44] (+1bp) and DBO[45] (-2 bps) was offset by RWA dynamics[41] (-55 bps), of which -40 bps were regulatory headwinds, and by dividends and AT1/ CASHES coupons (-13 bps)[46].

The MDA buffer was 201 bps as at the end of June 2019.

In July the remaining stake of Fineco was sold, with an expected CET1 ratio impact of 0.3 p.p. to be booked in 3Q19.

The CET1 MDA buffer at the end of 2019 is confirmed at the upper end of our target range of 200 and 250 bps[47].

RWAs totalled €387.1 bn in 2Q19, increasing by €15.4 bn since March 2019. In particular, credit RWAs were up €15.5 bn Q/Q to €343.3 bn, due to regulatory headwinds (+€12.9 bn) and business evolution[48]. Market RWAs were flat Q/Q at €11.5 bn. Operational RWAs were slightly down (-€0.1 bn Q/Q) at €32.3 bn.

In 2Q19, **transitional**[49] **capital ratios** were: **CET1** 12.08 per cent, **Tier 1** 13.63 per cent and **total** 16.21 per cent. All ratios were well above capital requirements[50].

Tangible book value at the end of June 2019 was €50.7 bn, up 4.0 per cent Q/Q versus €48.8 bn at the end of March 2019, and up 9.5 per cent from the trough in 3Q18.

---

[38] Gross NPEs including gross bad loans, gross unlikely to pay and gross past due. Gross past due at €28 m in 2Q19 (-14.3 per cent Q/Q and -76.5 per cent Y/Y)
[39] Outflow to performing.
[40] Combined impact on CET1 ratio from sale of first tranche of Fineco in May 2019 which led to deconsolidation
[41] Excluding impact from disposal of Fineco.
[42] In 2Q19 CET1 ratio impact from FVOCI +8 bps, o/w +3 bps thanks to BTP.
[43] BTP sensitivity: +10bps parallel shift of BTP asset swap spreads has a -2.5bps pre and -1.8bps post tax impact on the fully loaded CET1 ratio as at 30 June 2019.
[44] TRY sensitivity: 10% depreciation of the TRY has around +1bp net impact (-3 bps from capital, +3 bps from RWA) on the fully loaded CET1 ratio. Managerial data as at 30 June 2019.
[45] 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 June 2019.
[46] Payment of coupons on AT1 instruments (€151.8 m pre tax in 2Q19, €372 m expected for FY19) and CASHES (€32 m pre and post tax in 2Q19, €125 m expected for FY19). Dividends accrued on adjusted net profit.
[47] Assuming BTP spreads remain at current levels.
[48] Business evolution: changes related to customer driven activities (mainly loans). Regulatory headwinds include Regulation: changes (eg. CRR or CRD) determining variations of RWA; Procyclicality: change in macroeconomy or client's credit worthiness; Models: methodological changes to existing or new models. Business actions: initiatives to decrease RWA (e.g. securitisations, changes in collaterals). FX effect: impact from exposures in foreign currencies.
[49] Starting from 1 January 2019, CET1 capital is fully loaded, however Tier 1 and Tier 2 capital are subject to transitional adjustments. Specifically, in 2019 the transitional adjustments are still applicable with reference to the 30 per cent of the phase-out limit for the Additional Tier 1 and Tier 2 capital instruments subject to grandfathering, as per CRR article 486.
[50] Capital requirements and buffers for UniCredit Group as of 30 June 2019 (rounded figures): 10.07 per cent CET1 ratio (4.50 per cent P1 + 2.00 per cent P2 + 3.57 per cent combined capital buffer); 11.57 per cent T1 ratio (6.00 per cent P1 + 2.00 per cent P2 + 3.57 per cent combined capital buffer); 13.57 per cent Total Capital ratio (8.00 per cent P1 + 2.00 per cent P2 + 3.57 per cent combined capital buffer).

The **fully loaded leverage ratio**[51] was 4.98 per cent (+2 bps Q/Q) and 5.24 per cent on a **transitional** basis (+21 bps Q/Q) as at the end of June 2019.

As of end of June 2019, €21.1bn of the 2019 **Group funding plan** had been completed (around 66 per cent of the total 2019 plan).

2019 TLAC subordination funding plan of €6.5 bn has been completed. **TLAC ratio** was 20.69 per cent[52], representing a buffer of 112 bps versus the 19.6 per cent minimum TLAC requirement.

The overall outstanding amount of TLTRO II is equal to €51.2 bn on a consolidated basis[53].

[51] The delta between leverage ratio transitional and fully loaded is due to grandfathered AT1 instruments, which increased vs 1Q 2019 according to the entry in force of the CRR2 on 27 June 2019.
[52] 2Q19 TLAC ratio 20.69 per cent, o/w 18.20 per cent TLAC subordination ratio and 2.5 per cent senior preferred exemption
[53] Breakdown by country: €33.6 bn has been taken in Italy, €12.6 bn in Germany, €4.0 bn in Austria, €0.9 bn in CEE.

DIVISIONAL QUARTERLY HIGHLIGHTS[54]

Commercial Banking Italy

(€ million)	1H18	1H19	*1H/1H*	2Q18	1Q19	2Q19	*Y/Y*	*Q/Q*
Total revenues	3,697	3,595	*-2.8%*	1,835	1,794	1,802	*-1.8%*	*+0.4%*
Gross operating profit	1,658	1,693	*+2.1%*	823	840	853	*+3.6%*	*+1.5%*
Net operating profit	1,227	1,169	*-4.7%*	612	633	537	*-12.3%*	*-15.2%*
Net profit	746	642	*-13.9%*	364	398	244	*-32.9%*	*-38.7%*
RoAC	13.9%	10.5%	*-3.4 p.p.*	13.5%	13.4%	7.7%	*-5.7 p.p.*	*-5.7 p.p.*
Cost/income	55.1%	52.9%	*-2.2 p.p.*	55.2%	53.2%	52.7%	*-2.5 p.p.*	*-0.5 p.p.*
Cost of risk (bps)	62	73	*+10bps*	61	57	88	*+27bps*	*+31bps*

Revenues were €1.8 bn in 2Q19, down 1.8 per cent Y/Y and up 0.4 per cent Q/Q. NII reached €844 m in 2Q19, down 1.7 per cent Q/Q due to increased deposits. Gross new loan production[55] at €11.3 bn in 1H19 (-14.0 per cent 1H/1H) was mainly driven by corporates and mortgages. Fees were down 3.2 per cent Y/Y at €918 m mainly due to lower investment fees (-9.1 per cent Y/Y) which were partially compensated by transactional fees (+7.9 per cent Y/Y). Revenues were €3.6 bn in 1H19 (-2.8 per cent 1H/1H).

The number of gross new clients amounted to 84k in 2Q19 (down 9.5 per cent Y/Y).

Operating costs were down 6.3 per cent Y/Y to €949 m, driven by both lower HR cost (-5.7 per cent Y/Y) and lower non HR cost (-7.0 per cent Y/Y). Costs totalled €1.9 bn in 1H19 (-6.7 per cent 1H/1H) with a C/I ratio at 52.9 per cent in 1H19, down 2.2 p.p 1H/1H.

LLPs amounted to €316 m in 2Q19 (+49.7 per cent Y/Y, +52.6 per cent Q/Q). In 1H19 LLPs were €524 m (+21.5 per cent 1H/1H). In 2Q19 CoR reached 88 bps (+27 bps Y/Y) due to one large file (+12 bps) and seasonal adjustments including IFRS9 macro scenario (+14 bps). The FY19 CoR target is confirmed at 58 bps.

Net operating profit at €537 m in 2Q19 (-12.3 per cent Y/Y, -15.2 per cent Q/Q) and €1.2 bn in 1H19 (-4.7 per cent 1H/1H). Net profit amounted to €244 m in 2Q19 (-32.9 per cent Y/Y, -38.7 per cent Q/Q) and €642 m in 1H19 (-13.9 per cent 1H/1H).

The normalised[56] 2Q19 net profit amounted to €362 m (-0.4 per cent Y/Y) and was affected by negative one-offs totaling €118 m.

Commercial Banking Italy reached a normalised[56] RoAC in 1H19 of 11.4 per cent, impacted by the net release of US sanctions and one-offs. The FY19 RoAC target of around 11 per cent is confirmed.

[54]Please consider that (i) all divisional figures in "Divisional Quarterly Highlights" represent the contribution of each division to Group data; (ii) Return on Allocated Capital (RoAC) related to each division and showed in this section is calculated as: annualised net profit / allocated capital. Allocated capital based on RWA equivalent figures calculated with a CET1 ratio of 12.5 per cent, including deductions for shortfall and securitisations; (iii) gross new loan production for all divisions is a managerial figure.

[55] Managerial figures.

[56]Normalised for release of provisions for US sanctions (+€60 m) in 1Q19 and one-offs (-€118 m) in 2Q19.

Commercial Banking Germany

(€ million)	1H18	1H19	*1H/1H*	2Q18	1Q19	2Q19	*Y/Y*	*Q/Q*
Total revenues	1,227	1,178	*-4.0%*	611	592	586	*-4.1%*	*-1.0%*
Gross operating profit	386	361	*-6.4%*	201	174	187	*-6.7%*	*+7.4%*
Net operating profit	324	336	*+3.6%*	166	153	183	*+10.0%*	*+19.4%*
Net profit	148	517	*n.m.*	66	370	146	*n.m.*	*-60.5%*
RoAC	6.6%	22.3%	*+15.7 p.p.*	5.8%	31.9%	12.6%	*+6.8 p.p.*	*-19.2 p.p.*
Cost/income	68.5%	69.3%	*+0.8 p.p.*	67.2%	70.6%	68.0%	*+0.9 p.p.*	*-2.5 p.p.*
Cost of risk (bps)	15	6	*-9 bps*	17	10	2	*-15 bps*	*-8 bps*

Revenues were down 1.0 per cent Q/Q and 4.1 per cent Y/Y at €586 m in 2Q19. NII was slightly up 0.7 per cent Q/Q to €381 m in 2Q19, thanks to higher loan volumes. Gross new loan production[57] at €8.4 bn in 1H19, down 10.6 per cent 1H/1H, was mainly driven by corporates and mortgages. Fees at €175 m in 2Q19 were down 2.3 per cent Y/Y mainly due to financing fees (-13.4 per cent). Revenues were at €1.2 bn in 1H19 (-4.0 per cent 1H/1H).

Gross new clients amounted to 19k in 2Q19 (-0.4 per cent Y/Y).

Operating costs were down 2.8 per cent Y/Y at €399 m in 2Q19 driven by both lower HR (down 1.8 per cent Y/Y) and lower non HR cost (down 4.4 per cent Y/Y). Operating costs were at €816 m 1H19 (-3.0 per cent 1H/1H) with C/I ratio of 69.3 per cent in 1H19, up 0.8 p.p. 1H/1H.

LLPs were €4 m in 2Q19 and €26 m in 1H19 (-58.7 per cent 1H/1H) resulting in a low CoR at 6 bps in 1H19 (-9 bps 1H/1H) thanks to a very good risk environment. The 2Q19 CoR of 2 bps was impacted by non-recurring write-backs. The FY19 CoR is expected to be low.

Net operating profit was €183 m in 2Q19 (+10.0 per cent Y//Y, +19.4 per cent Q/Q) and €336 m in 1H19 (+3.6 per cent 1H/1H). Net profit was €146 m in 2Q19, down 60.5 per cent Q/Q, and €517 m in 1H19.

The normalised[58] ROAC of 9.4 per cent in 1H19, is calculated excluding the net release of provisions for US sanctions and disposal of real estate in 1Q19. FY19 RoAC target is confirmed at 9.1 per cent.

[57] Managerial figures.
[58] Normalised for release of provisions for US sanctions (+€41 m) and disposal of real estate (+€258 m) in 1Q19.

COMMERCIAL BANKING AUSTRIA

(€ million)	1H18	1H19	*1H/1H*	2Q18	1Q19	2Q19	*Y/Y*	*Q/Q*
Total revenues	782	744	*-4.8%*	403	356	389	*-3.5%*	*+9.2%*
Gross operating profit	258	262	*+1.3%*	146	99	163	*+11.4%*	*+64.3%*
Net operating profit	313	272	*-13.2%*	162	107	165	*+1.5%*	*+54.1%*
Net profit	206	233	*12.9%*	158	68	165	*+4.5%*	*n.m.*
RoAC	15.3%	15.9%	*+0.6 p.p.*	23.8%	9.2%	22.6%	*-1.2 p.p.*	*+13.4 p.p.*
Cost/income	66.9%	64.8%	*-2.1 p.p.*	63.7%	72.2%	58.1%	*-5.6 p.p.*	*-14.1 p.p.*
Cost of risk (bps)	-24	-4	*+20 bps*	-14	-7	-2	*+13 bps*	*+5 bps*

Revenues were €389 m in 2Q19, down 3.5 per cent Y/Y and up +9.2 per cent Q/Q. NII was up 2.7 per cent Q/Q to €175 m thanks to non commercial items. Gross new loan production[59] reached €3.3 bn in 1H19 (-8.9 per cent 1H/1H) mainly driven by corporates and mortgages. Fees, at €149 m in 2Q19, were down 4.8 per cent Y/Y due to lower transactional fees (-4.1 per cent Y/Y), financing fees (-17.3 per cent Y/Y) and investment fees (-3.1 per cent Y/Y). Revenues were €744 m in 1H19 (-4.8 per cent 1H/1H).

The number of gross new clients amounted to 12k (+4.0 per cent Y/Y).

Costs were down to €226 m in 2Q19 (-12.0 per cent Y/Y, -12.1 per cent Q/Q) driven by both lower HR (-16.8 per cent Y/Y), which was positively impacted by an one-off pension related topic, and lower non HR costs (-6.0 per cent Y/Y). FTEs continue to decrease, reaching 4,845 in 1H19 (-1.9 per cent 1H/1H). Costs were at €483 m in 1H19 (-7.8 per cent 1H/1H) with C/I ratio of 64.8 per cent in 1H19 (-2.1 p.p. 1H/1H).

Thanks to net write-backs in 2Q19, the CoR was -2 bps and -4 bps in 1H19. The FY19 CoR is expected to be very low.

Net operating profit stood at €165 m in 2Q19 (+1.5 per cent Y/Y, +54.1 per cent Q/Q) and €272 m in 1H19 (-13.2 per cent 1H/1H).

Net Profit was up 4.5 per cent Y/Y at €165 m in 2Q19 and at €233 m (+12.9 per cent 1H/1H) in 1H19. The Q/Q net profit increase reflected the full year's systemic charges being mostly booked in 1Q19 (€90 m). The normalised[60] 2Q19 net profit was +€149 m (-5.8 per cent Y/Y) excluding the one-off pension related topic of +€16 m.

The normalised[60] RoAC of 12.1 per cent in 1H19 was impacted by the net release of provisions for US sanctions and a one-off pension related topic. The FY19 RoAC target is confirmed at 13.3 per cent.

[59] Managerial figures.
[60] Normalised for release of provisions for US sanctions (+€39 m) in 1Q19 and one-off pension related topic (+€16 m) in 2Q19.

CEE

(€ million)	1H18	1H19	*1H/1H*	2Q18	1Q19	2Q19	*Y/Y*	*Q/Q*
Total revenues	2,126	2,143	*+3.3%*	1,045	1,074	1,069	*+3.7%*	*-0.5%*
Gross operating profit	1,390	1,393	*+3.5%*	675	710	683	*+3.3%*	*-3.4%*
Net operating profit	1,184	1,205	*+5.5%*	575	609	596	*+6.5%*	*-1.4%*
Net profit	882	876	*+4.0%*	469	391	484	*+6.5%*	*+23.2%*
RoAC	15.9%	15.6%	*-0.3 p.p.*	16.9%	14.1%	17.1%	*+0.1 p.p.*	*+2.9 p.p.*
Cost/income	34.6%	35.0%	*+0.4 p.p.*	35.4%	33.9%	36.1%	*+0.7 p.p.*	*+2.2 p.p.*
Cost of risk (bps)	67	56	*-11 bps*	65	61	52	*-14 bps*	*-9 bps*

***Note:** For CEE, 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 per cent, Yapi not considered in CoR, FTEs and gross NPE ratio*

Revenues were up 3.7 per cent Y/Y to €1.1 bn in 2Q19 (-0.5 per cent Q/Q) mainly driven by increased commercial revenues. Net interest income was stable (+0.1 per cent Q/Q) at €683 m in 2Q19. Gross new loan production[61] reached €9.8 bn in 1H19 (-5.8 per cent 1H/1H). Fees are down 0.8 per cent Y/Y mainly due to financing fees which decreased by 11.1 per cent Y/Y. Dividends were down by 4.2 per cent due to a lower contribution from Yapi Kredi which is down 4.5 per cent Y/Y. Revenues were €2.1 bn in 1H19, up 3.3 per cent 1H/1H.

The number of gross new clients[62] was 321k in 2Q19 (up 1.3 per cent Y/Y).

Operating expenses were €386 m in 2Q19 (+4.3 per cent Y/Y, +5.4 per cent Q/Q), mainly due to salary inflation. Operating expenses were €750 m in 1H19 (+2.9 per cent 1H/1H) with a C/I at 35.0 per cent, up 0.4 p.p. 1H/1H.

LLPs were €87 m in 2Q19 (-14.8 per cent Y/Y, -16.0 per cent Q/Q) and €187 m in 1H19 (-7.7 per cent 1H/1H) with a CoR at 56 bps thanks to a supportive risk environment. The FY19 CoR will be well below the 102 bps target.

The net operating profit was €596 m in 2Q19 (+6.5 per cent Y/Y, -1.4 per cent Q/Q) and €1.2 bn in 1H19 (+5.5 per cent 1H/1H).

CEE continued to be the growth engine of the Group, generating a net profit of €484 m in 2Q19, (+6.5 per cent Y/Y, +23.2 per cent Q/Q). The most important contributors to CEE's earnings were Czech Republic (€109 m net profit, +21.1 per cent Y/Y), followed by Bulgaria (€65 m net profit, +6.8 per cent Y/Y), Russia (€64 m net profit, +64.0 per cent Y/Y), Turkey (€63 m net profit, -4.5 per cent Y/Y) and Croatia (€54 m net profit, +3.3 per cent Y/Y). The net profit was €876 m in 1H19 (+4.0 per cent 1H/1H) which translated into a RoAC of 15.6 per cent in 1H19. The FY19 RoAC target is confirmed at 13.4 per cent.

The gross NPE ratio improved by 172 bps Y/Y to 5.5 per cent in 2Q19 thanks to successful de-risking. The coverage ratio was at 65.1 per cent, down 0.8 p.p. Y/Y.

[61] Managerial figures.
[62] Including Yapi at 100 per cent

CIB

(€ million)	1H18	1H19	*1H/1H*	2Q18	1Q19	2Q19	*Y/Y*	*Q/Q*
Total revenues	1,960	1,890	*-3.6%*	856	1,022	868	*+1.4%*	*-15.1%*
Gross operating profit	1,183	1,122	*-5.2%*	477	633	489	*+2.5%*	*-22.8%*
Net operating profit	1,345	973	*-27.7%*	687	590	382	*-44.3%*	*-35.2%*
Net profit	563	592	*+5.2%*	181	492	100	*-44.7%*	*-79.7%*
RoAC	11.5%	11.6%	*+0.0 p.p.*	7.3%	19.4%	3.9%	*-3.4 p.p.*	*-15.5 p.p.*
Cost/income	39.6%	40.6%	*+1.0 p.p.*	44.3%	38.0%	43.7%	*-0.6 p.p.*	*+5.6 p.p.*
Cost of risk (bps)	-30	24	*+55 bps*	-76	14	35	*+111 bps*	*+21bps*

Revenues were €868 m in 2Q19 (+1.4 per cent Y/Y, -15.1 per cent Q/Q). NII was stable (+0.1 per cent Q/Q) at €548 m in 2Q19 with stable customer rates. Fees were €128 m, down 9.0 per cent Y/Y mainly due to lower financing fees (-18.7 per cent Y/Y). Trading income at €193 m, up 27.5 per cent Y/Y as spread widening in market making negatively affected trading income in 2Q18. The client driven share of revenues was 71 per cent in 2Q19[63]. Revenues reached €1.9 bn in 1H19 (-3.6 per cent 1H/1H).

The cost discipline is confirmed, with stable operating costs of €379 m (-0.1 per cent Y/Y) in 2Q19 and €768 m in 1H19 (-1.2 per cent 1H/1H). The 1H19 C/I ratio stood at 40.6 per cent (up 1.0 p.p. 1H/1H).

The CoR increased by 21 bps Q/Q to 35 bps in 2Q19 due to a non-recurring impact from single names. The CoR of 24 bps in 1H19, and FY19 target of 21 bps is confirmed.

The net operating profit stood at €382 m (-44.3 per cent Y/Y, -35.2 per cent Q/Q) in 2Q19 and €973 m in 1H19 (-27.7 per cent 1H/1H).

The net profit for 2Q19 was €100 m (-44.7 per cent Y/Y, -79.7 per cent Q/Q) and €592 m in 1H19 (+5.2 per cent 1H/1H). Excluding one-offs, the normalised[64] 2Q19 net profit amounted to €263 m (+45.4 per cent Y/Y). The normalised[64] RoAC in 1H19 stood at 11.2 per cent, with the net release of provisions for US sanctions, and the sale of Ocean Breeze and a participation excluded. The FY19 RoAC target is confirmed at 11.7 per cent.

UniCredit's position as a leading European Debt and Trade Finance House was confirmed by several awards as well as its market positions:

- 2019 Euromoney Award for Excellence for Transaction services in CEE
- Leading bond and loan market franchise confirmed: #2 in "EMEA All Bonds in EUR" by number of transactions[65], #1 in EMEA Syndicated Loans All Currencies[65] in Italy, Austria and CEE, #3 in Germany

[63] Of total CIB revenues.
[64] Normalised for release of provisions for US sanctions (+€180 m) in 1Q19 and disposal of Ocean Breeze (-€178 m) in 2Q19 and a participation (+€15 m) in 2Q19.
[65] Source: Dealogic, as at 1st July 2019. Period: 1 January – 30 June 2019; rankings by volume, unless otherwise stated.

Group Corporate Centre (GCC)

(€ million)	1H18	1H19	*1H/1H*	2Q18	1Q19	2Q19	*Y/Y*	*Q/Q*
Total revenues	-178	-261	*+46.6%*	-36	-70	-191	*n.m.*	*n.m.*
Operating costs	-192	-162	*-15.6%*	-95	-90	-72	*-24.4%*	*-20.1%*
Gross operating profit	-371	-424	*+14.3%*	-131	-160	-263	*n.m.*	*+64.2%*
Net profit/loss	7	781	*n.m.*	66	-144	925	*n.m.*	*n.m.*
FTE	14,820	14,026	*-5.4%*	14,820	14,180	14,026	*-5.4%*	*-1.1%*
Costs GCC/total costs	3.7%	3.3%	*-0.4 p.p.*	3.7%	3.6%	2.9%	*-0.8 p.p.*	*-0.6 p.p.*

GCC revenues were -€191 m in 2Q19 due to lower trading from FX hedging, TLAC pre-funding and one-offs (-€47 m) related to the disposal of Fineco. 1H19 revenues were -€261 m (+46.6 per cent 1H/1H).

In 2Q19, GCC operating expenses amounted to €72 m, down 24.4 per cent Y/Y and down 20.1 per cent Q/Q driven by lower HR costs (-7.6 per cent Y/Y).

The "Lean but Steering" GCC transformation is on track with a Y/Y reduction of 794 FTEs. Since December 2015, FTEs have fallen by 21.2 per cent (-3,763 FTEs).

GCC's share of the total Group's costs further improved to 3.3 per cent in 1H19, down 0.4 p.p 1H/1H. FY19 target is 3.5 per cent.

GCC's stated net profit of €925 m in 2Q19 was positively affected by the disposal of Fineco.

Non Core

(€ million)	1H18	1H19	*1H/1H*	2Q18	1Q19	2Q19	*Y/Y*	*Q/Q*
Total revenues	-178	-261	*+46.6%*	-36	-70	-191	*n.m.*	*n.m.*
Operating costs	-192	-162	*-15.6%*	-95	-90	-72	*-24.4%*	*-20.1%*
Gross operating profit	-371	-424	*+14.3%*	-131	-160	-263	*n.m.*	*+64.2%*
Net profit/loss	7	781	*n.m.*	66	-144	925	*n.m.*	*n.m.*
FTE	14,820	14,026	*-5.4%*	14,820	14,180	14,026	*-5.4%*	*-1.1%*
Costs GCC/total costs	3.7%	3.3%	*-0.4 p.p.*	3.7%	3.6%	2.9%	*-0.8 p.p.*	*-0.6 p.p.*

(€ million)	1H18	1H19	*1H/1H*	2Q18	1Q19	2Q19	*Y/Y*	*Q/Q*
Total revenues	34	-6	*n.m.*	21	-1	-5	*n.m.*	*n.m.*
Operating costs	-90	-85	*-5.1%*	-39	-43	-42	*+6.7%*	*-3.4%*
Gross operating profit	-56	-91	*+62.4%*	-18	-44	-46	*n.m.*	*+5.1%*
LLP	-514	-297	*-42.2%*	-388	-103	-194	*-50.1%*	*+87.4%*
Net loss	-416	-399	*-4.1%*	-280	-189	-211	*-24.7%*	*+11.6%*
Gross customer loans	23,908	15,679	*-34.4%*	23,908	17,750	15,679	*-34.4%*	*-11.7%*
Net NPEs	7,734	5,333	*-31.0%*	7,734	6,065	5,333	*-31.0%*	*-12.1%*
Coverage ratio	64.0%	66.0%	*+1.9 p.p.*	64.0%	65.8%	66.0%	*+1.9 p.p.*	*+0.2 p.p.*
RWA	15,226	15,240	*0.1%*	15,226	11,695	15,240	*0.1%*	*30.3%*

The Non Core runoff by 2021 is fully on track. The FY19 Non Core gross NPE target will be meaningfully below €14.9 bn and closer to €10 bn.

2Q19 Gross NPEs were reduced by €2.1 bn Q/Q to €15.7 bn mainly driven by disposals of €1.1 bn.

Revenues were -€5 m in 2Q19, down €26 m Y/Y due to a lower contribution from time value, and -€6 m in 1H19, down €39 m 1H/1H.

LLP at €194 m in 2Q19 were down 50.1 per cent Y/Y with the coverage ratio improving to 66.0 per cent (+1.9 p.p. Y/Y). In 1H19 LLPs were €297 m, down 42.2 per cent 1H/1H.

The net loss was €211 m in 2Q19 (-24.7 per cent Y/Y) and €399 m in 1H19 (-4.1 per cent 1H/1H).

In 2Q19 the normalised[66] loss excluding one-offs was €189 m.

Non Core RWA's are up 30.3 per cent Q/Q at € 15.2 bn, due to regulatory headwinds mainly from EBA guidelines.

[66] Normalised for a one-off (-€22 m) in 2Q19.

GROUP TABLES

UNICREDIT GROUP: RECLASSIFIED INCOME STATEMENT

(€ million)	1H18	1H19	*H/H*	2Q18	1Q19	2Q19	*Y/Y*	*Q/Q*
Net interest	5,169	5,132	*-0.7%*	2,608	2,578	2,554	*-2.1%*	*-0.9%*
Dividends and other income from equity investments	353	321	*-9.1%*	169	167	154	*-8.8%*	*-7.3%*
Net fees and commissions	3,254	3,106	*-4.6%*	1,613	1,541	1,565	*-3.0%*	*+1.5%*
Net trading income	782	696	*-11.0%*	312	442	253	*-19.0%*	*-42.8%*
Net other expenses/income	89	28	*-68.3%*	33	38	(10)	*n.m.*	*n.m.*
OPERATING INCOME	**9,647**	**9,283**	***-3.8%***	**4,736**	**4,766**	**4,517**	***-4.6%***	***-5.2%***
Payroll costs	(3,205)	(3,075)	*-4.1%*	(1,591)	(1,555)	(1,519)	*-4.5%*	*-2.3%*
Other administrative expenses	(1,771)	(1,635)	*-7.7%*	(872)	(832)	(803)	*-7.9%*	*-3.4%*
Recovery of expenses	320	301	*-5.9%*	171	150	151	*-12.1%*	*+0.3%*
Amort. deprec. and imp. losses on intang. & tang. assets	(541)	(557)	*+3.0%*	(272)	(277)	(280)	*+3.0%*	*+0.9%*
OPERATING COSTS	**(5,198)**	**(4,966)**	***-4.5%***	**(2,564)**	**(2,515)**	**(2,452)**	***-4.4%***	***-2.5%***
OPERATING PROFIT (LOSS)	**4,449**	**4,316**	***-3.0%***	**2,172**	**2,252**	**2,065**	***-4.9%***	***-8.3%***
Net write-downs on loans and provisions for guarantees and commitments	(997)	(1,175)	*+17.8%*	(502)	(467)	(707)	*+41.0%*	*+51.4%*
NET OPERATING PROFIT (LOSS)	**3,452**	**3,142**	***-9.0%***	**1,670**	**1,784**	**1,357**	***-18.7%***	***-23.9%***
Other charges and provisions	(1,178)	(450)	*-61.8%*	(660)	(214)	(236)	*-64.2%*	*+10.5%*
- of which: systemic charges	*(638)*	*(656)*	*+2.8%*	*(173)*	*(538)*	*(118)*	*-31.8%*	*-78.0%*
Integration costs	9	(5)	*n.m.*	(2)	(3)	(2)	*-26.9%*	*-48.9%*
Net income from investments	221	84	*-62.1%*	204	391	(307)	*n.m.*	*n.m.*
PROFIT (LOSS) BEFORE TAX	**2,505**	**2,771**	***+10.6%***	**1,212**	**1,959**	**812**	***-33.0%***	***-58.5%***
Income tax for the period	(419)	(751)	*+78.9%*	(226)	(577)	(174)	*-23.1%*	*-69.9%*
NET PROFIT (LOSS)	**2,085**	**2,021**	***-3.1%***	**986**	**1,382**	**639**	***-35.2%***	***-53.8%***
Profit (Loss) from non-current assets held for sale after tax	164	1,372	*n.m.*	96	65	1,307	*n.m.*	*n.m.*
PROFIT (LOSS) FOR THE PERIOD	**2,249**	**3,393**	***+50.8%***	**1,082**	**1,447**	**1,946**	***+79.9%***	***+34.5%***
Minorities	(111)	(87)	*-21.4%*	(56)	(59)	(29)	*-49.3%*	*-51.3%*
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**2,138**	**3,305**	***+54.6%***	**1,025**	**1,388**	**1,917**	***+87.0%***	***+38.1%***
Purchase Price Allocation effect	(2)	(64)	*n.m.*	(1)	(1)	(63)	*n.m.*	*n.m.*
Goodwill impairment	-	-	*n.m.*	-	-	-	*n.m.*	*n.m.*
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**2,136**	**3,241**	***+51.7%***	**1,024**	**1,387**	**1,854**	***+81.0%***	***+33.7%***

2018 figures were restated to reflect:

- following the first time adoption of IFRS16 - Leasing from 1 January 2019, the lessee's lease payment previously computed in the item "Other administrative expenses" is split between:
  - the item "Net interest" for the interest expense with reference to the lease liability;
  - the item "Amortisation, depreciation and impairment losses on intangible and tangible assets" for right of use asset depreciation.
  - In addition, in the item "Recovery of expenses", is no longer included in the income arising from the sublease to third parties of real estate asset leased by the Group;
- for the reclassification of some commitment fees on undrawn credit lines from the item "Net interest" to the item "Net fees and commissions" starting from December 2018.

2018 and first quarter 2019 figures were restated starting from June 2019:

- to reflect "loss of control" on FinecoBank S.p.A. following the completion on 8 May 2019 of the accelerated bookbuilding (ABB) of 103.5 million ordinary shares of the company settled on 10 May 2019;
- following the reclassification:
  - of revenues for "Dividends from other financial assets mandatorily at fair value" to the item "Net trading income";
  - of some expenses incurred in handling the recovery process of non–performing exposures to the item "Other administrative expenses" (previously included in the item "Net fees and commissions");
  - of some expenses for payment services and cards that, were reclassified from the item "Other administrative expenses" to the item "Net fees and commissions";
  - of net results from sales & purchases and re-measurement of physical gold, precious stones and metals that were reclassified from the item "Net other expenses/income" to the item "Net trading income" when entered into in contemplation with other trading book exposures or "Net income from investments" otherwise;
  - of some non-recoverable expenses incurred for customer financial transaction taxes that were reclassified from the item "Other administrative expenses" to the item "Net fees and commissions" or when otherwise recovered/debited, the related income has been included in the item "Recovery of expenses" (from the item "Net fees and commissions");
  - of some expenses for local tax on corporate revenues (i.e. Municipality and Innovation Tax in Hungary) that were reclassified from the item "Other administrative expenses" to the item "Income tax for the period".

UNICREDIT GROUP: RECLASSIFIED BALANCE SHEET

(€ million)	2Q18	1Q19	2Q19	Y/Y	Q/Q
ASSETS					
Cash and cash balances	21,238	31,991	32,578	*+53.4%*	*+1.8%*
Financial assets held for trading	83,262	67,135	67,344	*-19.1%*	*+0.3%*
Loans to banks	73,004	83,655	77,911	*+6.7%*	*-6.9%*
Loans to customers	458,787	471,653	469,298	*+2.3%*	*-0.5%*
Other financial assets	148,841	148,061	138,438	*-7.0%*	*-6.5%*
Hedging instruments	5,700	8,516	9,801	*+72.0%*	*+15.1%*
Property, plant and equipment	9,077	10,737	9,176	*+1.1%*	*-14.5%*
Goodwill	1,484	1,484	886	*-40.3%*	*-40.3%*
Other intangible assets	1,864	1,996	1,915	*+2.7%*	*-4.0%*
Tax assets	11,998	13,096	12,896	*+7.5%*	*-1.5%*
Non-current assets and disposal groups classified as held for sale	915	1,648	3,115	*n.m.*	*+89.1%*
Other assets	7,740	7,692	8,824	*+14.0%*	*+14.7%*
Total assets	**823,908**	**847,663**	**832,183**	***+1.0%***	***-1.8%***
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits from banks	129,747	136,882	132,695	*+2.3%*	*-3.1%*
Deposits from customers	456,094	473,514	453,019	*-0.7%*	*-4.3%*
Debt securities issued	87,567	84,283	92,434	*+5.6%*	*+9.7%*
Financial liabilities held for trading	52,454	41,879	40,410	*-23.0%*	*-3.5%*
Other financial liabilities	8,524	13,815	13,689	*+60.6%*	*-0.9%*
Hedging instruments	6,254	11,440	13,848	*n.m.*	*+21.0%*
Tax liabilities	1,066	1,202	962	*-9.8%*	*-20.0%*
Liabilities included in disposal groups classified as held for sale	79	547	632	*n.m.*	*+15.5%*
Other liabilities	25,825	25,267	24,948	*-3.4%*	*-1.3%*
Minorities	837	984	411	*-50.9%*	*-58.3%*
Group Shareholders' Equity:	55,462	57,851	59,136	*+6.6%*	*+2.2%*
- Capital and reserves	*53,325*	*56,464*	*55,895*	*+4.8%*	*-1.0%*
- Net profit (loss)	*2,136*	*1,387*	*3,241*	*+51.7%*	*n.m.*
Total liabilities and Shareholders' Equity	**823,908**	**847,663**	**832,183**	***+1.0%***	***-1.8%***

UNICREDIT GROUP: STAFF AND BRANCHES

(units)	2Q18	1Q19	2Q19	*Y/Y Δ*	*Q/Q Δ*
Employees(*)	87,544	85,111	84,836	*-2,708*	*-274*
Branches (**)	4,698	4,559	4,535	*-163*	*-24*
- o/w CB Italy, CB Germany, CB Austria	*3,019*	*2,908*	*2,884*	*-135*	*-24*
- o/w CEE	*1,679*	*1,651*	*1,651*	*-28*	*0*

Note: (*) FTE data: number of employees counted for the rate of presence. Please consider that Group FTEs are shown excluding all companies that have been classified as "discontinued operations" under IFRS5 and Ocean Breeze. (**) Figures include the branches of Yapi.

UNICREDIT GROUP: RATINGS

	SHORT-TERM DEBT	MEDIUM AND LONG-TERM	OUTLOOK	STANDALONE RATING
Standard & Poor's	A-2	BBB	STABLE	bbb
Moody's	P-2	Baa1	STABLE	baa3
Fitch Ratings	F2	BBB	NEGATIVE	bbb

Note: S&P: on 15 July 2019, the outlook was changed to stable from negative
Moody's: on 18 July 2019 Moody's upgraded UniCredit S.p.A's stand-alone rating to 'baa3' from 'ba1'
Fitch Ratings: on 5 September 2018, Fitch revised UniCredit S.p.A.'s outlook to Negative (from Stable) following the recent revision of Italy's outlook to Negative

Declaration by the Manager charged with preparing the financial reports

The undersigned, Stefano Porro, in his capacity as the Manager charged with preparing UniCredit S.p.A.'s financial reports

DECLARES

That, pursuant to Article 154 bis, paragraph 2, of the "Consolidated Law on Finance" the information disclosed in this document corresponds to the accounting documents, books and records.

Milan, 6 August 2019

Manager charged with
preparing the financial reports

Investor Relations:
Tel. +39-02-88621028; e-mail: investorrelations@unicredit.eu
Media Relations:
Tel. +39-02-88623569; e-mail: mediarelations@unicredit.eu

UNICREDIT 2Q19 GROUP RESULTS – DETAILS OF CONFERENCE CALL

MILAN, 7 August 2019 – 10.00 CET

CONFERENCE CALL DIAL IN

ITALY: +39 02 805 88 11

UK: +44 1 212818003

USA: +1 718 7058794

THE **CONFERENCE CALL** WILL ALSO BE **AVAILABLE** VIA **LIVE AUDIO WEBCAST** AT https://www.unicreditgroup.eu/en/investors/group-results.html, WHERE THE SLIDES WILL BE DOWNLOADABLE