Goldman Sachs – Annual European Financials Conference

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Brussels, 12th June 2013

Agenda

- Reacting to the new environment …

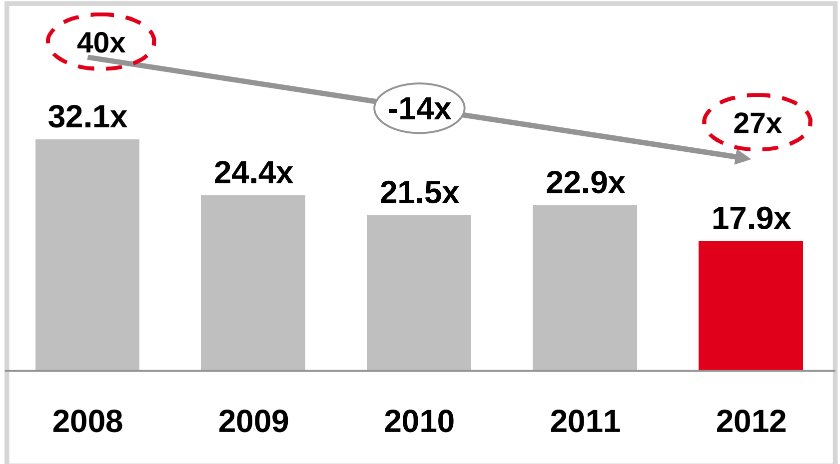
- … to unleash UniCredit's potential

De-Leveraging to adapt to the new environment

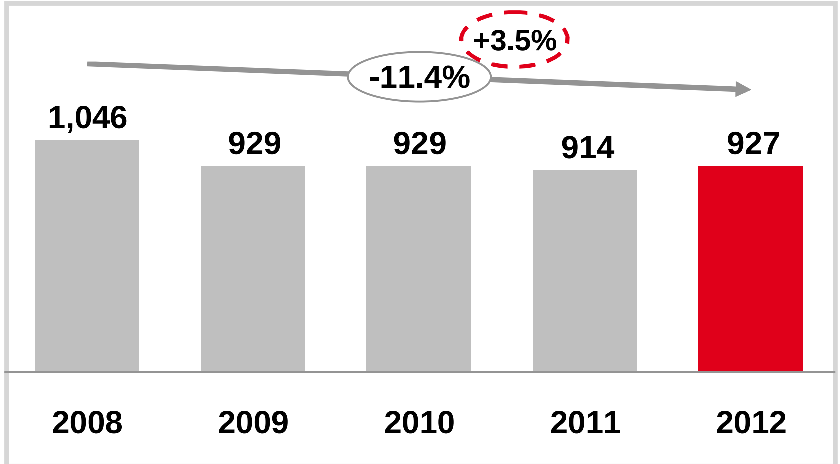
Strong de-leveraging driven by customer loans and financial portfolios

At 18x Leverage ratio the Group is ready to catch new growth opportunities

Leverage Ratio

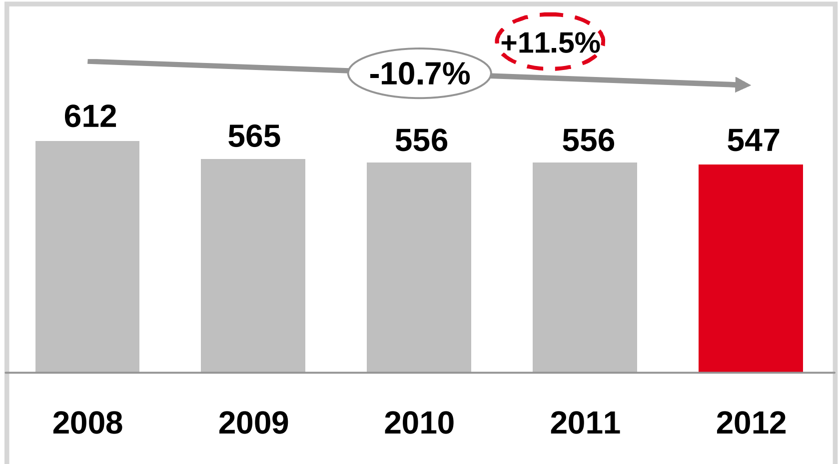


Total Assets, bn

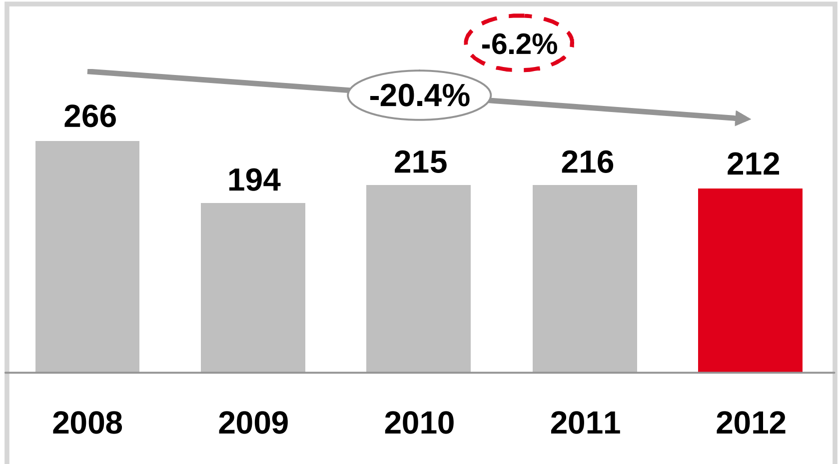


Peers

Customer Loans, bn



Financial portfolios, bn



European Peers: ISP, MPS, UBI, BaPo, Erste, RBI, KBC, OTP, BNP, SG, CASA, Santander, BBVA, DBK, CBK, CS, UBS, Nordea, Swedbank, SHB, SEB, DnB, Danske

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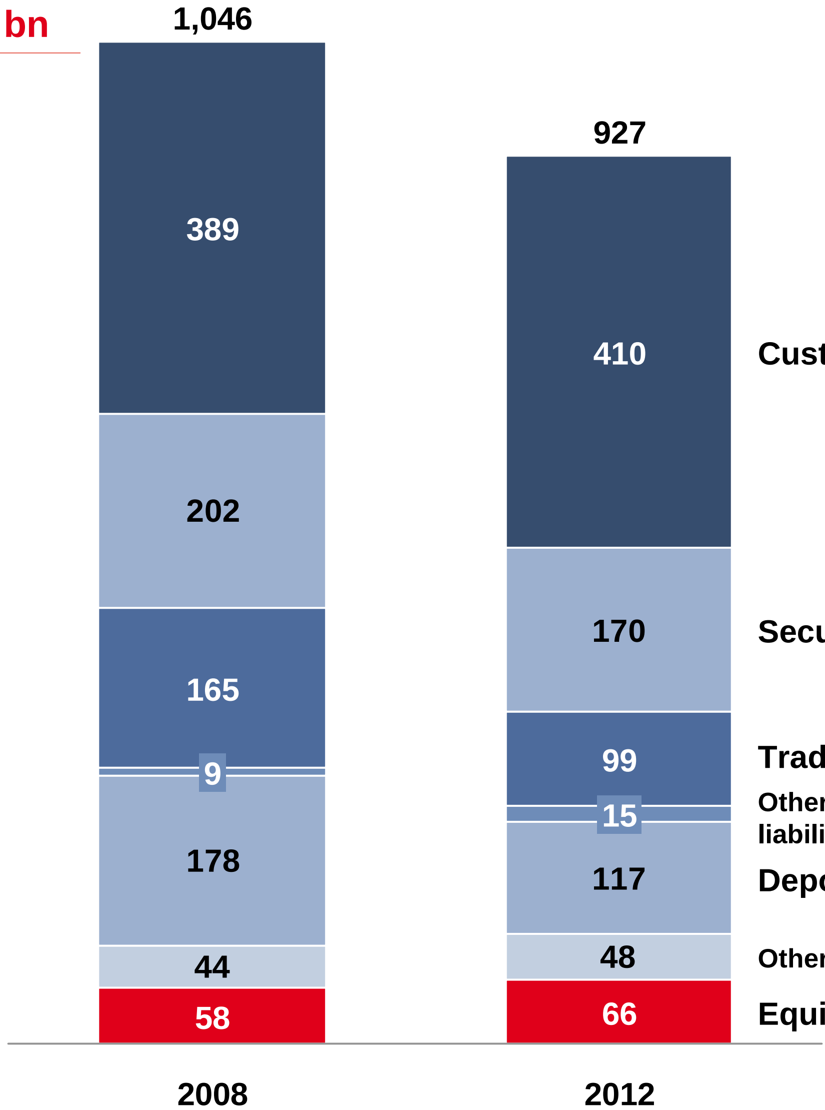
Funding Re-shaping

Strong improvement in the funding profile with lower contribution of wholesale sources, enhancing UCG competitive position

Liabilities, bn



Weight on Total Assets

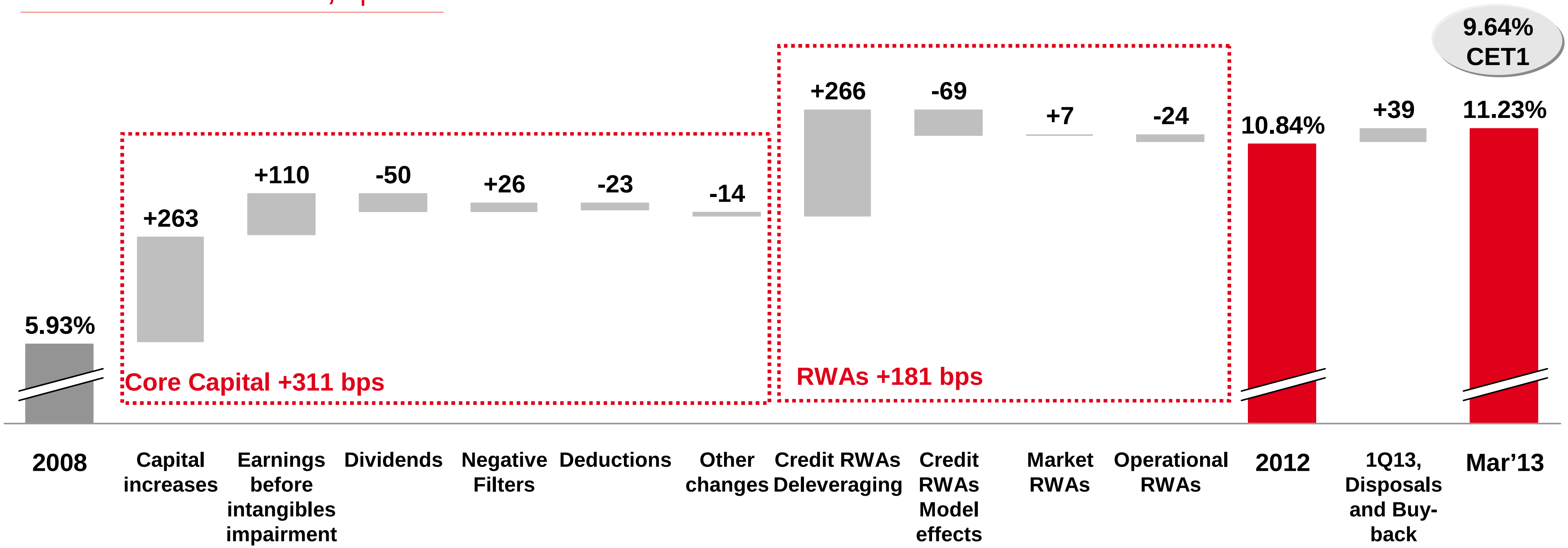
	2008	2012	Peers 2012
Customer Deposits	37%	44%	33%
Securities in issue	19%	18%	16%
Trading liabilities	16%	11%	24%
Other financial liabilities			
Deposits from banks	17%	13%	9%
Other liabilities			
Equity	6%	7%	4%

European Peers: ISP, MPS, UBI, BaPo, Erste, RBI, KBC, OTP, BNP, SG, CASA, Santander, BBVA, DBK, CBK, CS, UBS, Nordea, Swedbank, SHB, SEB, DnB, Danske

Capital enhancement

Strong recapitalization (~500 bps) through organic generation and shareholders' efforts. RWAs reduction driven by real de-leveraging, not model roll-over

Core Tier 1 Ratio walk, bps



- UniCredit increased its Core Capital by 16 bn euros since December 2008, after paying 2.5 bn dividends in the period, offsetting regulatory changes and negative economic cycle
- RWA dropping by 16.7% between 2008 and 2012 (vs -0.8% average European peers[1]), thanks to real de-leveraging of credit and counterparts exposure
- Market RWAs fell by 14.1%, fully offsetting the regulatory changes, driven by Trading Portfolio reduction

(1) European Peers: ISP, MPS, UBI, BaPo, Erste, RBI, KBC, OTP, BNP, SG, CASA, Santander, BBVA, DBK, CBK, CS, UBS, Nordea, Swedbank, SHB, SEB, DnB, Danske

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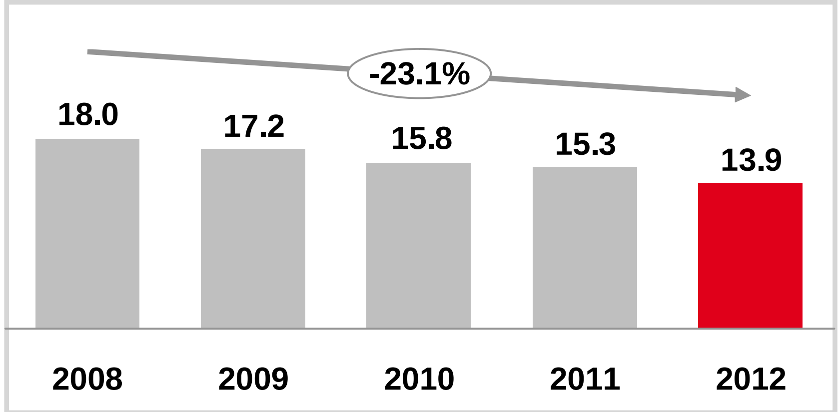
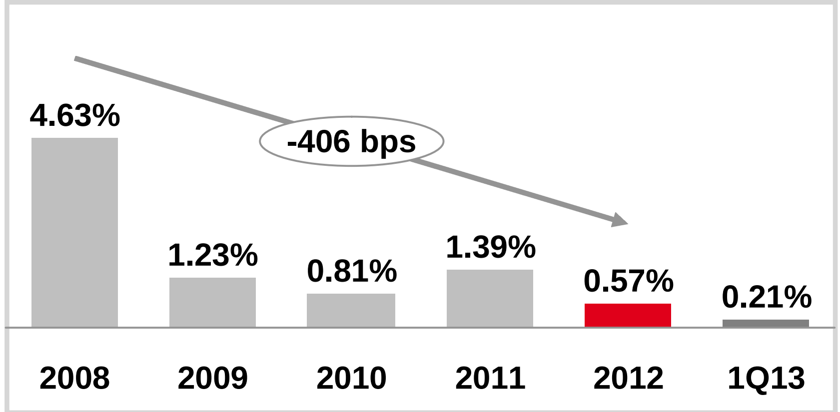
Net interest

Historical net interest fall driven by de-leveraging and drop in Euribor, with expected trend reversal going forward

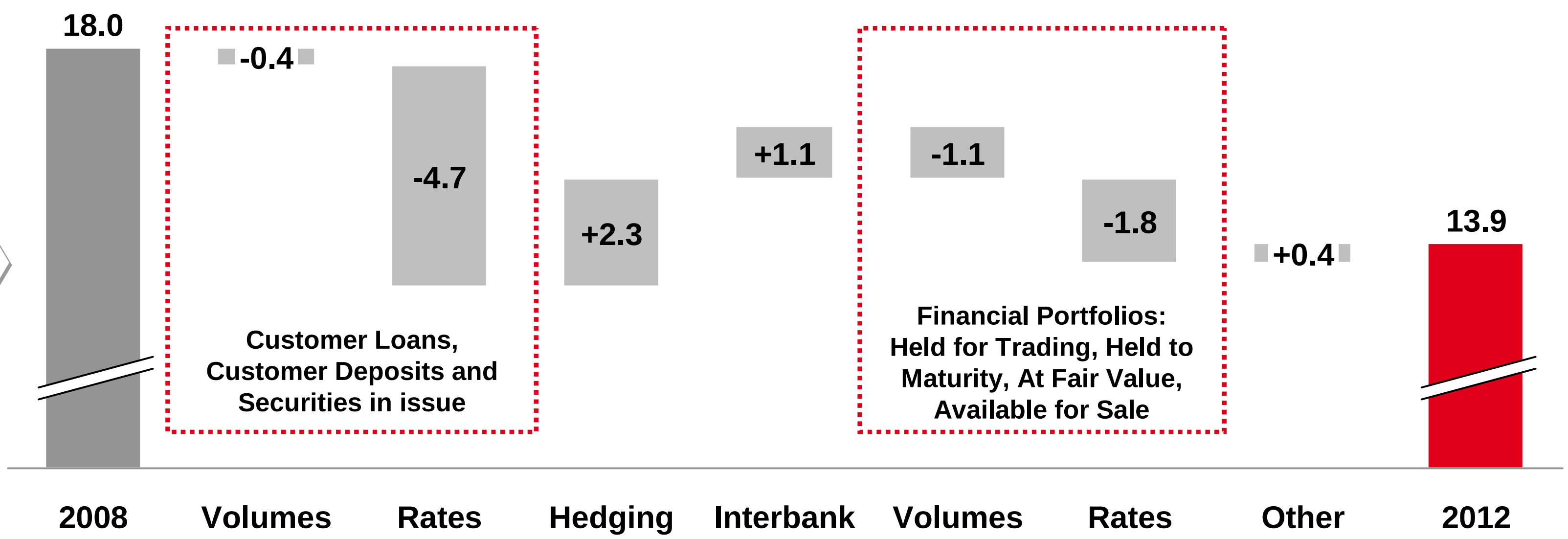
Net interest, bn



3M average Euribor, %



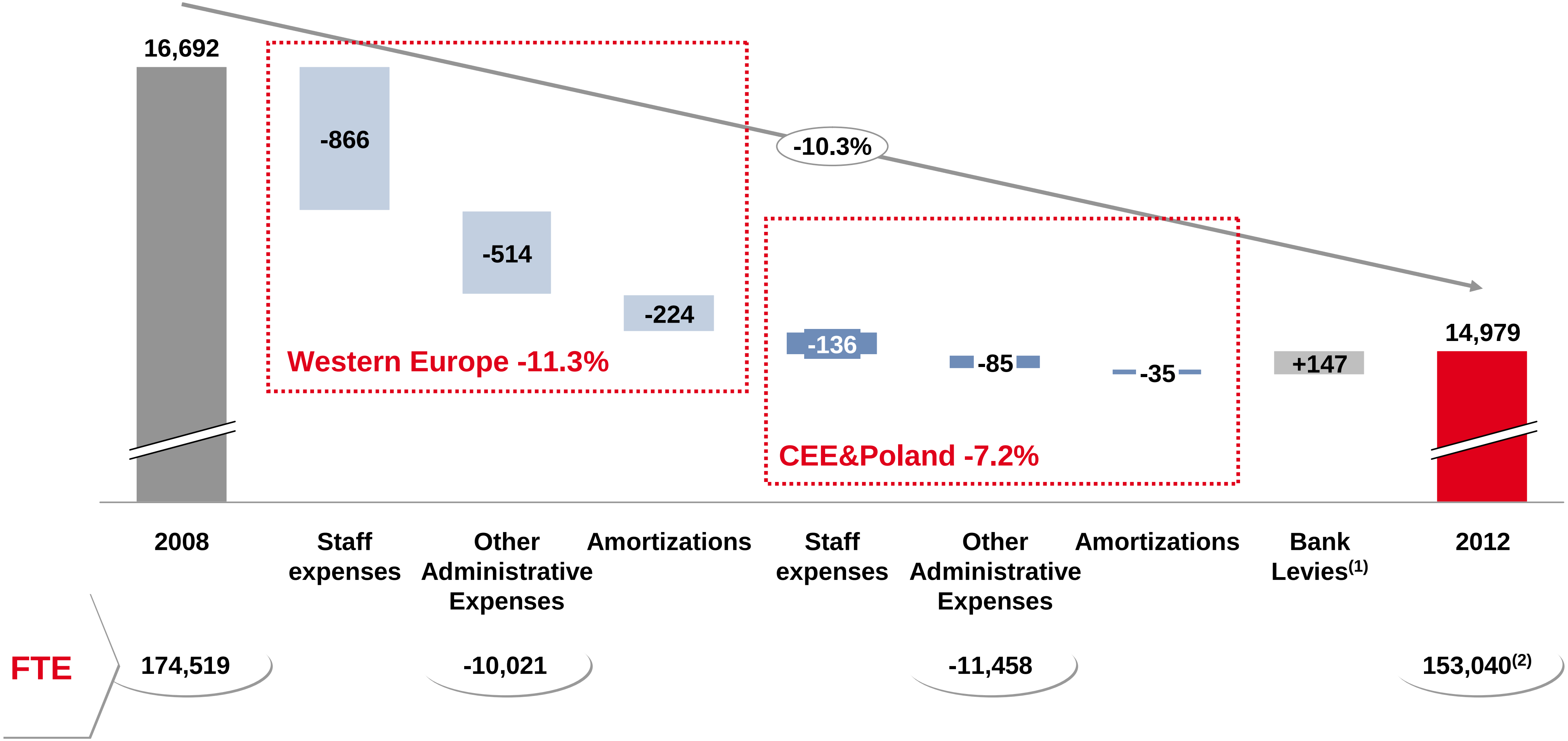
2008-2012 Net interest bridge, bn



Operating Costs

Yet was UniCredit able to decrease the cost base by 1.7 bn in 5 years, both in Western Europe and in CEE&Poland, leveraging on over 21K FTEs net exits

Operating costs bridge (mln)



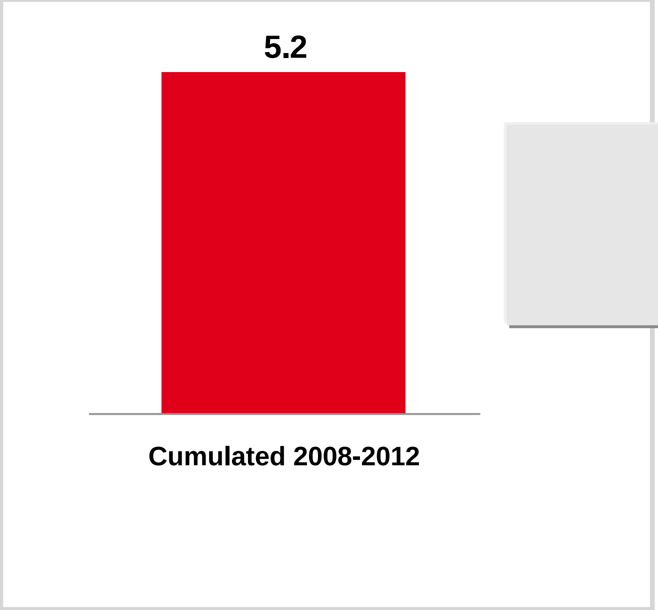
(1) Bank levies in Western Europe (145.6 mln in 2011 and 111.8 mln in 2012) and in CEE (15.9 mln in 2011 and 35.6 mln in 2012)

(2) FTEs net of Kazakhstan which has been classified in the Non-current assets and disposal Groups held for sale (sale completed in May 2013)

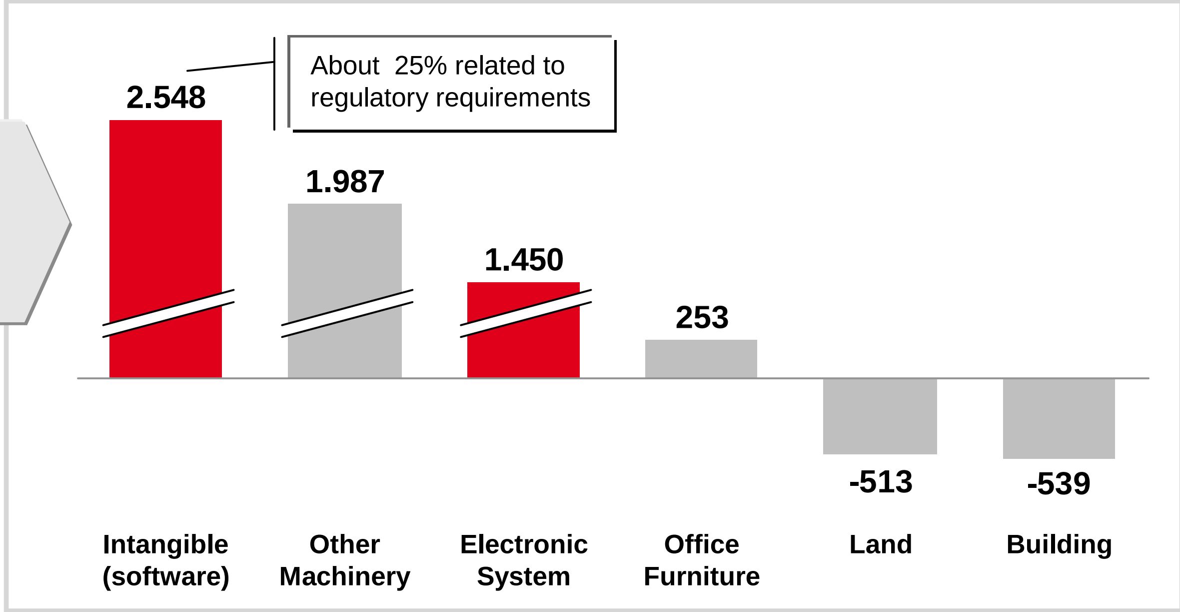
Operating Costs

UCG kept a very high level of new investments, focusing on IT to sustain the business and comply with regulatory requirements, while optimizing its RE assets

New Investments[1], bn



2008-2012 New Investments - breakdown, mln

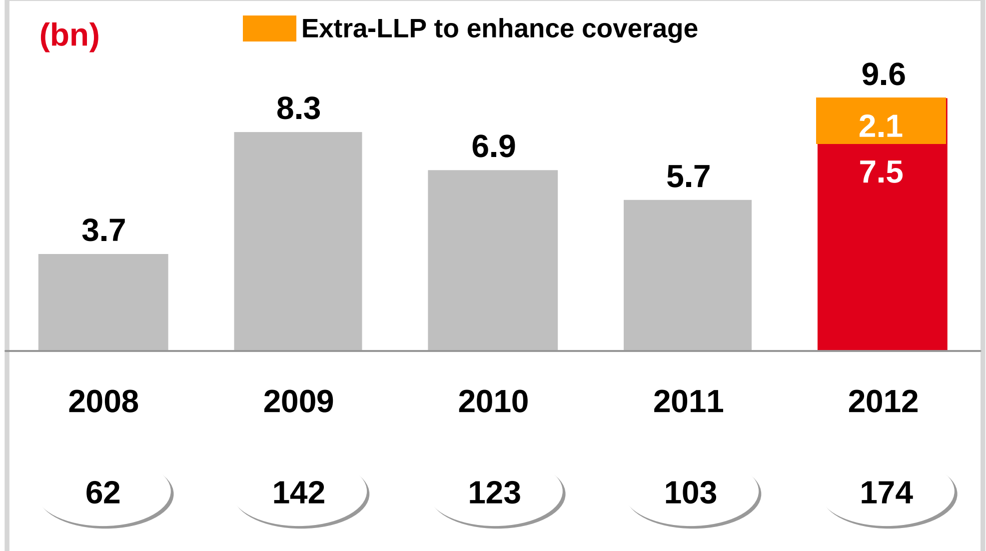


[1] New investments refer to tangible fixed assets used in the business (land, buildings, office furniture and fittings, electronic systems, other machinery and equipment) and intangible assets (mostly software) and include purchases (+), capitalized expenditure on improvements (+), increases in intangible assets generated internally (+), disposals (-)

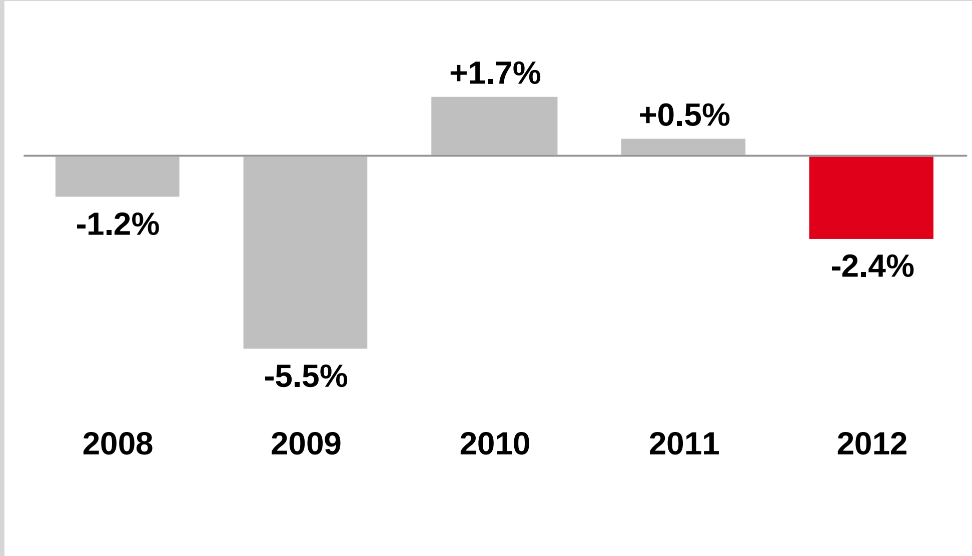
Cost of Risk

LLP trend reflects the adverse macro scenario in Italy
UCG has the highest coverage ratio among main Italian peers

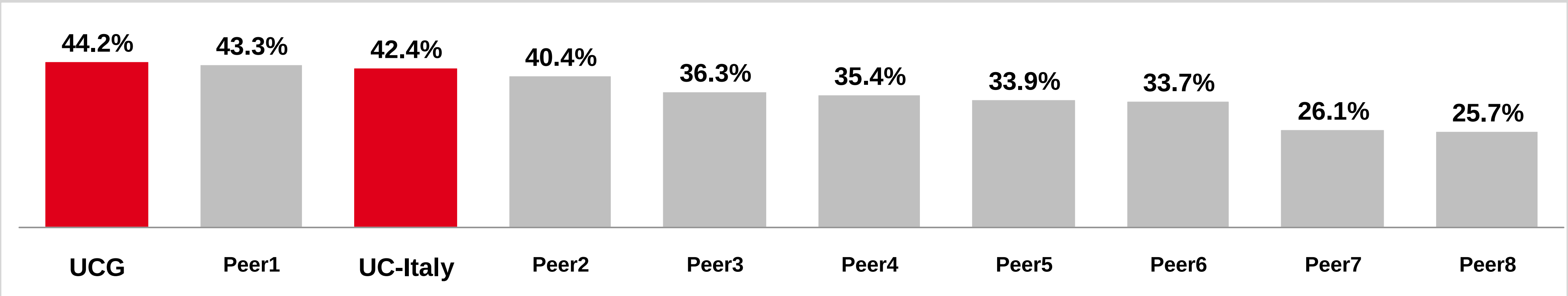
Loan Loss Provisions (bn) – **Group COR** (bps)



Italian GDP, y/y variation (%)



Coverage ratio vs Italian Peers, March 2013 %



Italian Peers: BaPo, BPER, BPM, Carige, Credem, ISP, MPS, UBI

Divisional breakdown

In the current scenario most of UCG divisions are repaying the cost of capital, while turnaround initiatives are in place on the others

ROAC above Ke

	RWA contribution	ROAC 2012	ROAC 1Q13
Commercial Bank Germany	9%	20%	25%
CEE and Poland[1]	26%	20%	18%
CIB	21%	8%	17%
Asset Gathering and Asset Management[1]	1%	49%	56%

ROAC below Ke

	RWA contribution	ROAC 2012	ROAC 1Q13
Commercial Bank Italy	28%	-19%	1%
Commercial Bank Austria	6%	-10%	-3%[2]
Corporate Center	8%	3%[3]	-41%

TURNAROUND INITIATIVES

[1] Divisional data combined for this presentation purpose only

[2] Normalized for Swiss legal case

[3] In 2012, the Corporate Centre benefited from the bond buy-back

Focus on cost reduction

Management actions already in place to reach cost efficiency in all areas

Focus areas	Initiatives
Commercial Bank Italy	■ Network re-design supporting new service model: about 600 branches to be closed between 2010 and 2015; around 2,700 fully-fledged branches less ■ HR actions offset impact of pension reform on HR expenses: ✓ internalization of activities ✓ variable compensation management ✓ higher flexibility internal market
Commercial Bank Austria	■ Fostering cost-efficiency through ✓ streamlining of the network (closure of branches) ✓ adaptation of processes/structures to a significantly reduced work-force (about 2,200 natural exits by 2020)
Corporate Center	■ GIBSON Project: JV agreement for the management of full IT Central Infrastructure (except Global Markets and i-Series) ■ JV/Outsourcing agreement for the management of "accounts payable and accounts receivable" activities ■ Disposal of Real Estate properties cumulated from 2008 to 2012 equal to 3,186 mln with p&L gain of 1,468 mln cumulated. ■ Headquarter rationalization with 680.000 SQM reduction (465,000 in 2008-2012 and 215,000 within 2015)

Other areas	
Commercial Bank Germany	■ Corporate Center optimization and Network redesign (800 FTE less)
CEE and Poland	■ Network redesign (e.g. first Branch of the Future opened in Sofia aiming to enhance customer experience and to increase efficiency)

At least 1 bn Op. Costs lower than old 2015 strategic plan target

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Italy turnaround: focus on asset quality

New organization structure in CRO Italy with the aim to streamline the main processes and focus on credit portfolio

Reorganization

- **New risk management leadership structure,** starting from CRO Italy
- **Additional FTEs dedicated,** especially in monitoring and restructuring functions, also including reallocation from business
- New incentive system and organizational processes in workout unit

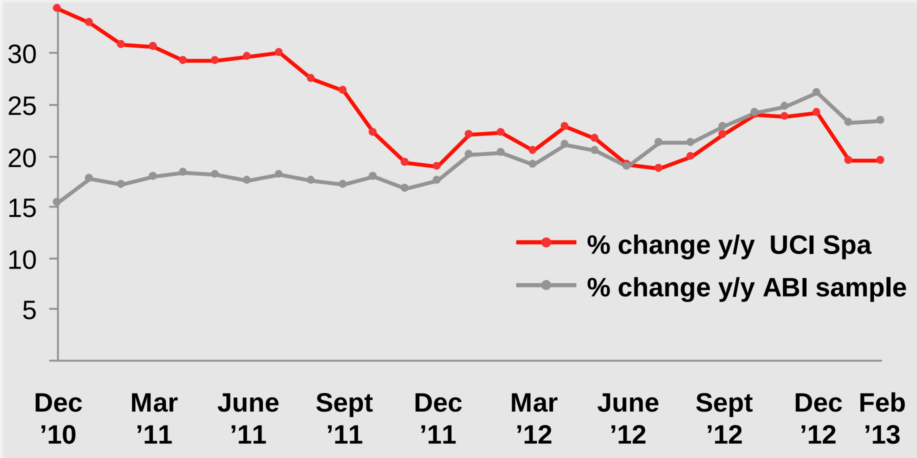
New credit granting strategy

- **Very conservative approach** towards real estate, construction, shipping, renewables and project finance, reduction of leasing, mortgages and consumer finance distribution through third parties, focusing on banking clients (new business via third party networks from 57% of total in 2008 to 2% in 1Q13*)
- Reduction in 12-month default rates of new corporate loans from 3.3% in 2009 to 1.5% in 2012

Optimization portfolio

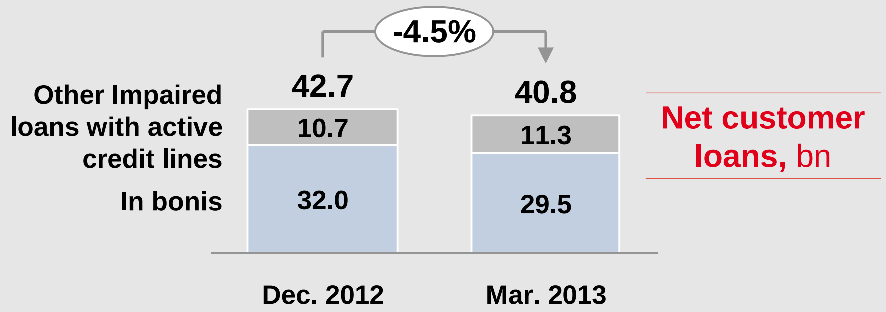
- To prevent the inertial LLPs growth, a portion of the Italian loan book with unfavorable risk-return profile and some impaired positions (eg. Past due) has been identified for **optimization** through ad hoc risk mitigation strategies for each customer cluster

Impaired loans to Households & Corporates, % y/y



Italian optimization portfolio

- Active management of Italian optimization portfolio shows **encouraging results after the start up of dedicated structure**



* On residential mortgages

Italy turnaround: Refocusing on growth

Many network initiatives to accelerate growth in Italy

Main initiatives		Results/targets
Loans to SME Italy	■ Pre-approved new ML loans marketed to 12,000 SME	About 40 bn of new loans to SME and 30 bn to households expected between 2013 and 2015
Mortgages initiatives	■ Commercial initiatives aimed to enhance mortgages new production (e.g. specific product with the possibility to roll over the conditions “Mutuo Opzione Sicura”)	Internal target of new mortgages increased
Advisory boost	■ Enhancement of AuM sales through enlargement of advisory solutions ✓ Personalized segregate account with capital protection and investing in ETF (Green) ✓ Formula funds: investor fund solution with dynamic asset allocation	6.6 bn AuM Net sales in 1Q13 +12 bn delta q/q AuM stock in 1Q13
Partnership with Samsung	■ Initiative aimed to “banking digitalization” with favored conditions for a tablet or smartphone purchase with optimization of applications for banking services	100k new customers within August
UniCredit International	■ The new platform for our internationalization services	Trade Finance products*: ✓ Import market share (17%, +1p.p.) ✓ Export market share (21% +1p.p.) 8,800 SME brought abroad

* Market shares on volumes of Letters of Credit (December 2012 vs. December 2011; Italy)

Concluding remarks

- Significant achievements since 2008 financial crisis in strengthening UniCredit's balance sheet, enhancing capital and optimising the funding structure

- The P&L was impacted by the economic crisis and the de-leveraging process, affecting both the net interest and LLP. However, we managed to weather the impact by reducing the cost base by 1.7 bn, despite significant IT investments

- Most of UniCredit divisions pay their cost of capital

- UniCredit has already launched several initiatives aimed to turnaround underperforming areas by focusing on cost optimization and reduction of cost of risk, while reactivating growth