PRESS RELEASE

UNICREDIT: STRATEGIC PLAN

UNICREDIT APPROVES ITS 2010-2015 STRATEGIC PLAN, TARGETING A RETURN ON TANGIBLE EQUITY OF AROUND 12% IN 2015

FOLLOWING THE PROPOSED CAPITAL STRENGTHENING ACTIONS APPROVED TODAY BY THE BOARD, PRO FORMA BASEL 2 CORE TIER 1 AT 10.35%[1] AS OF SEPTEMBER 30TH. COMMON EQUITY TIER 1 BASEL 3[2] TO EXCEED 9% IN 2012 AND ABOVE 10% IN 2015

AROUND 11% OF JUNE 2011 GROUP RWA RINGFENCED AND RUN-OFF TO SUPPORT THE BEST CAPITAL EFFICIENCY

COST OF RISK TO DROP BY 48BPS TO 75 BPS BY 2015 FROM 123 BPS IN 2010

SIMPLIFICATION AND RATIONALIZATION IN MATURE MARKETS TO DRIVE COSTS DOWN, WHILE EXPECTED GROWTH IN CENTRAL AND EASTERN EUROPE ("CEE") COSTS SUPPORTS FUTURE GROWTH

LEADERSHIP WITH FOCUSED APPROACH IN CEE AND ON PROFITABLE FRANCHISE IN CIB

IN ITALY STRENGTHENING DEPOSIT BASE, COST CONTAINMENT AND IMPROVING COST OF RISK WILL UNDERPIN THE RECOVERY IN PROFITABILITY

A clear strategy to restore our leadership in a challenging environment: The effects of the overall slowdown in the global economic environment, coupled with the European sovereign debt crisis and continued significant market volatility require a clear discontinuity on Capital and Liquidity, Costs, Business Focus and Italy Turnaround. These four pillars will underpin the

[1] Assuming implementation of proposed Rights Issue and CASHES restructuring.
[2] Assuming the full impact of Basel 3, based on available information

Group's return to profitability over the period of the Strategic Plan (the "Plan"), ensuring sustainable growth despite a challenging macroeconomic outlook.

Vision: A rock solid European commercial bank supported by a strong balance sheet and operational efficiency focused on core banking activities and capable of delivering sustainable returns.

Pillars of the Plan: The Plan is based on four, well identified and clearly defined pillars: (1) Balance Sheet Structure, (2) Simplification and Cost Management, (3) Business Refocusing and (4) Italy Turnaround. While the effects from implementation of the first three pillars benefit the Group as a whole, although in different measures across different business units, all three will come together in full in Italy, unlocking the full profitability potential of the Italian Commercial Business perimeter.

Discontinuities: The Plan reflects major discontinuities with the past (including capital increase, ring fencing, changes in asset mix), coupled with substantial organic actions (including significant cost reductions in Western Europe), with greater emphasis placed on actions that are fully within management's control and which are aimed at further strengthening UniCredit's solidity.

The Plan has been developed with an underlying assumption of a balanced macroeconomic scenario over the period, with 2013 returns showing the Group's profitability potential in a still challenging macroeconomic environment, whereas 2015 profitability highlighting the Group's potential in a normalized environment and benefiting from the full implementation of the Plan's strategic initiatives.

By 2013 UniCredit is expected to reach net profit of €3.8bn and ROTE of 7.9%, thanks to a combination of marginal growth in revenues, strong contribution from CEE, strict control over costs (flat between 2010 and 2013) and a gradual convergence of CoR from 2010 levels to more normalised levels. As growth will not be driven by volumes expansion, risk adjusted returns will rise from 4.2% in 2010 to 4.7% in 2013.

In 2015 net profit is expected to be €6.5bn with an ROTE of approximately 12%, thanks to a gradual pick up of the economy and the significant decrease in CoR (75bps). Direct costs will remain virtually flat throughout the Plan period, with growth in CEE to be financed through significant savings in mature markets.

1) BALANCE SHEET STRUCTURE

CAPITAL MANAGEMENT

The Plan is based on a solid capital structure, with Common Equity Tier I ratio to be above 9%[3] already in 2012, taking into account the full impact of Basel 3, and above 10% in 2015. Similarly,

[3] Assuming full implementation of proposed Rights Issue with Basel 2.

UniCredit is going to be EBA compliant from the outset, with pro-forma Core Tier 1 ratio as of September 2011 at 9.3%[4].

The main capital management actions built into the Plan include:

- €7.5bn rights issue to be proposed to the Extraordinary General Meeting (EGM) on 15th December;
- CASHES restructuring with inclusion in Common Equity Tier 1 of €2.4bn out of €3bn (€0.6bn to be computable as Additional Tier I capital);
- No dividend to be paid for 2011; and
- Focused RWA management via ring-fencing of performing, non-core assets in a €48bn RWA run-off portfolio.

Furthermore, in light of the conservative approach aimed at reducing risk associated with the Plan's implementation, several additional capital management actions which will bring additional upside to the stated goals are not included in the Plan's targets, including:

- Run-off of other non-core assets, incremental with respect to what has already been identified above; and
- Further rationalization/disposal of non-core assets and investments;

<u>FUNDING AND LIQUIDITY</u>

<u>Well matched Balance Sheet</u>

The Plan envisages further strengthening of the liquidity position of the Group. This will be achieved through a well matched balance sheet and leveraging its diversified funding platform.

The main funding and liquidity actions to maintain a well matched balance sheet, built into the Plan include:

- L/D ratio to decrease from 1.4 in 2010 to 1.2 in 2015; and
- By 2015, Group to achieve positive net inter-bank position and full compliance with Basel 3 liquidity risk indicators (NSFR and LCR).

[4] The EBA exercise has been updated with September figures based on internal estimates. The official outcome will be published by EBA by the end of November and could differ from internal estimates.

Diversified funding platform

The main funding and liquidity actions to leverage our diversified funding platform, built into the Plan include:

- Covered bonds platform. Continue to exploit our significant covered bond issuance capacity with an additional €31bn by 2015; and

- Retail Network Bonds. UniCredit has considerable capacity and untapped potential in placing network bonds.

2) SIMPLIFICATION AND COST MANAGEMENT

Through simplification of the organizational structure, downsizing of corporate centers/ governance functions, stricter procurement criteria and real estate optimization UniCredit will be able to bolster profitability notwithstanding the current weak macroeconomic scenario.

The 2013 cost base will decrease in absolute terms vs. 2010, and only increase marginally throughout the Plan period (+0.5% CAGR 10-15, excluding bank levies). Such a broadly stable cost base results from a reduction of costs in Western European countries (-1.5% CAGR 2010-2013, -0.8% CAGR 2010-15), and a growth in CEE (+4.1% in 2010-2013 and +5.1% in 2010-2015, also impacted by expected inflation in the region).

The main simplification and cost management actions built into the Plan include:

- Central Functions. Support functions streamlining and Headquarters rationalization;

- Operations. Global Banking Services rationalization and Procurement's spend optimization; and

- Networks. Comprehensive reorganization of the branch network into a two-tiered branch model, where fully fledged branches ("Hubs") will combine with smaller (Cash-Light or Cash-Less) outlets ("Spokes") providing proximity services. As a result of these initiatives the percentage of fully-fledged branches will decrease to 26% in 2015 from 87% in 2011, allowing for a reduction of overlaps and inefficiencies.

3) BUSINESS REFOCUSING

CEE

The Plan confirms UniCredit's unchanged commitment to being the undisputed leader in CEE, but with an increasingly focused approach aimed at pursuing profitable growth opportunities in the region on a more selective basis than in the past. Country-specific strategies are therefore driven by expected profitability and by self funding criteria.

CIB

The Plan envisages a reallocation of capital to the core client franchise in order to reap the full commercial potential of a large and well diversified corporate portfolio. This strategic approach will allow optimization of RWA usage in mature markets (down to €170bn in 2015 from €185bn in 2010[5] despite the impact of Basel 2.5 and Basel 3) while increasing the share of RWA related to the core client franchise (up to 65% in 2015 from 55% in 2010).

The main CIB business refocusing actions built into the Plan include:

- Reinforcing the core client franchise;

- New KPIs. Adoption of stringent risk and profitability thresholds;

- RWA reduction via ring-fencing. Proactive balance sheet management and ring-fencing of non-core performing assets in a €43bn (RWA) run-off portfolio. With around 80% of the portfolio expected to run-off by 2015, the ring-fencing initiative will free-up substantial capital and liquidity during the Plan's implementation period; and

- Front Loaded Cost Reduction. To be achieved via rightsizing of business (-8% cut in HR costs in 2012) and exit from selected subscale activities, including the creation of strategic alliances in brokerage and research.

4) ITALY TURNAROUND

The ultimate goal of the Plan in Italy is to restore the role of UniCredit as an efficient and innovative leading commercial bank, close to and well entrenched in the territories it serves whilst offering domestic clients full access to a broader international network. Leveraging on an advanced multi-channel offer of products and services, building on well established relationships with entrepreneurs and investing in the growth of Fineco are the most relevant initiatives embedded in this key pillar of the Plan.

The main Italy Turnaround actions built into the Plan include:

- Growth in Deposits. Deposits to increase approximately 15% from 2010 to 2015.

- Efficiency. Costs of the Italian Commercial Business perimeter are expected to show a reduction with 2010-15 CAGR of -1.4%, FTEs to be reduced by approximately 6,500 units

[5] Numbers without Poland

between 2010 and 2015, of which approximately 5,200 between Sept-2011 and 2015, equivalent to 12% of the current workforce.

- Improving Cost of Risk. To be 83bps in 2015, reduced from 168bps in 2010, through stricter rules on loan origination (targeting best rating classes) and acceleration of both recognition and credit collection processes.

Milan, 14 November 2011

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