



## PRESS RELEASE

# UniCredit: the Shareholders' Meeting approves the 2016 Financial Statements

UniCredit presented the Strategic Plan "Trasform 2019" in London on 13 December with five strategic pillars:

- Pillar I - Considerably strengthening capital position as a result of €13 billion rights issue. The share capital increase, approved by the Shareholders' Meeting on January 12, was fully subscribed on 3 March, with a remarkable appreciation of the market
- Pillar II - improving the asset quality of balance sheet
- Pillar III - transforming the operating model through costs reduction and process optimization
- Pillar IV - maximizing commercial bank value, also thanks to CIB, which is a leader at European level, and its network in Central Eastern Europe
- Pillar V - streamlining support functions to make managerial guidance more effective, coupled with a set of KPIs to monitor performance

At consolidated level, UniCredit reported a loss of € 11,790 million in 2016 due to non recurring items related to the implementation of the strategic plan "Transform 2019". Net of these one-offs, UniCredit achieved a pro forma net profit of € 1.3 billion.

Today the UniCredit S.p.A. Shareholders' Meeting was held in Rome, both an ordinary and extraordinary session, and approved the following resolutions:

### **Ordinary session:**

#### **2016 BALANCE SHEET, ELIMINATION OF THE "NEGATIVE RESERVES" FOR COMPONENTS NOT SUBJECT TO CHANGE, ALLOCATION OF THE 2016 RESULTS**

The Shareholders' Meeting approved:

- the UniCredit S.p.A. balance sheet as at December 31st, 2016, and thereby the elimination of the so-called "negative reserves" classified under the Company shareholders' equity for components not subject to further change (€3,510,702,462.91), by means of their definitive coverage through the use of the Share Premium Reserve, profit reserves as well as other capital reserves;
- the coverage of the loss from the 2016 financial year (€11,460,132,614.58) through the use of the Share Premium Reserve.

Furthermore, the Group consolidated 2016 balance sheet, as approved by the Board of Directors on March 13, 2017, was presented to the Shareholders.

## INCENTIVE SYSTEM, LONG-TERM INCENTIVE PLAN, GROUP TERMINATION PAYMENTS POLICY AND GROUP COMPENSATION POLICY

The Shareholders' Meeting also approved:

- the adoption of the 2017 Group Incentive System which, as required by national and international regulatory requirements, provides for the allocation of an incentive in cash and/or in free UniCredit ordinary shares - to be granted, subject to the achievement of specific performance conditions - at Group, Country/Division and individual level - over a multi-year period to a select group of UniCredit Group employees;
- the adoption of the 2017-2019 Long Term Incentive Plan, which provides for the allocation of an incentive in UniCredit free ordinary shares to be granted, subject to the achievement of specific performance conditions linked to Transform 2019 Plan, over a multi-year period to a selected group of UniCredit Group employees;
- an update of the document which defines the criteria for setting the eventual compensation potentially awarded in case of early termination of employment or office, thereby including the limits for such remuneration also in terms of years of fixed compensation and the maximum amount coming from the application;
- the Group Compensation Policy, which defines the principles and standards which UniCredit applies in designing, implementing and monitoring the Group compensation practices, plans and systems. The Group Compensation Policy also includes the Annual Compensation Report, which provides a description of compensation practices adopted by UniCredit and the implementation of Group incentive systems.

### **Extraordinary session:**

## CAPITAL INCREASES TO SUPPORT THE INCENTIVE SYSTEMS AND THE LONG TERM INCENTIVE PLAN

The Shareholders' Meeting gave the Board of Directors – according to Section 2443 of the Italian Civil Code –approving the consequent amendments to the UniCredit Articles of Association, the authority to resolve on:

- a free capital increase, in 2022, according to Section 2349 of the Italian Civil Code, for a maximum amount of €3,181,011.56, equivalent to a maximum of 339,236 UniCredit ordinary shares, to be granted to the personnel of the Holding Company and of Group banks and companies, in order to complete the execution of the 2016 Group Incentive System;
- a free capital increase, on one or more occasions for a maximum period of five years starting from the date of the Meeting resolution, according to Section 2349 of the Italian Civil Code, for a maximum amount of €187,539,740.00, corresponding to a maximum of 20,000,000 UniCredit ordinary shares, to be granted to the personnel of the Holding Company and of Group banks and companies, in execution of the 2017 Group Incentive System and of the 2017-2019 Long Term Incentive Plan.

Rome, April 20th, 2017

### **Enquiries**

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