


# One Bank, One UniCredit *Transform 2019*

## Glossary

London, 12 December 2017

Banking that matters. |  **UniCredit**

# Glossary (1/9)

<b>AfS</b>	Available for Sale
<b>AT1</b>	Additional Tier 1 Capital
<b>ATMs</b>	Automated Teller Machines
<b>AuC</b>	Assets under Custody
<b>AuM</b>	Assets under Management
<b>Bad loans</b>	Exposures to debtors that are insolvent or in substantially similar circumstances
<b>Bps</b>	Basis points
<b>BTP</b>	"Buoni poliennali del Tesoro" Multiannual Treasury Bond issued by the Republic of Italy
<b>CAGR</b>	Compound Annual Growth Rate
<b>CC</b>	Corporate Centre



<b>CCyB</b>	Countercyclical Capital Buffer
<b>CEE</b>	Central Eastern Europe includes: Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Russia, Romania, Bulgaria, Turkey (at equity), Baltics (Latvia, Lithuania, Estonia) only for Leasing
<b>CET1 Ratio</b>	Common Equity Tier 1 ratio
<b>CIB</b>	Corporate & Investment Banking
<b>Collateral coverage ratio</b>	Calculated as per EBA methodology, with collateral value capped at net (gross) loan level
<b>C/I</b>	Cost/Income ratio calculated as operating expenses divided by total revenues
<b>CMD</b>	Capital Markets Day – CMD perimeter as announced at CMD on 13 December 2016: variations related to disposals of Immo Holding, Ukraine, 30% Fineco, Pekao and Pioneer
<b>CoR</b>	Cost of Risk calculated as LLPs of the period annualised divided by Gross Average loans volume
<b>Coverage ratio</b>	Stock Loan loss reserves on NPEs divided by Gross NPEs
<b>CPI</b>	Consumer Price Index



<b>Cure rate</b>	Back to performing (annualised) divided by stock of NPEs at the beginning of the period
<b>Cust.</b>	Customer
<b>Customer spread</b>	Rate on customer loans minus Rate on customer deposits
<b>DBO</b>	Defined Benefit Obligation
<b>DGS</b>	Deposit Guarantee Scheme
<b>Default rate</b>	Percentage of gross loans migrating from performing to NPEs over a given period (annualised) divided by the initial amount of gross loans
<b>De-risking</b>	De-risking refers to the phenomenon of financial institutions terminating or restricting business relationships with clients or categories of clients to avoid, rather than manage, risk
<b>DTA</b>	Deferred Tax Asset
<b>DVA</b>	Debt Value Adjustment
<b>E2E</b>	End-to-End



## Glossary (4/9)

<b>EaD</b>	Exposure at Default
<b>EBA</b>	European Banking Authority
<b>ECB</b>	European Central Bank
<b>EL</b>	Expected Loss
<b>EMEA</b>	Europe, Middle East and Africa
<b>EoP</b>	End of Period
<b>EPS</b>	Earnings per share
<b>Euribor 3M</b>	Daily reference rate, published by the European Money Market Institute
<b>EVA</b>	Economic Value Added
<b>F&amp;A</b>	Financing & Advisory



<b>FICC</b>	Fixed Income, Currencies and Commodities
<b>Forborne loan</b>	Exposure to which forbearance measures have been applied, i.e. concessions towards a debtor who is facing or about to face financial difficulties
<b>FTE</b>	Full Time Equivalent
<b>FL</b>	Fully Loaded
<b>FRTB</b>	Fundamental Review of the Trading Book
<b>FX</b>	Foreign Exchange
<b>GACS</b>	"Garanzia sulla Cartolarizzazione delle Sofferenze" (Guarantee on Securitisation of Bank Non-Performing Loans)
<b>Group Core</b>	Overall UniCredit Group excluding Non Core, reflecting Business Lines with relative higher Strategic Importance
<b>Group Corporate Center (Group CC)</b>	Corresponding to the divisional database section: "Global Corporate Centre" including Corporate Centre, COO Services and Elisions
<b>GTB</b>	Global Transaction Banking



## Glossary (6/9)

<b>HNWI</b>	High Net Worth Individual
<b>LCR</b>	Liquidity Coverage Ratio
<b>Leverage ratio</b>	The leverage ratio is defined as Tier 1 capital divided by a non-risk-based measure (exposure) of on- and off-balance sheet items
<b>LGD</b>	Loss Given Default
<b>LLPs</b>	Loan Loss Provisions
<b>MDA</b>	Maximum Distributable Amount
<b>Migration rate</b>	Representing the percentage of UTP that turn into bad loans
<b>MREL</b>	Minimum Requirement for own funds and Eligible Liabilities
<b>Net Inflows</b>	Inflows (from gross performing loans to gross impaired loans) minus outflows (collections and flows from gross impaired loans back to gross performing loans)
<b>Net Outflows</b>	Outflows (collections and flows from gross impaired loans back to gross performing loans) minus inflows (from gross performing loans to gross impaired loans)



<b>NII</b>	Net Interest Income
<b>NPEs</b>	Non-Performing Exposures shall be classified in the following risk classes: Bad Loans (“Sofferenze”), Unlikely to Pay (“Inadempienze Probabili”) and Past Due (“Esposizioni scadute e/o sconfinanti deteriorate”)
<b>Non Core</b>	In 2013 UniCredit ring-fenced the so-called "Non-Core" portfolio in Italy with a target to reduce clients exposure considered as not strategic; selected assets in Italy to be managed with a risk mitigation approach
<b>NPE Ratio</b>	(Gross or Net) Non-performing exposure as a percentage of total loans
<b>NHR costs</b>	Other administrative expenses (including indirect costs) net of expenses recovery, plus depreciation and amortization
<b>NSFR</b>	Net Stable Funding Ratio
<b>p.p.</b>	Percentage Points
<b>P2R</b>	Pillar 2 Requirements
<b>Past Due</b>	Problematic exposures that, at the reporting date, are more than 90 days past due on any material obligation





<b>PD</b>	Probability of Default
<b>Pro-forma</b>	Pro-forma data excluding the temporary effect of Pioneer & Pekao classified under IFRS5
<b>RACE</b>	Risk Adjusted Capital Efficiency
<b>Recovery rate</b>	NPE exposure reduction (gross Book Value) due to recovery activity on stock of NPEs at the beginning of the period
<b>Repos</b>	Repurchase agreements
<b>RoAC</b>	Return on Allocated Capital (Annualised net profit divided by Allocated Capital), Allocated Capital based on RWA equivalent figures calculated with a CET1 ratio target of 12.5% as for plan horizon, including deductions for shortfall and securitizations
<b>RoTE</b>	Return on Tangible Equity (Annualised Net Income divided by Average Tangible Equity)
<b>RWA</b>	Risk Weighted Assets
<b>SREP</b>	Supervisory Review and Evaluation Process



<b>Tangible equity</b>	Tangible equity excluding AT1
<b>TfAs</b>	Total Financial Assets, commercial figures summary of AuM, AuC and Deposits
<b>UTP</b>	Unlikely To Pay: the classification in this category is the result of the judgment of the bank about the unlikelihood, without recourse to actions such as realizing collaterals, that the obligor will pay in full (principal and/or interest) its credit obligations
<b>Y/Y</b>	Year on year
<b>YTD</b>	Year to date



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