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Testo del comunicato

Vedi allegato.

Empowering Communities to Progress. | UniCredit

Milan, 26 July 2023

UNICREDIT: 2Q23 AND 1H23 GROUP RESULTS

RECORD-BREAKING SET OF RESULTS, DELIVERING SUSTAINABLE EXCELLENCE

Best first half and 10th consecutive quarter of profitable quality growth, with €4.4 billion stated net profit and RoTE[1] of 20.8% in 1H23; stated net profit in 2Q23 at €2.3 billion

Excellent net revenue growth of 24.4% year on year in 2Q23 driven by commercial momentum in all key lines with 2Q23 NII of €3.5 billion, fees of €1.9 billion and minimal loan loss provisions

Costs reduced year on year with low cost-income ratio of 39%, despite inflationary pressures and without constraining revenue growth or investments

Well positioned for any future macro deterioration with structurally low cost of risk of 2 basis points in 2Q23 and robust asset quality, while maintaining c. €1.8 billion overlays

Best-in-class CET1 ratio at 16.64% net of the €1.5 billion 1H23 accrued dividend, underpinned by €6.5 billion organic capital generation in 1H23

Outstanding shareholder value creation with 2Q23 EPS[2] at €1.12 and Tangible Book Value per share at €30.2, generating strong returns through the cycle

Well progressed on 2022 €3.34 billion share buyback[3], equal to 6.5% share capital and bringing total distribution to €5.25 billion

FY23 guidance upgrade with net profit[4] of at least €7.25 billion and shareholder distribution[5] equal to or higher than €6.5 billion

Launch of second UniCredit per l'Italia tranche of €10 billion and Foundation programs "Re-power your Future" and "Call for Education", with combined value of almost €10 million

On 25 July 2023, the Board of Directors of UniCredit S.p.A. ("UniCredit" or "the Group") approved the Consolidated First Half Financial Report as of 30 June 2023.

The record set of financial results affirms UniCredit's excellence. It is continued proof of UniCredit Unlocked success in creating a transformed bank with increased, resilient and sustainable profitability stemming from high quality risk-adjusted results.

[1] RoTE calculated at 13% CET1 ratio.
[2] Diluted Earnings Per Share.
[3] 2022 first share buyback tranche of €2.34 billion completed on 29 June 2023. 2022 second share buyback tranche of €1 billion commenced on 30 June 2023.
[4] Net profit means stated net profit adjusted for impacts from DTAs tax loss carry forward resulting from sustainability test, pre AT1 and cashes coupons which for FY23 are expected to be around €0.4 billion after tax and post integration costs which for FY23 are expected to be around €0.5 billion before tax.
[5] Subject to shareholders and supervisory approval.

The combination of the three levers of net revenues, costs and capital efficiency continues to yield exceptional financial results, unlocking internal value and paving the way for sustainable growth, further evidenced by the 2Q23 RoTE[1] of 21.3% and 2Q23 €2.3 billion stated net profit. In 1H23 net profit reached a record high €4.4 billion, a 91.5% increase half-year on half-year. Net of the integration costs booked in 2Q23 net profit stood at €4.5 billion.

The 2Q23 excellent financial outcome reflects consistent quality growth, delivering on all key levers across all businesses and driven by €5.9 billion of net revenues in 2Q23, an increase of 24.4% year on year. Revenues were underpinned by net interest income ("NII") of €3.5 billion, up 41.3% year on year due to higher rates and well managed deposit pass-through and resilient fees of €1.9 billion, up 2.4% year on year excluding the impact of the current account fees reduction in Italy.

Loan loss provisions ("LLPs") decreased 77.5% quarter on quarter resulting in a negligible and structurally low cost of risk ("CoR") of 2 basis points in 2Q23 reflecting the Group's healthy asset quality that is further strengthened by its lines of defence and resilient credit portfolio quality as well as the existing c. €1.8 billion overlays. The sound asset quality and the credit performance of 1H23 lead to the improvement of the FY23 CoR guidance from the target range of 30-35 basis points to below 25 basis points, with potential upside.

In 2Q23 operational costs were €2.3 billion, flat quarter on quarter and reduced by 1.2% year on year, confirming the Group's ability to structurally decrease its costs despite extraordinarily high inflation and without impacting growth or ongoing investments. As part of these since 2022 UniCredit has hired around 2,000 employees mainly in the front-line, in Italy and Germany and has refurbished circa 550 branches in Italy. The cost-income-ratio ("C/I") stood at 39.0% in 2Q23 and the integration costs of €0.2 billion booked in the same period will further enable future operational efficiencies.

The Group continues to improve its already best-in-class capital position, with 210 basis points of organically generated capital in 1H23, or €6.5 billion, leading to a CET1 ratio of 16.64% including the €1.5 billion dividend accrued in 1H23. Risk weighted assets ("RWA") decreased to €294.8 billion.

Following the completion of the first tranche of €2.34 billion, out of the total 2022 €3.34 billion share buyback, the second tranche of €1.0 billion is currently being executed. UniCredit is delivering on its unwavering commitment to shareholder value creation.

The Group's rock-solid balance sheet and sound liquidity profile are derived from its granular and diversified deposit base and effective management of the pass-through, with a stable loan to deposit ratio of circa 90%. The Liquidity Coverage Ratio stood above 140%, within the managerial target range of 125% - 150% post TLTRO repayment[6].

On the back of an improved interest rate environment, and the respective deposit pass-through assumptions, low cost of risk, structural cost control, and progress on capital efficiency ambitions, UniCredit has improved its financial guidance[7] for 2023 to NII of at least €13.2 billion, net revenues above €21.5 billion and net profit[4] at or above €7.25 billion. We have increased our shareholder distribution intention for 2023 to at least €6.5 billion[5] on the back of extremely strong capital generation of 210 bps in 1H23. Net profit and shareholder distribution for 2024 is expected to be broadly in line with 2023.

UniCredit announced the next tranche of the "UniCredit per l'Italia" program, with a total potential value of €10 billion, aimed at supporting the disposable income of individuals and households and the liquidity of Italian businesses. This second tranche reiterates UniCredit's purpose to support customers and communities during

[6] Total TLTRO drawn €106.8 billion, residual amount to be repaid equal to €12.6 billion with expected maturity in March 2024.
[7] UniCredit Group 2023 financial guidance available in section "Group key financial 2023 guidance" at page 5.

challenging times. UniCredit also announced the partnership with the European Investment Fund channelling €1 billion to small businesses across Central and Eastern European countries where the Group is present. The Group will continue to offer concrete help to families, communities, and businesses so that they can accelerate their individual paths to growth and our collective path to success. An example of our social commitment is the partnership between the UniCredit Foundation and Junior Achievement Europe that launched a €6.5 million educational program “Re-power your future” to re-engage students in school, improving outcomes and preventing dropouts. The UniCredit Foundation also allocated €3 million to its “Call for Education” initiative that supports programs combating educational poverty.

The momentum of the Group’s financial success is further evidenced by the nine awards won at this year's Euromoney Awards. UniCredit was named “best bank” in Central and Eastern Europe with further individual tributes to Austria, Bosnia and Herzegovina, Bulgaria, Croatia and Italy. Italy has further garnered additional praise for its investment banking activity, while Central and Eastern Europe were recognized for their transaction services and wealth management activity. These awards are a testament of the successful ongoing execution of the industrial transformation and the commitment and dedication of the Group’s employees driving business and proximity to clients.

The key recent events in 2Q23 include:

- 2022 first share buyback tranche of €2.34 billion completed on 29 June 2023;
- 2022 second share buyback tranche of €1 billion commenced on 30 June 2023, after the completion of the first one. As of 21 July 2023, and considering also the purchases made under the aforementioned first tranche, UniCredit purchased a total of 125.8 million shares equal to 6.5% of share capital;
- Announcement of the global expansion of UniCredit and Mastercard payment partnership on 26 May 2023;
- Issuance of a dual tranche *Obbligazioni Bancarie Garantite* (OBG) for a combined size of €3 billion.

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Andrea Orcel, Chief Executive Officer of UniCredit S.p.A. said:

As we continue to unlock the significant untapped potential of our franchise, UniCredit delivered the best first half on record and an exceptional second quarter stated net profit of €2.3 billion, an increase of 14.9% year on year.

We continue to achieve excellence through a winning strategy rooted in our ongoing industrial transformation. Our performance is the outcome of high-quality fee growth despite an uncertain macroeconomic backdrop, further cost reduction despite high inflation and NII strength. This together with our structurally low Cost of Risk demonstrates how we can drive sustainable profitability.

Our extremely strong CET1 ratio of 16.64%, organic capital generation of €6.5 billion in the first half of 2023 and our profitable growth allows us to further increase the financial guidance for the year to a net profit of at least €7.25 billion and a minimum distribution of €6.5 billion. Looking ahead this serves as a baseline for what we are confident we can achieve next year as well.

Although we cannot predict macroeconomic outcomes, we do know that we are well equipped for the future with our clear strategy, diversified business mix and ever improving operating efficiency. Our sound asset quality coupled with prudent overlays and a rock-solid balance sheet provide lines of defense that position us well against uncertainties.

We have an unwavering commitment to financial success and equally to living our purpose. In these challenging times we are supporting and empowering our communities to progress and recently launched a second UniCredit per l'Italia with a potential value of €10 billion. This is aimed at supporting the disposable income of individuals and households and the liquidity of Italian businesses, and we will continue to fulfil our social responsibilities to our stakeholders across the countries where we are present.

We have achieved much but our journey is not yet complete. The excellent financial results we have accomplished over the last 10 quarters have not made us complacent and we continue to make every endeavor to deliver the best that we can for all our stakeholders.

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UNICREDIT 2Q23 GROUP RESULTS – MILAN, 26 July 2023 – 11.00 CET

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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

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2Q23 KEY FIGURES

- **Total revenues:** €6.0 bn, up 0.6% Q/Q and up 24.9% Y/Y
- **Net revenues:** €5.9 bn, up 1.9% Q/Q and up 24.4% Y/Y
- **Net Interest Income (NII)**: €3.5 bn, up 6.0% Q/Q and up 41.3% Y/Y
- **Fees:** €1.9 bn, down 4.6% Q/Q and down 0.7% Y/Y[8]
- **Trading income**: €485 m, down 3.0% Q/Q and up 32.0% Y/Y
- **Operating costs:** €2.3 bn, flat Q/Q and down 1.2% Y/Y
- **Integration costs:** €214 m, up >100% Q/Q and up >100% Y/Y
- **Cost/Income ratio:** 39.0%, down 0.2 p.p. Q/Q and down 10.3 p.p. Y/Y
- **Stated net profit:** €2.3 bn, up 12.0% Q/Q and up 14.9% Y/Y
- **Net profit after AT1/CASHES coupon**: €2.1 bn, up 2.7% Q/Q and up 16.6% Y/Y
- **RoTE**: 17.2%, up 46bps Q/Q and up 218 bps Y/Y
- **RoTE at 13% CET1 ratio:** 21.3%, up 0.9 p.p. Q/Q and up 4.4 p.p. Y/Y
- **Diluted EPS:** €1.12, up 5.8% Q/Q and 34.3% Y/Y
- **Group CET1 ratio:** 16.64%, up 58 bps Q/Q and up 91bps Y/Y
- **RWAs:** €294.8 bn, down 1.3% Q/Q and down 6.9% Y/Y
- **LLPs**: €21 m, down 77.5% Q/Q and up >100% Y/Y
- **Cost of Risk (CoR):** 2 bps, down 6 bps Q/Q and up 2 bps Y/Y
- **Average gross commercial performing loans:** €404.0 bn, down 1.1% Q/Q and down 2.0% Y/Y
- **Average commercial deposits:** €470.5 bn, down 1.9% Q/Q and down 1.3% Y/Y
- **Loan/Deposit ratio[9]:** 89.6%, down 0.1 p.p. Q/Q, and down 0.1 p.p. Y/Y
- **Gross NPEs:** €12.1 bn, down 3.9% Q/Q and down 13.0% Y/Y
- **Net NPEs:** €6.3 bn, down 2.9 % Q/Q and down 9.5% Y/Y
- **NPE Coverage ratio:** 47.9%, down 0.5 p.p. Q/Q and down 2.0 p.p. Y/Y

GROUP KEY FINANCIAL 2023 GUIDANCE UPDATE

		VS. PREVIOUS GUIDANCE
Net Revenue	**>21.5bn**	↑
o/w Net Interest	≥13.2bn	↑
o/w Cost of Risk	<25bps Potential upside	↓
Total Costs	**<9.6bn**	→
Net Profit[2]	**≥7.25bn**	↑
RWA (End of Period)	**<300bn**	↓
RoTE based on 13% CET1r[3]	**c.17%**	↑
Organic Capital Generation	**c.300bps**	↑
Distribution[4]	**≥6.5bn**	↑

1. "Net profit" means Stated net profit adjusted for impacts from DTAs tax loss carry forward resulting from sustainability test, pre AT1 and cashes coupons which for FY23 are expected to be around 0.4bn after tax and post integration costs which for FY23 are expected to be around 0.5bn before tax
2. Distribution subject to supervisory and shareholder approvals

[8] Fees net of the reduction of current account fees in Italy fee: down 1.6% Q/Q and up 2.4% Y/Y.
[9] Net of Repos and Intercompany EOP.

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UNICREDIT GROUP CONSOLIDATED RESULTS

(€ million)	2Q22	1Q23	2Q23	Q/Q	Y/Y
Total revenues	4,777	5,930	5,967	+0.6%	+24.9%
o/w Net interest	2,475	3,298	3,497	+6.0%	+41.3%
o/w Fees	1,918	1,996	1,905	-4.6%	-0.7%
o/w Trading	368	500	485	-3.0%	+32.0%
Operating costs	-2,355	-2,327	-2,328	+0.0%	-1.2%
Gross operating profit	2,422	3,603	3,639	+1.0%	+50.3%
Loan Loss Provisions	2	-93	-21	-77.5%	n.m.
Net operating profit	2,424	3,510	3,619	+3.1%	+49.3%
Stated net profit/loss	2,010	2,064	2,310	+12.0%	+14.9%
Net profit	2,004	2,064	2,310	+12.0%	+15.3%
Net profit after AT1/CASHES	1,818	2,064	2,119	+2.7%	+16.6%
CET1 ratio	15.73%	16.05%	16.64%	+0.6 p.p.	+0.9 p.p.
RoTE	15.1%	16.8%	17.2%	+0.5 p.p.	+2.2 p.p.
Customers loans (excl. repos and IC)	437,939	430,237	423,280	-1.6%	-3.3%
Gross NPE	13,927	12,602	12,111	-3.9%	-13.0%
Customer deposits (excl. repos and IC)	488,426	479,769	472,382	-1.5%	-3.3%
Cost/income ratio	49.3%	39.2%	39.0%	-0.2 p.p.	-10.3 p.p.
Cost of risk (bps)	-0	8	2	-6	+2

Note: For 2Q22: net profit after AT1/CASHES excludes DTA write-up from TLCF (+€6 m); furthermore, it is net of AT1 (-€157 m) and Cashes coupons (-€29 m).
For 1Q23: net profit, net profit after AT1/CASHES and stated net profit all equal to €2,064 m, with €0 m impact from DTA write-up from TLCF, AT1 and cashes coupon.
For 2Q23: net profit after AT1/CASHES excludes DTA write-up from TLCF (+€0 m); furthermore, it is net of AT1 (-€140 m) and Cashes coupons (-€51 m).

Total revenues stood at €6.0 bn in 2Q23, up 0.6% Q/Q, driven by NII at €3.5 bn (+6.0% Q/Q), partially offset by fees at €1.9 bn (-1.6% Q/Q if excluding the net reduction of current account fees in Italy, -4.6% Q/Q otherwise), and €0.5 bn trading income (-3.0% Q/Q). Total revenues were up 24.9% Y/Y, driven by NII (+41.3% Y/Y), fees (up 2.4% Y/Y if excluding the net reduction of current account fees in Italy, -0.7% Y/Y otherwise) and trading (+32.0% Y/Y).

Net revenues reached €5.9 bn in 2Q23, up 1.9% Q/Q and up 24.4% Y/Y.

In 2Q23, **NII** stood at €3.5 bn, up 6.0% Q/Q, thanks to the contribution from all business divisions with good management of the deposit pass-through particularly in Italy, combined with supportive interest rate environment as well as the positive contribution from the investment portfolio. NII was up 41.3% Y/Y driven by higher customer loan rates, together with better results in the investment portfolio thanks to higher market rates (3M Euribor average).

Fees stood at €1.9 bn in 2Q23, down 4.6% Q/Q and down 0.7% Y/Y almost entirely driven by the impact of the current account fees reduction in Italy, which started in April 2023 and total c.€60 m in 2Q23. Net of this effect, fees were down 1.6% Q/Q, driven by lower investment fees in Italy, affected by lower gross AuM sales; and up 2.4% Y/Y thanks to better financing fees in Germany as well as better overall transactional fees. In particular, in 2Q23:

– **Investment fees** were €0.7 bn, down 5.9% Q/Q mainly driven by lower AuM upfront fees, mainly in Italy, stemmed by gross AuM sales. Investment fees were down 3.3% Y/Y mainly due to a reduction of AuM stock that negatively impacted management fees. This is partially mitigated by better AuC fees (better certificates activity and some shift from deposits to AuC) in Italy.

- **Financing fees** stood at €0.4 bn, down 6.0% Q/Q affected by lower loan volumes and lower Credit Protection Insurance fees linked to retail mortgages in Italy. Financing fees were up 1.7% Y/Y driven by better results from global capital markets activity in Germany.
- **Transactional fees** were €0.6 bn, down 3.1% Q/Q entirely driven by the reduction of current account fees in Italy. Net of this effect, transactional fees were up 6.3% Q/Q thanks to better card and payment fees. Transactional fees were up 0.8% Y/Y as a result of better payment fees across all regions, higher Property & Casualty insurance fees and card fees, partially offsetting the impact of the current account fee reduction in Italy. Net of this effect, transactional fees were up 10.6% Y/Y.
- **Client hedging fees** generated €0.2 bn, down 1.3% Q/Q and down 1.9% Y/Y due to lower commodity hedging activity.

Trading income stood at €485 m in 2Q23, down 3.0% Q/Q and up 32.0% Y/Y the latter driven by higher treasury activity in Italy well as positive contribution form strategic FX Hedging activity, and Fixed Income, Currencies and Commodity business in Germany, partially offset by lower client risk management activity in Russia.

Dividends[10] were at €129 m in 2Q23, up 3.7% Q/Q and up 55.1% Y/Y.

Operating costs stood at €2.3 bn in 2Q23 flat Q/Q, and down 1.2% Y/Y, thanks to the proactive measures taken to mitigate the inflationary pressure. In particular:

- **HR costs** were €1.4 bn in 2Q23, up 0.3% Q/Q, reflecting the outcome of the unions' agreement in Austria, and down 1.0% Y/Y thanks to net FTE reductions more than compensating the salary increase.
- **Total Non-HR costs**[11] were €0.9 bn in 2Q23, down 0.3% Q/Q thanks to lower advertising and consulting costs, and down 1.4% Y/Y mainly due to outsourcing and credit inquiries.

The **Cost/Income ratio** stood at of 39.0% in 2Q23, down 0.2 p.p. Q/Q, and down 10.3 p.p. Y/Y.

Cost of Risk, stood at 2 bps in 2Q23, down 6 bps Q/Q and up 2 bps Y/Y. This was supported by a positive development of the low default rate, preserving the highly covered and robust credit portfolio with low NPE net inflows. The Group kept the amount of overlays on performing exposures flat Q/Q at c.€1.8 bn, which substantially reinforces the Group's capacity to withstand macroeconomic shocks.

Other charges and provisions in 2Q23 stood at €92 m and includes €27 m tax on "extra bank profits" in Hungary as the government changed the methodology for the 2023 calculation as reported in 1Q23.

The 2Q23 **Group stated tax rate** of 27.6%.

Net profit after AT1 & CASHES coupon was €2.1 bn in 2Q23, up 2.7% Q/Q and up 16.6% Y/Y.

[10] Include other dividends and equity investments
[11] Includes Non-HR costs, recovery of expenses and amortisations and depreciations.

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BALANCE SHEET

Average gross commercial performing loans were €404.0 bn[12] as of 30 June 2023 (-1.1% Q/Q, -2.0% Y/Y). The main contributors were Italy (€160.3 bn), Germany (€112.4 bn) and Central Europe (€92.6 bn).

Gross customer performing loan rates were 4.0%[12] in 2Q23 up 43 bps Q/Q and up 192 bps Y/Y.

Average commercial deposits stood at €470.5 bn[12] as of 30 June 2023 (-1.9% Q/Q, -1.3% Y/Y). The main contributors were Italy (€192.3 bn), Germany (€132.2 bn) and Central Europe (€92.1 bn).

Customer deposit rates stood at -0.87%[12] in 2Q23, -20 bps Q/Q and -65 bps Y/Y.

Loan/Deposit ratio net of Repos and Intercompany at 2Q23 end of period was 89.6%, down 0.1 p.p. Q/Q, and down 0.1 p.p. Y/Y.

Total Financial Assets (TFAs) were €760.2 bn in 2Q23, up 1.5% Q/Q and up 4.6% Y/Y.

– **AuM**: €197.1 bn, up 0.8% Q/Q and down 1.3% Y/Y;
– **AuC**: €173.4 bn, up 6.4% Q/Q and up 21.8% Y/Y;
– **Deposits**: €389.7 bn, down 0.2% Q/Q and up 1.4% Y/Y.

ASSET QUALITY[13]

Gross NPEs were €12.1 bn in 2Q23 (-3.9% Q/Q and -13.0% Y/Y) leading to a **gross NPE ratio** of 2.6% (-0.1 p.p. Q/Q, -0.3 p.p. Y/Y), while **net NPEs** were €6.3 bn in 2Q23 (-2.9% Q/Q and -9.5% Y/Y), with a **net NPE ratio** of 1.4% (flat Q/Q, -0.1 p.p. Y/Y). The **NPE coverage ratio** was 47.9% (-0.5 p.p. Q/Q and -2.0 p.p. Y/Y).

Gross bad loans amounted to €2.9 bn in 2Q23 (+6.6% Q/Q, -14.9% Y/Y) with a coverage ratio of 74.6% (-1.5 p.p. Q/Q, -0.5 p.p. Y/Y). **Gross unlikely to pay** stood at €8.5 bn (-6.7% Q/Q, -13.0% Y/Y), with a coverage ratio of 40.7% (-1.5 p.p. Q/Q, -2.3 p.p. Y/Y).

CAPITAL & FUNDING

The Group's 2Q23 **CET1 ratio** stood at 16.64%, up 58 bps Q/Q, mainly driven by +101 bps organic capital generation (+77 bps from net profit and +24 bps from RWA), -31 bps from distribution (-25 bps from 2Q23 dividend accrual of €0.7 bn and -6 bps AT1 & CASHES coupons of €0.2bn), -1 bp from regulatory impacts, -2 bps from RWA Probability of Default ("PD") scenario, -9 bps from other items[14].

Group Tangible Equity was €54.8 bn, down 0.9% Q/Q and up 1.7% Y/Y, while **Group tangible book value per share** was €30.2, up 6.0% Q/Q and 16.6% Y/Y.

The **RoTE at 13% CET1 ratio** was 21.32% in the 2Q23, up 0.9 p.p. Q/Q and up 4.4 p.p. Y/Y.

The **transitional leverage ratio** stood at 5.85% in 2Q23, up 29 bps Q/Q and on 30 bps Y/Y.

RWA was €294.8 bn in 2Q23, down 1.3% Q/Q, driven by RWA savings resulting from active portfolio management (-€3.5 bn o/w -€1.1 bn stemming from sEVA negative business review and -€1.1 bn from securitization), FX effects stemming from the ruble depreciation, impacting Russia (-€1.1 bn), PD scenario update (+€0.3 bn), and from business dynamics (+€0.2 bn). RWA was down 6.9% Y/Y in 2Q23.

[12] Includes Group Corporate Centre.
[13] NPEs excludes exposures classified as held for sale.
[14] Including -10 bps capital reserve (+5 bps FVOCI of which -1 bp BTPs; -13 bps FX reserve), +1 bp AVA/DVA/OCS, +1 bp DBO excess of assets, and +1 bp Intangibles.

Regulatory liquidity ratios are sound: **LCR** above 140% as of 2Q23, meaningfully above the regulatory limit of 100% and within the 125-150% managerial target range, notwithstanding the TLTRO repayment since December 2022[6]. The **NSFR[15]** above 130% as of 2Q23, well above the regulatory limit of 100%.

The 2023 Funding Plan focuses mostly on covered bond issuance, with limited MREL needs. UniCredit **TLAC ratio on RWA** stood at 27.58%, up 25 bps Q/Q, implying a buffer of 569 bps, substantially above the requirement of 21.89%[16]. **The TLAC ratio on leverage exposure** stood at 8.68%, up 42 bps Q/Q, implying a buffer of 193 bps above regulatory requirement of 6.75%. The 2Q23 **MREL ratio on RWA** stood at 31.53%, up 63 bps Q/Q, implying a buffer of 691 bps above regulatory requirement of 24.62%. The **2Q23 MREL ratio on Leverage exposure** stood at 9.92%, up 58 bps Q/Q with a buffer of 402 bps above regulatory requirement of 5.90%.

[15] Based on managerial figures.
[16] 2Q23 TLAC requirement 21.89% (assuming combined capital buffer as of 2Q23) with 3.50% senior exemption.

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DIVISIONAL HIGHLIGHTS[17]

ITALY

(€ million)	2Q22	1Q23	2Q23	Q/Q	Y/Y
Total revenues	2,174	2,700	2,758	*+2.1%*	*+26.9%*
o/w Net interest	949	1,452	1,576	*+8.5%*	*+66.1%*
o/w Fees	1,101	1,105	1,036	*-6.2%*	*-5.9%*
Operating costs	-985	-974	-964	*-1.1%*	*-2.2%*
Gross operating profit	1,189	1,726	1,794	*+4.0%*	*+51.0%*
Loan Loss Provisions	-39	-135	-97	*-28.2%*	*n.m.*
Net operating profit	1,150	1,591	1,697	*+6.7%*	*+47.6%*
Stated net profit/loss	768	956	1,007	*+5.3%*	*+31.1%*
Net profit after AT1/CASHES	685	956	934	*-2.3%*	*+36.4%*
RoAC	16.0%	25.1%	25.1%	*+0.0 p.p.*	*+9.1 p.p.*
Cost/income ratio	45.3%	36.1%	34.9%	*-1 p.p.*	*-10 p.p.*
Cost of risk (bps)	8	29	21	*-8*	*+13*

GERMANY

(€ million)	2Q22	1Q23	2Q23	Q/Q	Y/Y
Total revenues	1,188	1,506	1,393	*-7.5%*	*+17.3%*
o/w Net interest	632	691	694	*+0.4%*	*+9.8%*
o/w Fees	352	420	383	*-8.8%*	*+8.7%*
Operating costs	-631	-609	-600	*-1.5%*	*-4.9%*
Gross operating profit	557	897	793	*-11.5%*	*+42.4%*
Loan Loss Provisions	35	-33	-22	*-33.1%*	*n.m.*
Net operating profit	592	864	771	*-10.7%*	*+30.3%*
Stated net profit/loss	450	513	504	*-1.7%*	*+12.0%*
Net profit after AT1/CASHES	403	513	454	*-11.4%*	*+12.7%*
RoAC	15.4%	19.5%	17.9%	*-1.6 p.p.*	*+2.4 p.p.*
Cost/income ratio	53.1%	40.4%	43.0%	*+3 p.p.*	*-10 p.p.*
Cost of risk (bps)	-11	10	7	*-3*	*+17*

[17] Please consider that (i) all divisional figures in "Divisional Highlights" represent the contribution of each division to Group data; (ii) Return on Allocated Capital (RoAC) related to each division and shown in this section is calculated as: annualised net profit / allocated capital. Allocated capital calculated as 13% of RWA plus deductions.

Central Europe

(€ million)	2Q22	1Q23	2Q23	Q/Q at constant FX	Y/Y at constant FX
Total revenues	840	990	1,072	*+7.4%*	*+25.8%*
o/w Net interest	500	638	683	*+6.3%*	*+34.5%*
o/w Fees	285	282	294	*+3.6%*	*+1.8%*
Operating costs	-397	-394	-401	*+1.3%*	*-0.2%*
Gross operating profit	443	596	671	*+11.5%*	*+49.0%*
Loan Loss Provisions	-26	15	46	*n.m.*	*n.m.*
Net operating profit	417	611	717	*+16.6%*	*+69.5%*
Stated net profit/loss	373	329	569	*+73.7%*	*+50.9%*
Net profit after AT1/CASHES	339	329	530	*+62.0%*	*+55.0%*
RoAC	17.1%	15.6%	25.7%	*+10.3 p.p.*	*+8.7 p.p.*
Cost/income ratio	47.3%	39.8%	37.4%	*-2 p.p.*	*-10 p.p.*
Cost of risk (bps)	11	-6	-19	*-14*	*-31*

Note:
Stated numbers at current FX. Variations Q/Q and Y/Y are at constant FX.

Eastern Europe

(€ million)	2Q22	1Q23	2Q23	Q/Q at constant FX	Y/Y at constant FX
Total revenues	480	592	624	*+5.6%*	*+30.0%*
o/w Net interest	301	402	444	*+10.5%*	*+47.5%*
o/w Fees	161	158	164	*+3.3%*	*+1.6%*
Operating costs	-201	-205	-210	*+2.9%*	*+4.7%*
Gross operating profit	279	387	414	*+7.1%*	*+48.1%*
Loan Loss Provisions	-84	34	-3	*n.m.*	*-96.3%*
Net operating profit	196	421	411	*-2.3%*	*n.m.*
Stated net profit/loss	148	307	346	*+12.9%*	*n.m.*
Net profit after AT1/CASHES	134	307	329	*+7.4%*	*n.m.*
RoAC	14.6%	33.1%	35.6%	*+2.5 p.p.*	*+21.0 p.p.*
Cost/income ratio	41.8%	34.6%	33.7%	*-1 p.p.*	*-8 p.p.*
Cost of risk (bps)	110	-43	4	*+46*	*-106*

Note:
Stated numbers at current FX. Variations Q/Q and Y/Y are at constant FX.

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Group Corporate Centre (GCC)

(€ million)	2Q22	1Q23	2Q23	Q/Q	Y/Y
Total revenues	-223	-134	-138	+2.9%	-38.1%
Operating costs	-72	-81	-96	+18.5%	+33.7%
Gross operating profit	-295	-215	-234	+8.8%	-20.5%
Loan Loss Provisions	5	2	0	n.m.	n.m.
Stated net loss	-74	-140	-287	n.m.	n.m.
Net profit after AT1/CASHES	-78	-140	-290	n.m.	n.m.
FTE	8,887	8,638	8,495	-1.7%	-4.4%
Costs GCC/total costs	3.1%	3.5%	4.1%	+1 p.p.	1 p.p.

Russia

(€ million)	2Q22	1Q23	2Q23	Q/Q at constant FX	Y/Y at constant FX
Total revenues	318	276	258	+5.1%	-5.8%
o/w Net interest	166	212	194	+2.7%	+35.8%
o/w Fees	39	46	55	+33.6%	+63.6%
Operating costs	-70	-64	-57	+0.9%	-2.0%
Gross operating profit	249	212	201	+6.3%	-6.8%
Loan Loss Provisions	111	25	55	n.m.	-62.5%
Net operating profit	359	237	257	+20.1%	-29.0%
Stated net profit/loss	345	98	172	+89.2%	-53.4%
Net profit after AT1/CASHES	336	98	162	+78.4%	-54.9%
RoAC	52.5%	12.3%	14.8%	+3.0 p.p.	-47.7 p.p.
Cost/income ratio	21.9%	23.2%	22.2%	-1 p.p.	1 p.p.
Cost of risk (bps)	-415	-162	-429	-248	+220

Note:
Stated numbers at current FX. Variations Q/Q and Y/Y are at constant FX.

SIGNIFICANT EVENTS DURING AND AFTER 2Q23

With reference to the main events that occurred during 2Q23 and after 30 June 2023, refer to section "Subsequent events" in the Consolidated interim report on operations, which is an integral part of the Consolidated first half financial report as of 30 June 2023, as well as the press releases published on the UniCredit Group website.

ECONOMIC OUTLOOK

Global GDP is expected to expand by 2.8% for this year and by 2.7% in 2024. Growth at start of the year was generally stronger than anticipated, driven in part by the reopening of the Chinese economy, the easing of the terms-of-trade shock in Europe, strong personal consumption in the US and a recovery in tourism activity. However, business surveys suggest that activity is losing traction as the transmission of tighter monetary policy to the real economy accelerates and post-pandemic consumption shifts weigh on manufacturing. The US is likely to enter a recession in 2H23. Headline inflation is set to decline rapidly in advanced economies, mainly driven by base effects and lower commodity prices. The eurozone will probably post only slight growth in 2Q23 after the economic weakness it faced at the turn of the year. We forecast that GDP will be up by 0.5% this year and by 1.0% in 2024. Weaker growth momentum continues to reflect a gap between manufacturing and services activity. Manufacturers report declining new orders, reduced purchases of intermediate inputs and high inventories. In contrast, the services sector is still benefiting from solid demand, especially in leisure and travel-related activities. Headline inflation will likely slow towards 3.0% Y/Y by year-end, being 5.5%, on average, for the full 2023. Survey indicators suggest moderation in economic activity in Italy (+1.0% in 2023). This is likely to be driven by a renewed slowdown in manufacturing activity given a more-challenging environment of slowing global demand and higher financing costs. At its June meeting, the ECB raised its policy rates by 25bps – the deposit rate is now at 3.50%. We see it peaking at 3.75%, with rate cuts probably starting in 2024.

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GROUP TABLES

UNICREDIT GROUP: RECLASSIFIED INCOME STATEMENT

(€ million)	2Q22	1Q23	2Q23	Q/Q	Y/Y
Net interest	2,475	3,298	3,497	*+6.0%*	*+41.3%*
Dividends	83	124	129	*+3.7%*	*+55.1%*
Fees	1,918	1,996	1,905	*-4.6%*	*-0.7%*
Trading income	368	500	485	*-3.0%*	*+32.0%*
Other expenses/income	(67)	11	(48)	*n.m.*	*-28.3%*
Revenue	**4,777**	**5,930**	**5,967**	***+0.6%***	***+24.9%***
HR costs	(1,440)	(1,422)	(1,426)	*+0.3%*	*-1.0%*
Non-HR costs	(748)	(748)	(748)	*-0.0%*	*-0.0%*
Recovery of expenses	120	127	132	*+3.9%*	*+9.9%*
Amortisations and depreciations	(287)	(284)	(286)	*+0.7%*	*-0.3%*
Operating costs	**(2,355)**	**(2,327)**	**(2,328)**	***+0.0%***	***-1.2%***
GROSS OPERATING PROFIT (LOSS)	**2,422**	**3,603**	**3,639**	***+1.0%***	***+50.3%***
Loan Loss Provisions (LLPs)	2	(93)	(21)	*-77.5%*	*n.m.*
NET OPERATING PROFIT (LOSS)	**2,424**	**3,510**	**3,619**	***+3.1%***	***+49.3%***
Other charges and provisions	56	(745)	(92)	*-87.6%*	*n.m.*
of which: systemic charges	*(63)*	*(640)*	*(48)*	*-92.5%*	*-24.0%*
Integration costs	4	(17)	(214)	*n.m.*	*n.m.*
Net income from investments	(3)	(17)	(109)	*n.m.*	*n.m.*
PROFIT (LOSS) BEFORE TAX	**2,481**	**2,731**	**3,204**	***+17.3%***	***+29.1%***
Income taxes	(461)	(661)	(883)	*+33.6%*	*+91.5%*
Profit (Loss) of discontinued operations	-	-	-	*n.m.*	*n.m.*
NET PROFIT (LOSS) FOR THE PERIOD	**2,020**	**2,070**	**2,320**	***+12.1%***	***+14.9%***
Minorities	(10)	(6)	(6)	*+2.9%*	*-36.9%*
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**2,010**	**2,064**	**2,314**	***+12.1%***	***+15.1%***
Purchase Price Allocation (PPA)	-	-	(4)	*n.m.*	*n.m.*
Goodwill impairment	-	-	-	*n.m.*	*n.m.*
GROUP STATED NET PROFIT (LOSS)	**2,010**	**2,064**	**2,310**	***+12.0%***	***+14.9%***

Note: Figures of Reclassified consolidated income statement relating to 2022 have been restated with the effects of the:
• shift from Trading Income to Fees of the client hedging mark-up (commercial margin between final price to the client and the offer price, the latter being quoted by the trader and containing bid/offer, market risk hedging costs and day one XVA) for FX spot operations, plain vanilla derivatives on FX, Fixed Income and Equity, Commodities derivatives
• shift from Other expenses/income to Net interest of the interest on cash collaterals;
• shift from Non-HR costs to Fees of some costs related to transaction and payment services;
• shift from Recovery of expenses to Non-HR costs of the cost reimbursements of postal services in Germany.

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UNICREDIT GROUP: RECLASSIFIED BALANCE SHEET

(€ million)	2Q22	1Q23	2Q23	Q/Q	Y/Y
ASSETS					
Cash and cash balances	122,114	126,377	76,069	*-39.8%*	*-37.7%*
Financial assets held for trading	74,668	62,293	66,942	*+7.5%*	*-10.3%*
Loans to banks	97,973	71,905	66,895	*-7.0%*	*-31.7%*
Loans to customers	461,909	453,754	450,846	*-0.6%*	*-2.4%*
Other financial assets	157,014	148,239	150,468	*+1.5%*	*-4.2%*
Hedging instruments	(1,097)	(3,679)	(3,334)	*-9.4%*	*n.m.*
Property, plant and equipment	9,400	9,095	8,936	*-1.7%*	*-4.9%*
Goodwill	-	-	-	*n.m.*	*n.m.*
Other intangible assets	2,263	2,300	2,255	*-2.0%*	*-0.4%*
Tax assets	12,743	12,560	12,003	*-4.4%*	*-5.8%*
Non-current assets and disposal groups classified as held for sale	802	1,126	1,410	*+25.2%*	*+75.8%*
Other assets	7,967	11,357	11,016	*-3.0%*	*+38.3%*
Total assets	**945,756**	**895,327**	**843,506**	***-5.8%***	***-10.8%***
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits from banks	181,872	148,933	97,781	*-34.3%*	*-46.2%*
Deposits from customers	529,499	522,514	514,138	*-1.6%*	*-2.9%*
Debt securities issued	85,982	88,980	92,987	*+4.5%*	*+8.1%*
Financial liabilities held for trading	53,882	50,061	50,769	*+1.4%*	*-5.8%*
Other financial liabilities	11,368	12,705	12,983	*+2.2%*	*+14.2%*
Hedging instruments	(10,496)	(17,240)	(17,343)	*+0.6%*	*+65.2%*
Tax liabilities	1,533	1,804	1,773	*-1.7%*	*+15.7%*
Liabilities included in disposal groups classified as held for sale	553	490	524	*+6.9%*	*-5.2%*
Other liabilities	28,939	23,276	27,865	*+19.7%*	*-3.7%*
Minorities	424	163	148	*-9.2%*	*-65.1%*
Group Shareholders' Equity:	62,200	63,641	61,881	*-2.8%*	*-0.5%*
- Capital and reserves	59,915	61,577	57,507	*-6.6%*	*-4.0%*
- Group stated net profit (loss)	2,285	2,064	4,374	*n.m.*	*+91.4%*
Total liabilities and Shareholders' Equity	**945,756**	**895,327**	**843,506**	***-5.8%***	***-10.8%***

UNICREDIT GROUP: SOVEREIGN DEBT SECURITIES – BREAKDOWN BY COUNTRY/PORTFOLIO

With reference to the Group's sovereign exposures[18], the book value of sovereign debt securities as of 30 June 2023 amounted to €101,292 million (of which €98,029 million classified in the banking book[19], over the 78% of it concentrated in eight countries; Italy, with €36,357 million, represents about 36% of the total. For each of the eight countries, the following table shows the book value, the nominal value and the fair value of the exposures broken down by portfolio as of 30 June 2023.

[18] Information on Sovereign exposures refers to the scope of the UniCredit Group consolidated results as of 30 June 2023, determined under IAS/IFRS.
Sovereign exposures are bonds issued by and loans given to central and local governments and governmental bodies.
To the purpose of this risk exposure are not included:
• Sovereign exposures and Group's Legal entities classified as held for sale as of 30 June 2023
• ABSs.

[19] The banking book includes financial assets designated at fair value, those mandatorily at fair value, those at fair value through other comprehensive income and those at amortised cost.

(€ million)	Book value	Nominal value	Fair Value
As of 30 June 2023			
- Italy	**36,357**	**37,539**	**36,449**
financial assets/liabilities held for trading (net exposures)(*)	194	(269)	194
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	51	50	51
financial assets at fair value through other comprehensive income	15,120	15,278	15,120
financial assets at amortised cost	20,992	22,480	21,084
- Spain	**14,433**	**15,350**	**14,214**
financial assets/liabilities held for trading (net exposures)(*)	642	797	642
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	3,351	3,597	3,351
financial assets at amortised cost	10,440	10,956	10,221
- Japan	**7,927**	**7,881**	**7,935**
financial assets/liabilities held for trading (net exposures)(*)	-	-	-
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	7,226	7,245	7,226
financial assets at amortised cost	701	636	709
- United States of America	**6,725**	**7,935**	**6,732**
financial assets/liabilities held for trading (net exposures)(*)	853	1,149	853
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	3,531	3,648	3,531
financial assets at amortised cost	2,341	3,138	2,348
- Germany	**5,470**	**5,571**	**5,275**
financial assets/liabilities held for trading (net exposures)(*)	161	228	161
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	689	698	689
financial assets at fair value through other comprehensive income	1,496	1,542	1,496
financial assets at amortised cost	3,124	3,103	2,929
- Austria	**2,997**	**3,205**	**2,961**
financial assets/liabilities held for trading (net exposures)(*)	126	97	126
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	68	70	68
financial assets at fair value through other comprehensive income	2,349	2,593	2,349
financial assets at amortised cost	454	445	418
- Czech Republic	**2,801**	**2,787**	**2,794**
financial assets/liabilities held for trading (net exposures)(*)	62	66	62
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	1,778	1,787	1,778
financial assets at amortised cost	961	934	954
- Romania	**2,523**	**2,508**	**2,392**
financial assets/liabilities held for trading (net exposures)(*)	74	78	74
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	657	692	657
financial assets at amortised cost	1,792	1,738	1,661
Total on-balance sheet exposures	**79,233**	**82,776**	**78,752**

Note:

(*) Including exposures in Credit Derivatives. In case of negative amount, it indicates the prevalence of liabilities positions.

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UNICREDIT GROUP: WEIGHTED DURATION

The weighted duration of the sovereign bonds shown in the table above, divided by the banking and trading book, is the following:

Weighted duration (years)	Banking Book	Trading Book	
		Assets positions	Liabilities positions
- Italy	4.09	3.94	4.79
- Spain	3.73	12.25	2.05
- Japan	5.27	-	-
- United States of America	8.77	19.62	-
- Germany	4.46	9.27	5.83
- Austria	6.96	11.77	10.16
- Czech Republic	4.22	3.80	9.31
- Romania	3.83	4.29	8.58

The remaining 22% of the total of sovereign debt securities, amounting to €22,059 million with reference to the book values as of 30 June 2023, is divided into 33 countries, including Bulgaria (€2,182 million), Croatia (€2,135 million), France (€2,070 million), Portugal (€1,612 million), Hungary (€1,606 million), Israel (€1,112 million), Poland (€1,041 million), Ireland (€953 million), Serbia (€944 million), Slovakia (€711 million), China (€687 million) and Russia (€650 million).

With respect to these exposures, as of 30 June 2023 there were no indications that default have occurred and the Group is closely monitoring the evolution of the situation.

With particular reference to the book value of the sovereign debt securities exposure to Russia it should be noted that €647 million are held by the Russian controlled bank in local currency and almost totally classified in the banking book.

It should also be noted that among the aforementioned remaining part of sovereign debt securities as of 30 June 2023 there are also debt securities towards Supranational Organisations such as the European Union, the European Financial Stability Facility and the European Stability Mechanism amounting to €4,814 million.

In addition to the exposures to sovereign debt securities, loans[20] given to central and local governments and governmental bodies must be taken into account, amounting to €26,020 million as of 30 June 2023, of which about 64% to Germany, Austria and Italy.

UNICREDIT GROUP: RATINGS

	Short-term debt	Medium and long-term debt	Outlook	Standalone Rating
Standard & Poor's	A-2	BBB	Stable	bbb
Moody's	P-2	Baa1	Negative	baa3
Fitch Ratings	F2	BBB	Stable	bbb

[20] Tax items are not included.

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GENERAL NOTES

- **CET1 ratio** fully loaded throughout the document, unless otherwise stated.
- **Numbers** throughout the press release may not add up precisely to the totals provided in tables and text due to rounding.
- **Russia** includes the local bank and legal entities, plus the cross-border exposure booked in UniCredit SpA.
- **Shareholders distribution** subject to supervisory and AGM approvals.

MAIN DEFINITIONS

- **Average commercial deposits** (excluding repurchase agreements – repos) are managerial figures and are calculated as daily averages. Deposits net of Group bonds are placed by the network.
- **Average gross commercial performing loans** defined as average stock for the period of performing loans to commercial clients (e.g., excluding markets counterparts and operations); managerial figures, key driver of the NII generated by the network activity.
- **Client Hedging Fees** refers to the client markup on client hedging transactions. The client markup is the difference between the final price to the client and the offer price, containing bid/ask spread, market risk hedging costs and day one XVA.
- **Cost of risk (CoR)** is based on reclassified P&L and Balance sheet, calculated as (i) LLPs of the period (annualised in the interim periods) over (ii) by average loans to customers (including active repos) excluding debt securities (also IFRS5 reclassified assets are excluded).
- **Coverage ratio (on NPE)** defined as stock of LLPs on NPEs over gross NPEs excluding IFRS5 reclassified assets.
- **Diluted EPS** calculated as net profit after AT1/CASHES on average number of diluted shares excluding average treasury and CASHES usufruct shares.
- **Gross customer performing deposits rates** calculated assuming 365 days convention, adjusted for 360 days convention where analytically available, and based on average gross balances.
- **Gross customer performing loan rates** calculated assuming 365 days convention, adjusted for 360 days convention where analytically available, and based on average gross balances.
- **Gross NPE ratio** defined as (i) gross NPEs over (ii) gross loans (including repurchase agreements – repos) excluding debt securities and IFRS5 reclassified assets.
- **Gross NPEs** defined as non-performing exposures before deduction of provisions comprising bad loans, unlikely to pay, and past due; including only loans to customers (including repurchase agreements – repos), excluding debt securities and IFRS5 reclassified assets.
- **IFRS5 reclassified assets** means exposures classified as Held for Sale.
- **LCR** means Liquidity Coverage Ratio ratio between the high-quality liquid assets (HQLA) and the net cash outflows expected over the coming 30 days, under stress test conditions.
- **Net NPE ratio** defined as (i) Net NPEs over (i) total net loans (including repurchase agreements – repos), excluding debt securities and IFRS5 reclassified assets.
- **Net NPEs** defined as loans to customers non-performing exposures after deduction of provisions, comprising bad loans, unlikely to pay and past due (including active repurchase agreements – repos, excluding debt securities and IFRS5 reclassified assets).
- **Net profit** means stated net profit adjusted for impacts from DTAs tax loss carry forward resulting from sustainability test.
- **Net profit after AT1 /CASHES** (the base for cash dividend accrual) means net profit, as defined above, adjusted for impacts from AT1 and CASHES coupons.
- **Net revenue** means (i) revenues minus (ii) Loan Loss Provisions (LLPs).
- **NSFR** means Net Stable Funding Ratio - ratio between the available amount of stable funding and the required amount of stable funding that are calculated applying defined weighting factors to on and off-balance sheet items. The relevant instructions for its calculation are included in the Regulation (EU) 876/2019 of the European Parliament

- **Organic capital generation** for Group calculated as (net profit, as defined above, minus delta RWA excluding Regulatory impacts and PD scenario impacts x CET1r actual)/ RWA.
- **PD scenario** means the impacts deriving from probability of default scenario, including rating dynamics
- **Regulatory impacts** are impacts mostly driven by regulatory changes and model maintenance, shortfall and calendar provisioning (impacting on capital).
- **RoTE** means (i) net profit after AT1/ CASHES – as defined above, over (ii) average tangible equity excluding AT1, CASHES and DTA from tax loss carry forward contribution.
- **RoTE at 13% CET1 ratio** means RoTE as defined above, but with a tangible equity assuming to distribute the capital in excess of a 13% CET1r (FL), upper end of UniCredit CET1 ratio management target, reducing immediately the tangible equity by this amount of distribution.
- **Share buyback** defined as repurchasing of shares by the company that issued them to reduce the number of shares available on the open market.
- **Stated net profit** means accounting net profit.
- **Tangible Book Value** for Group calculated as Shareholders' equity (including Group stated profit of the period) minus intangible assets (goodwill and other intangibles), minus AT1 component.
- **Tangible book value per share** for Group calculated as end-of-period tangible equity over end-of-period number of outstanding shares excluding treasury shares.
- **Tangible equity** for Group calculated as shareholders' equity (including Group stated profit of the period) minus intangible assets (goodwill and other intangibles), minus AT1 component.
- **Unlikely-to-pay (UTP):** Result of the judgement of the bank about the unlikeliness, without recourse to actions such as realizing collaterals, that the obligor will pay in full (principal and/or interest) its credit obligations. This assessment should be carried out independently of the presence of any amount (or rate) past due and unpaid.

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DECLARATION BY THE MANAGER CHARGED WITH PREPARING THE FINANCIAL REPORTS

The undersigned, Bonifacio Di Francescantonio, 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, 25 July 2023

Manager charged with

preparing the financial reports

Fine Comunicato n.0263-79	Numero di Pagine: 23