

Milan, 31 January 2023

UNICREDIT: 4Q22 & FY22 GROUP RESULTS

Record 4Q22 and best Full Year results in a decade

Consistent delivery across our three levers and profitable growth with Group net profit of €5.2 billion, or €6.5 billion stated

Entering 2023 with strong momentum, lines of defence and confidence: prepared for macro-economic challenges and already delivering above UniCredit Unlocked

Strong commercial momentum: with Group total revenue of €20.3 billion, NII of €10.7 billion and fees of €6.8 billion. The fourth quarter was the eighth consecutive quarter of growth

Ongoing focus on efficiency without constraining investments: Group costs reduced by 2 per cent to €9.6 billion for FY22, despite extraordinary inflationary headwinds and without impacting growth. This resulted in positive operating leverage of 16 p.p.

Best in class capital: FY stated CET1 ratio at 16 per cent. Pro-forma for distributions, CET1 ratio at 14.91 per cent, up 78 basis points year on year, thanks to a record organic capital generation of 279 basis points, reflecting significant progress in our profitability and in driving capital efficiency

Committed to delivering superior shareholder value: 10.7 per cent RoTE, up 3.4 p.p. year on year (12.3 per cent when adjusted for excess capital to 13.0 per cent) and EPS up 58 per cent to €2.50

Shareholder distribution¹ of €5.25 billion: up by €1.5 billion (up 40 per cent) versus prior year, with a proposed cash dividend of €1.91 billion and share buyback of €3.34 billion, pending approvals¹; delivering sustainable and attractive returns while preserving capital strength

Proactively enhanced lines of defence: FY22 Cost of Risk of 41 basis points, or 7 basis points excluding overlays and Russia, proof of our robust credit quality. €1.8 billion of overlays and c.€0.5 billion of Russia provisions to protect against an uncertain macroeconomic backdrop

Clear and conservative approach to Russia²: exposure³ well managed, highly provisioned and reduced by over €4 billion at minimum cost during the year

Strong progress on sustainability: a year of achieving significant ESG milestones, setting of net zero targets for 2030 and uniting our people with a clear culture

¹ Distribution subject to shareholder and supervisory approvals.

² Russia includes the local bank and legal entities, plus the cross border exposure booked in UniCredit SpA, see page 13 for the Russia segment 4Q22 results. For Group consolidated results, including Russia, see page 14.

³ Delta since 8th March 2022 excluding change in FX hedging and additional exposures (as per page 3 of 1Q22 market presentation).

FY22 Guidance excluding Russia exceeded in all key Financials⁴:

in billion	Group			Group excl. Russia				FY22 Guidance	
	FY21	FY22	Change	FY21	FY22	Change	FY22 Guidance		
Net Revenue	16.3	18.4	13.3%	15.7	18.1	14.7%	>17.4 bn	beat	
o/w Net Interest Income	9.0	10.7	18.6%	8.6	9.9	16.0%	>9.7 bn	beat	
Costs	9.8	9.6	-2.0%	9.5	9.3	-2.6%	<9.4 bn	beat	
Net Profit	3.5	5.2	47.7%	3.3	5.4	64.0%	>4.8 bn	beat	
Stated Net Profit	2.1	6.5	+>100%	1.9	6.7	+>100%	-	-	
Cost Income Ratio	54.5%	47.0%	-7.5 p.p.	54.9%	48.6%	- 6.3 p.p.	c.51%	beat	
Cost of Risk (bps)	37	41	+5	37	23	-14	c.25 bps	beat	
CET1 ratio (stated), %	15.03%	16.00%	+97 bps						
CET1 ratio (pro-forma), %	14.13%	14.91%	+78 bps	-	-	-	>14.5%	beat	
o/w Organic Capital Generation* (bps)	200	279	39.1%	-	-	-	-	-	
RoTE, %	7.3%	10.7%	+ 3.4 p.p.	7.1%	11.7%	+4.6 p.p.	-	-	
Diluted EPS (€)	1.58	2.50	58.1%	1.49	2.61	75.6%	-	-	

Note: (*) Organic Capital Generation including Russia

On 30 January 2023, the Board of Directors of UniCredit S.p.A. (“UniCredit” or “the Group”) approved the 4Q22 and FY22 Consolidated Results as of 31 December 2022.

The outstanding quarterly and annual results are proof that UniCredit is a transformed bank with stepped up and a solid capital position providing the ability to withstand macroeconomic headwinds.

Russia cross-border exposure has been well managed and reduced overall by circa 66 per cent or circa €4.1 billion³ at minimal cost during the year, through proactive and disciplined actions. UniCredit is committed to maintaining a progressive de-risking approach.

On the back of an improved interest rate environment, low cost of risk, structural cost reduction, and progress on capital efficiency ambitions, UniCredit announces 2023 net profit, including Russia, broadly in line with the Group net profit of 2022⁵. The financial reporting will include Russia going forward. UniCredit is aiming for a FY23 distribution broadly in line with FY22.

The Group, excluding Russia, has delivered record revenue growth driven by a favourable interest rate environment and strong commercial momentum. This has resulted in €4.7 billion of net revenues in 4Q22, an increase of 34.9 per cent year on year, and €18.1 billion in FY22, an increase of 14.7 per cent year on year. This reflects high risk-adjusted returns, delivering on all key levers across all businesses, underpinned by the significant net interest income (“NII”) growth in 4Q22, of almost 41 per cent year on year, and 42.5 per cent quarter on quarter to €3.2 billion. In FY22 NII grew 16.0 per cent year on year to €9.9 billion. The low loan loss provisions (“LLPs”), at €0.6 billion in the 4Q22 decreased 17.8 per cent year on year in the quarter, despite having reinforced the already existing strong lines of defence throughout the year.

⁴ All figures hereafter are related to Group excluding Russia, except CET1 ratio, or unless otherwise stated.

⁵ UniCredit Group 2023 financial guidance available in section “Group key financial 2023 guidance” at page 15.

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Excluding Russia, FY22 operational costs were reduced by 2.6 per cent year on year, confirming the Group's strong cost discipline in structurally reducing the cost base while protecting revenue growth, despite significant inflationary pressures which were almost 9 per cent in UniCredit's footprint.

The Group continues to drive best-in-class capital efficiency, with 117 basis points of organic capital generation excluding Russia in 4Q22 and 271 basis points for the FY22, well ahead of the plan, and leading to a stated CET1 ratio of 16.00 per cent which already deducts regulatory headwinds, the FY22 dividend accrual and the impact of Russia.

Our excellent results and focus on sustainable and attractive returns are validated by a 2022 shareholder distribution of €5.25 billion, a €1.5 billion increase compared to the previous year, composed of a proposed¹ cash dividend of €1.91 billion and share buyback of €3.34 billion, subject to supervisory and shareholder approvals. We aim to execute the share buyback in two tranches, the first one of circa €2.34 billion to commence as soon as possible post the AGM approval on 31 March 2023, while the second tranche of circa €1.0 billion is expected to commence during the second half of 2023, shortly after the completion of the first tranche.

The FY22 diluted EPS growth year on year of 58.1 per cent, or 75.6 per cent excluding Russia, reflects superior shareholder value creation which was bolstered by absolute growth and enhanced by 2021 share buybacks. The proposed €1.91 billion of cash dividends, up 63 per cent and reflecting a 35 per cent cash dividend payout ratio on the Net Profit for the Group excluding Russia, enables a proposed DPS equal to 98.72 euro cents^{1,6} equalling a year on year increase of 84 per cent, evidence of UniCredit's capability to deliver compelling shareholder value.

The combination of the three levers of net revenues, costs and capital efficiency is already yielding good results. This is further evidenced by the FY22 RoTE, excluding Russia, of 11.7 per cent.

The existing lines of defense have been further proactively strengthened by building high provisioning levels, reinforcement of current overlays on performing exposures at €1.8 billion, and a rigorous risk approach reflected in the robust credit book, strengthening the Group's capacity to withstand macroeconomic shocks.

Cost of Risk ("CoR"), excluding Russia, stood at 56 basis points in 4Q22, and 23 basis points for the full year 2022, better than 2022 guidance.

Key recent events include the following:

- 2021 second share buyback tranche of €1.0 billion completed on the 30 November 2022 with all shares cancelled on the 14 December 2022. UniCredit purchased 87 million shares equal to 4.3 per cent of share capital.
- Signed commercial partnership with Azimut for the distribution of asset management products in Italy.
- Successful issuance of €1.0 billion UniCredit SpA Senior Preferred.

⁶ Dividend per share (DPS) calculated as of 30 January 2023 based on the best estimate of the expected number of shares eligible for dividend payment. The final DPS will be communicated according to the ordinary procedure. The 2023 AGM is expected to be held on the 31st of March 2023. As a result, the expected dividend dates are: record date 24 April 2023, ex-dividend date 25 April 2023, payment date 26 April 2023.

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

UniCredit delivered a record set of financial results demonstrating significant progress in our industrial transformation and our ability to drive excellent performance across the cycle.

We delivered a full year net profit of €5.2 billion, our best results in over a decade. Our growth focus, cost discipline and capital efficiency have lifted RoTE to 10.7 per cent, surpassing the UniCredit Unlocked target. This includes substantial provisions taken as well as proactive measures to enhance the existing lines of defence, reinforcing our rock-solid balance sheet and ability to weather ongoing uncertainty. We have now grown for eight consecutive quarters, clear evidence of a transformed UniCredit which has proven resilience and strength.

Double digit net revenue growth year on year was underpinned by positive commercial momentum, a supportive interest rate environment, cost reduction while investing for the future and despite unprecedented inflation, and an ongoing low cost of risk.

We ended the year with a CET1 ratio of 16 per cent boosted by our best-in-class organic capital generation. We intend to distribute a total of €5.25 billion in dividends and share buybacks for 2022, an increase of €1.5 billion versus prior year, or on a DPS basis an increase of over 80 per cent, pending approvals. We are meeting our commitment to shareholders for a sustainable and attractive distribution policy while maintaining our capital strength.

Our progress towards Net Zero announced today caps a year of significant evolution in our ESG journey. We will continue to serve and support our clients and communities in a just and fair transition, striving to lead by example across all components of ESG.

Finally, I want to thank all employees for their hard work and commitment. As we face 2023, UniCredit is stronger than ever, and is well positioned to succeed. We are firmly focused on executing UniCredit Unlocked and are looking to the future with confidence.

4Q22 KEY FIGURES GROUP EXCLUDING RUSSIA

- **Total Revenues:** €5.4 bn, up 20.0 per cent Q/Q and up 25.4 per cent Y/Y
- **Net Revenues:** €4.7 bn, up 11.4 per cent Q/Q and up 34.9 per cent Y/Y
- **Net Interest Income (NII):** €3.2 bn, up 42.5 per cent Q/Q and up 40.8 per cent Y/Y
- **Fees:** €1.6 bn, down 1.7 per cent Q/Q and down 4.4 per cent Y/Y
- **Trading income:** €511 m, down 1.3 Q/Q and up >100 per cent Y/Y
- **Operating costs:** €2.4 bn, up 3.8 per cent Q/Q and down 0.3 per cent Y/Y
- **Cost/Income ratio:** 44.6 per cent, down 7.0 p.p. Q/Q and down 11.5 p.p. Y/Y
- **Stated net profit:** €2.4 bn, up 78.9 per cent Q/Q and up >100 per cent Y/Y
- **Net profit:** €1.4 bn, up 7.9 per cent Q/Q and up >100 per cent Y/Y
- **RoTE:** 12.2 per cent, up 0.8 p.p. Q/Q and up 6.9 p.p. Y/Y
- **Diluted EPS:** €0.73, up 10.9 per cent Q/Q and up >100 per cent Y/Y
- **Group CET1 ratio (stated):** 16.00 per cent, up 59 bps Q/Q and up 97 bps Y/Y
- **Group CET1 ratio (proforma):** 14.91 per cent, up 78 bps Y/Y
- **Risk Weighted Assets (RWAs):** €292.3 bn, down 3.4 per cent Q/Q and down 5.8 per cent Y/Y
- **LLPs:** -€0.6 bn, increased in Q/Q and down 17.8 per cent Y/Y
- **Cost of Risk (CoR):** 56 bps, up 36 bps Q/Q and down 15 bps Y/Y
- **Gross NPE ratio:** 2.6 per cent, down 0.2 p.p. Q/Q and down 1.2 p.p. Y/Y

4Q22 AND FY22 KEY HIGHLIGHTS GROUP EXCLUDING RUSSIA

Record-breaking quarter and year, with a **net profit** of €1.4 bn in 4Q22, and €5.4 bn in FY22, a substantial increase Y/Y, and surpassing the FY22 Guidance of above €4.8 bn, resulting in healthy organic capital generation of 117 bps in the quarter and 271 bps in FY22.

Total Revenues stood at €5.4 bn in 4Q22, up 20.0 per cent Q/Q and up 25.4 per cent Y/Y, driven by net interest income growth thanks to the interest rate environment and favourable commercial activity, more than offsetting the impact of market levels on upfront fees. In FY22 total revenues were at €19.1 bn, a 10.0 per cent growth Y/Y benefiting from the significant growth in NII throughout the year.

Net revenue reached €4.7 bn in 4Q22, up 11.4 per cent Q/Q, up 34.9 per cent Y/Y; and €18.1 bn FY22, up 14.7 per cent Y/Y, surpassing the above €17.4 bn FY22 guidance and reflecting strong capital-light, high risk-adjusted return growth across the regions reflecting solid asset quality.

NII was at €3.2 bn in 4Q22, up 42.5 per cent Q/Q as a result of higher loan customer rates, the benefit of rising interest rates and the consequent good performance of the investment portfolio, and an overall positive €0.5 billion TLTRO contribution, overall, more than offsetting the negative implications on term funding and higher deposit customer rates. Y/Y NII was up 40.8 per cent in the quarter. In FY22 NII was at €9.9 bn, a 16.0 per cent increase, benefiting from higher loan rates and increased commercial activity, exceeding the above € 9.7 bn FY22 guidance.

Fees were €1.6 bn in 4Q22, down 1.7 per cent Q/Q affected by a decrease in financing fees as capital markets, specifically ECM and DCM, were negatively impacted by volatility and loan fees mainly in Germany were slowing down as well as a small decrease in transactional fees due to seasonality. Fees were down 4.4 per cent Y/Y due to lower investment fees, mainly on AuM upfront fees in Italy, partially offset by higher certificates activities and by transactional services. In FY22, fees stood at €6.8 bn, a 0.8 per cent increase Y/Y, a resilient outcome thanks to the diversified fee mix.

Trading income reached at €511 m in 4Q22, down 1.3 per cent Q/Q, and substantially increased Y/Y, while in FY22 trading stood at €2.1 bn, up 37.1 per cent Y/Y driven by strong corporate demand for hedging products as well as positive contribution from disposal of bonds in Italy and Germany.

Dividends⁷ were at €54 m in 4Q22, down 26.4 per cent Q/Q and down 50.9 per cent Y/Y. In FY22 dividends stood at €294 m, down 41.7 per cent Y/Y given the cease of Yapi Kredi contribution.

Costs stood at €2.4 bn in 4Q22, up 3.8 per cent Q/Q due higher staff expenses, mainly linked to the inflation relief compensation and down 0.3 per cent Y/Y with non-HR costs more than compensating higher staff expenses. In FY22 costs stood at €9.3bn, down 2.6 per cent Y/Y. Costs remained below the €9.4 bn FY22 guidance reflecting discipline in structurally reducing the cost base while protecting revenue generation. The Cost/Income ratio stood at of 44.6 per cent in 4Q22, down 11 bps Y/Y, and 48.6 per cent in FY22, below the circa 51 per cent FY22 guidance, down 6.3 p.p. despite inflationary pressures.

Asset quality⁸ remained resilient, with gross NPE ratio at 2.6 per cent in 4Q22 and FY22, and in and net NPE ratio at 1.4 per cent in 4Q22.

CoR stood at 56 bps in 4Q22, reflects a continued proactive approach on classification and provisioning. CoR for the FY22 remained better than guidance, at 23bps.

Total overlays on the performing portfolio increased to €1.8 bn in 4Q22, substantially reinforcing the Group's capacity to absorb macroeconomic shocks.

⁷ Include other dividends and equity investments. From November 2021 the contribution from Yapi Credit was stopped following its classification in held for sale.

⁸ NPEs excludes exposures classified as held for sale.

RWAs excluding Russia stood at €292.3 bn in 4Q22, down 3.4 per cent Q/Q, impacted by €3.4 bn of regulatory headwinds, that were more than offset by €5.8 bn RWA savings from active portfolio management and €7.8 bn from business dynamics. **RWAs including Russia** stood at €308.5 in FY22, down 4.2 per cent thanks to active portfolio management.

The **Group's 4Q22 CET1 ratio (stated) stood** at 16.00 per cent, up 59 bps Q/Q, and 97 bps Y/Y, mainly driven by an increase of organic capital generation, allowing capital position to remain comfortably above 14.5 per cent FY22 guidance.

Group Tangible Equity was €54.9 bn, up 0.5 per cent Q/Q and up 2.9 per cent Y/Y, while Group tangible book value per share was €28.4, up 4.2 per cent Q/Q and 17.6 per cent Y/Y.

The **RoTE**, stood very strong at 12.2 per cent in the 4Q22, up 0.8 p.p. Q/Q and up by 6.9 p.p. Y/Y. FY22 RoTE was at 11.7 per cent, up 4.6 p.p. Y/Y.

The continuing financial momentum supports the increased 2022 distribution to a proposed €1.91 bn dividend and €3.34 bn share buyback¹.

FY22 caps a year of achieving significant ESG milestones, on track with the Group Net Zero Alliance commitment. UniCredit continues to support its clients' green transition with strong environmental lending at €11.4 bn and social lending at €4.8 bn for FY22.

UniCredit has also been recognised as a Top Employer in Austria, Bulgaria, Germany, Hungary, Italy, Serbia and UniCredit S.p.A. Branch in Poland for 2023. Being certified as a Top Employer at a European level is evidence of an organisation's dedication to a better work environment, excellent HR policies, and people practices enabling talent retention and engagement.

In 4Q22, the Group pioneered the ESG GRESB scoring on its corporate real estate portfolio in Europe. UniCredit is also the first bank in Italy to sign the Finance for Biodiversity Pledge and became a Member of the Ellen MacArthur Foundation international charity network to support our approach to accelerating the circular economy transition across our countries. UniCredit remains relentlessly committed to sustainability.

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UNICREDIT 4Q22 AND FY22 GROUP RESULTS – DETAILS OF CONFERENCE CALL

MILAN, 31 January 2023 – 10.00 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

UNICREDIT GROUP CONSOLIDATED RESULTS EXCLUDING RUSSIA

(€ million)	FY21	FY22	vs FY21	4Q21	3Q22	4Q22	Q/Q	Y/Y
Total revenues	17,344	19,084	+10.0%	4,277	4,470	5,366	+20.0%	+25.4%
o/w Net interest	8,564	9,935	+16.0%	2,271	2,244	3,198	+42.5%	+40.8%
o/w Fees	6,706	6,759	+0.8%	1,674	1,628	1,600	-1.7%	-4.4%
o/w Trading	1,526	2,092	+37.1%	205	518	511	-1.3%	n.m.
Operating costs	-9,522	-9,278	-2.6%	-2,401	-2,306	-2,394	+3.8%	-0.3%
Gross operating profit	7,822	9,806	+25.4%	1,876	2,164	2,971	+37.3%	+58.4%
Loan Loss Provisions	-1,595	-1,012	-36.5%	-768	-220	-631	n.m.	-17.8%
Net operating profit	6,228	8,794	+41.2%	1,108	1,944	2,340	+20.4%	n.m.
Stated net profit/loss	1,886	6,657	n.m.	-908	1,363	2,439	+78.9%	n.m.
Net profit	3,321	5,447	+64.0%	627	1,334	1,440	+7.9%	n.m.
CET1 ratio	15.03%	16.00%	+1.0 p.p.	15.03%	15.41%	16.00%	+0.6 p.p.	+1.0 p.p.
RoTE	7.1%	11.7%	5 p.p.	5.3%	11.4%	12.2%	+1 p.p.	+7 p.p.
Customers loans (excl. repos and IC)	418,905	425,846	+1.7%	418,905	431,329	425,846	-1.3%	+1.7%
Gross NPE	16,886	11,921	-29.4%	16,886	12,970	11,921	-8.1%	-29.4%
Customer deposits (excl. repos and IC)	466,463	483,140	+3.6%	466,463	486,138	483,140	-0.6%	+3.6%
Cost/income ratio	54.9%	48.6%	-6 p.p.	56.1%	51.6%	44.6%	-7 p.p.	-12 p.p.
Stated cost of risk (bps)	37	23	-14	71	20	56	+36	-15

Note: For FY21: Group excluding Russia net profit excludes the regulatory headwinds impact on CoR (-€85 m in 2Q21, -€52 m in 3Q21 and -€217 m in 4Q21), revaluation of real estate (+€4 m in 1Q21, +€18 m in 2Q21, +€4 m in 3Q21 and -€26 m in 4Q21), Yapi Kredi deconsolidation (-€1,644 m in 4Q21), severance (-€734 m in 4Q21), other integration cost (-€216 m in 4Q21), DTA write-up (+€1,164 m in 4Q21), legal entity sales (-€10 m in 4Q21); furthermore it is net by AT1 (-€24 m in 1Q21, -€136 m in 2Q21, -€24 m in 3Q21 and -€148 m in 4Q21) and cashes coupon (-€29 m in 1Q21).

For FY22: net profit excludes DTA write-up from TLCF (+€11 m in 2Q22, +€852 m in 4Q22), DTA write-off from TLCF (-€4 m in 2Q22); furthermore, it is net by AT1 (-€149 m in 2Q22 and -€133 m in 4Q22) and cashes coupons (-€27 m in 2Q22, -€29 m in 3Q22 and -€14 m in 4Q22).

Total revenues stood at €5.4 bn in 4Q22, up 20.0 per cent Q/Q thanks to higher NII (+42.5 per cent Q/Q), and up 25.4 per cent Y/Y, with strong NII trend (+40.8 per cent Y/Y) as well as trading (substantially increase Y/Y), partially offset by a slowdown in fees (-4.4 per cent Y/Y). In FY22 total revenues were at €19.1 bn, a 10.0 per cent Y/Y increase thanks to higher NII (+16.0 per cent Y/Y).

Net revenues reached €4.7 bn in 4Q22, up 11.4 per cent Q/Q and up 34.9 per cent Y/Y reaching €18.1 bn FY22, up 14.7 per cent Y/Y, surpassing the above €17.4 bn FY22 guidance.

In 4Q22, **NII** stood at €3.2 bn, up 42.5 per cent Q/Q with positive contribution from all businesses and up 40.8 per cent Y/Y. The Q/Q growth rate is positive in all countries, driven by higher loan customer rates reflecting the market interest rates increase, together with better results in Treasury & Markets, particularly in the investment portfolio in Italy, Germany, and Central Europe. The growth is further enhanced by the €0.4 bn TLTRO III contribution booked during the quarter. The Y/Y trend reflects a positive development in performing loan rates in all divisions, favourable results from the investment portfolio mainly in Italy and Germany and the positive impact of TLTRO in 4Q22.

In FY22 the NII stood at €9.9 bn, exceeding the above €9.7 bn FY22 guidance, a 16.0 per cent increase, benefiting from higher loan rates and increased commercial activity, compensating for the slowdown in deposits and term funding impacted by the progressive increase in interest rates. Russia's contribution to NII in FY22 was circa €0.8 billion.

Fees stood at €1.6 bn in 4Q22, down 1.7 per cent Q/Q mainly due to a decline in financing fees and seasonally lower transactional activity and related fees (mainly from cards), partially offset by an increase in AuM upfront fees; and down 4.4 per cent Y/Y, driven by a decline in investments and financing related fees, partially

compensated by better transactional fees. Fees remain resilient, despite elevated market volatility, demonstrating the positive benefit of diversification. In particular in 4Q22:

- **Investment fees** generated €0.6 bn, up 4.0 per cent Q/Q due to higher AuM upfront fees, mainly in Italy. Investment fees were down 9.7 per cent Y/Y mainly due to a negative market effect impacting the average AuM volumes and lower AuM upfront fees (lower placements mainly in Italy), partially mitigated by better AuC fees (better certificate activity mainly in Italy and Germany).
- **Financing fees** stood at €0.4 bn, down 8.6 per cent Q/Q from the negative impact of volatility in capital markets, lower financing fees in Germany and higher costs for securitizations in Italy. Financing fees were down 9.6 per cent Y/Y due to Global Capital markets that was negatively impacted by volatility (specifically ECM and DCM), and loan fees mainly in Germany, as well as to higher costs for securitizations linked to the active portfolio management in Italy;
- **Transactional fees** generated €0.6 bn, down 2.9 per cent Q/Q driven by seasonally lower card fees (mainly in Eastern Europe and Italy) and up 5.6 per cent Y/Y, driven by better payment fees across all regions and higher Property & Casualty insurance fees in Italy.

In FY22 fees stood at €6.8 bn, an increase of 0.8 per cent Y/Y, with resilience in light of market volatility given the diversified mix with transactional services (card, payments, and current account fees) and certificates activity (mainly in Germany and Italy) more than offsetting the slowdown in AuM related fees.

Trading income stood at €511 m in 4Q22, down 1.3 per cent Q/Q and substantially increased Y/Y, driven by strong corporate and institutional demand for hedging products, especially in Germany. FY22 trading stood at €2.1 bn, up 37.1 per cent Y/Y driven by strong corporate demand for hedging products as well as a positive contribution from disposal of bonds in Italy and treasury in Germany. Russia's contribution to trading income in FY22 was circa €0.5 bn.

Dividends⁷ were at €54 m in 4Q22, down 26.4 per cent Q/Q and down 50.9 per cent Y/Y. In FY22 dividends stood at €294 m, down 41.7 per cent Y/Y given no contribution from Yapi Kredi.

Operating costs were resilient against significant inflationary pressure and stood at €2.4 bn in 4Q22 up 3.8 per cent Q/Q, and down 0.3 per cent Y/Y. In particular:

- **HR costs** were €1.5 bn in 4Q22, up 7.5 per cent Q/Q, mainly driven by extraordinary one-off inflation relief of circa €80 million; and up 2.2 per cent Y/Y mainly reflecting the one-off inflation relief to employees, partially offset by an FTE reduction mainly in Italy, Germany, and Central Europe.
- **Non-HR costs** were €0.9 bn in 4Q22, down 2.0 per cent Q/Q, and down 4.4 per cent Y/Y thanks to lower use of external consulting & professional services.

In FY22 operating costs stood at €9.3 bn versus guidance of less than €9.4 bn for FY22, reflecting cost discipline in structurally reducing the cost base while protecting revenue generation. FY22 costs were down 2.6 per cent Y/Y driven by a decrease in both HR (€5.8 bn, down 1.5 per cent Y/Y) and non-HR costs (€3.5 bn, down 4.3 per cent Y/Y).

CoR, at 56 bps in 4Q22, an up 36 bps Q/Q mainly due to additional overlays on performing portfolio, and down 15 bps Y/Y. FY22 CoR stood at 23 bps, better than FY22 guidance. This was supported by a continued positive development of the low default rate, preserving the highly covered and robust credit portfolio with low NPE inflows. The Group increased the amount of overlays on performing exposures Q/Q reaching circa €1.8 bn. This substantially reinforces the Group's capacity to withstand macroeconomic shocks.

FY22 LLPs for Russia stood at circa €0.9 bn, while in 4Q22 the Group released c. €100 m mainly related to repayments, confirming its conservative approach to provisioning.

The 4Q22 **Group stated Tax Rate** excluding Russia, benefited from tax effects originated from the Tax Loss Carried Forward DTA write-ups of circa €850 m. As a result, the FY22 Group stated tax rate excluding Russia stood at 11.8 per cent.

Net profit stood at €1.4 bn in 4Q22, up 7.9 per cent Q/Q and substantially increased in Y/Y. The FY22 net profit stood at €5.4 bn, up 64.0 per cent Y/Y, surpassing the FY22 Guidance of above €4.8 bn.

BALANCE SHEET EXCLUDING RUSSIA

Average gross commercial performing loans were at €402.6 bn⁹ as of 31 December 2022 (-0.7 per cent Q/Q, +3.8 per cent Y/Y). The main contributors were Italy (€166.2 bn), Germany (€113.2 bn) and Central Europe (€91.2 bn).

Gross customer performing loan rates were at 2.8 per cent⁹ in 4Q22 up 61 bps Q/Q and up 95 bps Y/Y.

Average commercial deposits stood at €475.6 bn⁹ as of 31 December 2022 (-0.4 per cent Q/Q, +5.0 per cent Y/Y). The main contributors were Italy (€195.3 bn), Germany (€143.7 bn) and Central Europe (€93.8 bn).

Customer deposits rates stood at -0.43 per cent⁹ in 4Q22 -23 bps Q/Q and -46 bps Y/Y.

Total Financial Assets (TFAs) were €739.2 bn in 4Q22, up 3.4 per cent Q/Q and down 2.0 per cent Y/Y.

- **AuM:** €193.5 bn, flat Q/Q and down 11.7 per cent Y/Y;
- **AuC:** €152.6 bn, up 10.3 per cent Q/Q and down 5.4 per cent Y/Y;
- **Deposits:** €393.1 bn, up 2.7 per cent Q/Q and up 5.2 per cent Y/Y.

ASSET QUALITY EXCLUDING RUSSIA⁸

Gross NPEs were €11.9 bn in 4Q22 (-8.1 per cent Q/Q and -29.4 per cent Y/Y) leading to a **gross NPE ratio** of 2.6 per cent (-0.2 p.p. Q/Q, -1.2 p.p. Y/Y), while **net NPEs** were €6.3 bn in 4Q22 (-4.0 per cent Q/Q and -21.3 per cent Y/Y), with a **net NPE ratio** of 1.4 per cent (flat Q/Q, -0.4 p.p. Y/Y). The **NPE coverage ratio** was 47.4 per cent (-2.2 p.p. Q/Q and -5.4 p.p. Y/Y).

Gross bad loans amounted to €2.4 bn in 4Q22 (-20.3 per cent Q/Q, -46.6 per cent Y/Y) with a coverage ratio of 75.8 per cent (-1.0 p.p. Q/Q, +2.3 p.p. Y/Y). **Gross unlikely to pay** stood at €8.6 bn (-5.8 per cent Q/Q, -24.9 per cent Y/Y), with a coverage ratio of 41.5 per cent (-0.6 p.p. Q/Q, -4.3 p.p. Y/Y).

CAPITAL & FUNDING

The Group's 4Q22 **CET1 ratio FL** (stated) stood at 16.00 per cent, up 59 bps Q/Q, mainly driven by +117 bps organic capital generation excluding Russia, -23 bps from distribution (-16 bps dividend accrual, -7 bps AT1&CASHES coupons), -15 bps from regulatory headwinds, -2 bps from other items¹⁰ and -18 bps from Russia negative contribution impact in 4Q22 (the latter composed of -25 bps from participation and +7 bps from cross border exposures). The Group's 4Q22 CET1 ratio pro-forma for FY22 proposed distributions stood at 14.91 per cent.

The **transitional Leverage ratio** stood at 6.07 per cent in 4Q22, up 51 bp Q/Q.

⁹Includes Group Corporate Centre.

¹⁰Including -14 bps capital reserve (-10 bps DBO; -5 bps FVOCI excluding Russia; +2 bps FX reserve excluding RUB), +10 bps AVA/DVA/OCS, +5 bps DBO excess of assets, and -7 bps Intangibles.

RWAs, excluding Russia, stood at €292.3 bn in 4Q22, down 3.4 per cent Q/Q, driven primarily by the RWA savings resulting from active portfolio management (-€5.8 bn), mainly actions on lower return portfolios and securitisations, and -€7.8 bn from business dynamics given lower loans and lower market and counterparty risks, partially offset by regulatory headwinds (+€3.4 bn) mostly related to EBA guidelines implementations; and were down 5.8 per cent Y/Y. **Including Russia, RWAs** stood at €308.5 bn in 4Q22, down 3.6 per cent Q/Q and down 4.2 per cent Y/Y due to further deleveraging and portfolio and FX dynamics in Russia, partially offset by the internal sovereign downgrade.

UCG **Regulatory Liquidity Ratio** show a sound liquidity position: LCR equal to 156 per cent in December 2022, above the Regulatory limit.

The 2022 Funding Plan focuses mostly on MREL instruments, while bank capital needs remain quite limited. UniCredit **TLAC ratio of RWA** stood at 26.90 per cent, up 2 bps Q/Q, with a substantial buffer above requirements of 21.63 per cent¹¹. The 4Q22 **MREL ratio of RWA** stood at 29.81 per cent, up 45 bps Q/Q, with a substantial buffer above regulatory requirements of 24.36 per cent.

¹¹4Q22 TLAC requirement 21.63 per cent (assuming combined capital buffer as of 4Q22) with 3.50 per cent senior exemption.

DIVISIONAL HIGHLIGHTS¹²

ITALY

(€ million)	FY21	FY22	vs FY21	4Q21	3Q22	4Q22	Q/Q	Y/Y
Total revenues	8,435	9,050	+7.3%	2,030	2,084	2,560	+22.8%	+26.1%
o/w Net interest	3,687	4,234	+14.8%	914	972	1,441	+48.2%	+57.7%
o/w Fees	4,200	4,207	+0.2%	1,046	1,008	998	-1.0%	-4.6%
Operating costs	-3,993	-3,941	-1.3%	-985	-977	-979	+0.2%	-0.6%
Gross operating profit	4,442	5,109	+15.0%	1,045	1,107	1,581	+42.9%	+51.3%
Loan Loss Provisions	-1,043	-317	-69.6%	-360	-155	-132	-14.7%	-63.2%
Net operating profit	3,399	4,792	+41.0%	685	951	1,448	+52.3%	n.m.
Stated net profit/loss	3,066	3,677	+20.0%	1,345	553	1,755	n.m.	+30.5%
Net profit	1,976	2,875	+45.5%	338	541	1,048	+93.7%	n.m.
RoAC	11.1%	17.1%	+6.0 p.p.	7.6%	13.1%	26.1%	+13.0 p.p.	+18.5 p.p.
Cost/income ratio	47.3%	43.5%	-4 p.p.	48.5%	46.9%	38.2%	-9 p.p.	-10 p.p.
Stated cost of risk (bps)	55	16	-38	77	32	28	-4	-49

GERMANY

(€ million)	FY21	FY22	vs FY21	4Q21	3Q22	4Q22	Q/Q	Y/Y
Total revenues	4,458	5,050	+13.3%	1,129	1,151	1,348	+17.1%	+19.4%
o/w Net interest	2,522	2,593	+2.8%	717	575	744	+29.3%	+3.7%
o/w Fees	1,148	1,190	+3.7%	272	286	261	-8.6%	-3.9%
Operating costs	-2,671	-2,518	-5.7%	-663	-626	-617	-1.4%	-7.0%
Gross operating profit	1,788	2,532	+41.6%	466	526	731	+39.1%	+56.9%
Loan Loss Provisions	-118	-392	n.m.	-93	-112	-251	n.m.	n.m.
Net operating profit	1,670	2,140	+28.1%	373	414	481	+16.1%	+28.9%
Stated net profit/loss	389	1,267	n.m.	-199	263	268	+1.7%	n.m.
Net profit	814	1,162	+42.8%	247	256	217	-15.2%	-12.4%
RoAC	7.7%	10.9%	+3.2 p.p.	9.3%	9.6%	8.0%	-1.6 p.p.	-1.3 p.p.
Cost/income ratio	59.9%	49.9%	-10 p.p.	58.7%	54.3%	45.7%	-9 p.p.	-13 p.p.
Stated cost of risk (bps)	9	30	+21	30	34	76	+42	+47

¹²Please 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 per cent of RWA plus deductions. Non-core division not reported.

CENTRAL EUROPE

(€ million)	FY21	FY22	vs FY21	4Q21	3Q22	4Q22	Q/Q	Y/Y
Total revenues	2,994	3,453	+15.5%	762	810	1,017	+25.5%	+34.6%
o/w Net interest	1,613	2,205	+37.3%	438	481	773	+60.8%	+78.9%
o/w Fees	933	939	+0.7%	249	230	231	+0.4%	-7.1%
Operating costs	-1,642	-1,598	-2.9%	-426	-385	-417	+8.3%	-2.0%
Gross operating profit	1,352	1,855	+38.0%	336	425	600	+40.9%	+81.3%
Loan Loss Provisions	-261	-117	-55.6%	-170	19	-149	<i>n.m.</i>	-11.5%
Net operating profit	1,091	1,739	+60.5%	165	444	450	+1.5%	<i>n.m.</i>
Stated net profit/loss	494	1,424	<i>n.m.</i>	-173	354	490	+38.9%	<i>n.m.</i>
Net profit	911	1,159	+27.6%	211	349	266	-23.4%	+27.1%
RoAC	12.0%	14.7%	+2.7 p.p.	10.6%	18.1%	13.6%	-4.4 p.p.	+3.2 p.p.
Cost/income ratio	54.8%	46.3%	-9 p.p.	56.0%	47.5%	41.0%	-6 p.p.	-15 p.p.
Stated cost of risk (bps)	30	12	-17	76	-8	62	+71	-13

Note:

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

EASTERN EUROPE

(€ million)	FY21	FY22	vs FY21	4Q21	3Q22	4Q22	Q/Q	Y/Y
Total revenues	1,802	1,996	+10.9%	455	503	560	+11.4%	+23.0%
o/w Net interest	1,133	1,261	+11.4%	300	310	366	+18.4%	+22.1%
o/w Fees	443	498	+12.5%	109	135	122	-9.7%	+12.0%
Operating costs	-768	-819	+6.7%	-199	-198	-224	+13.2%	+12.5%
Gross operating profit	1,033	1,177	+14.0%	256	305	335	+10.1%	+31.0%
Loan Loss Provisions	-241	-184	-23.4%	-122	-4	-99	<i>n.m.</i>	-18.7%
Net operating profit	792	992	+25.4%	134	302	236	-21.5%	+76.3%
Stated net profit/loss	564	749	+32.9%	96	264	154	-41.5%	+60.2%
Net profit	578	718	+24.3%	130	261	140	-45.9%	+7.9%
RoAC	16.5%	19.3%	+2.8 p.p.	15.3%	27.7%	15.0%	-12.6 p.p.	-0.3 p.p.
Cost/income ratio	42.6%	41.0%	-2 p.p.	43.7%	39.4%	40.1%	1 p.p.	-4 p.p.
Stated cost of risk (bps)	86	60	-25	169	5	126	+121	-43

Note:

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

GROUP CORPORATE CENTRE (GCC)

(€ million)	FY21	FY22	vs FY21	4Q21	3Q22	4Q22	Q/Q	Y/Y
Total revenues	-288	-464	+61.4%	-79	-79	-119	+50.0%	+50.1%
Operating costs	-376	-402	+7.0%	-114	-120	-157	+31.3%	+38.1%
Gross operating profit	-664	-867	+30.6%	-193	-199	-276	+38.7%	+43.0%
Loan Loss Provisions	7	-2	<i>n.m.</i>	2	32	1	-97.3%	-57.7%
Stated net loss	-2,580	-460	-82.2%	-1,943	-72	-228	<i>n.m.</i>	-88.3%
Net profit	-905	-466	-48.5%	-265	-72	-231	<i>n.m.</i>	-13.1%
FTE	9,047	8,781	-2.9%	9,047	8,957	8,781	-2.0%	-2.9%
Costs GCC/total costs	3.9%	4.2%	0.4 p.p.	4.6%	5.0%	6.4%	+1 p.p.	2 p.p.

RUSSIA

(€ million)	FY21	FY22	vs FY21	4Q21	3Q22	4Q22	Q/Q	Y/Y
Total revenues	569	1,259	+86.0%	148	357	354	+3.4%	+88.2%
o/w Net interest	455	757	+42.6%	125	237	229	-3.4%	+47.8%
o/w Fees	70	82	+1.9%	23	23	21	-6.4%	-27.0%
Operating costs	-234	-283	+2.7%	-61	-79	-79	+3.6%	+3.5%
Gross operating profit	335	976	<i>n.m.</i>	87	278	274	+3.3%	<i>n.m.</i>
Loan Loss Provisions	-39	-882	<i>n.m.</i>	-42	136	103	-24.4%	<i>n.m.</i>
Net operating profit	296	94	<i>n.m.</i>	45	414	377	-8.7%	<i>n.m.</i>
Stated net profit/loss	210	-199	<i>n.m.</i>	26	346	25	-90.7%	+22.9%
Net profit	218	-220	<i>n.m.</i>	41	344	16	-93.5%	-49.4%
RoAC	+12.8%	-14.3%	-32.0 p.p.	6.1%	47.9%	-3.6%	-59.9 p.p.	-9.5 p.p.
Cost/income ratio	41.1%	22.5%	-18 p.p.	41.0%	22.2%	22.4%	+0 p.p.	-18 p.p.
Stated cost of risk (bps)	35	876	<i>n.m.</i>	142	-534	-506	+128	-860

UNICREDIT GROUP CONSOLIDATED RESULTS

(€ million)	FY21	FY22	vs FY21	4Q21	3Q22	4Q22	Q/Q	Y/Y
Total revenues	17,913	20,343	+13.6%	4,425	4,827	5,719	+18.5%	+29.2%
o/w Net interest	9,019	10,692	+18.6%	2,396	2,481	3,426	+38.1%	+43.0%
o/w Fees	6,776	6,841	+1.0%	1,697	1,651	1,622	-1.8%	-4.5%
o/w Trading	1,554	2,574	+65.6%	202	612	613	+0.2%	n.m.
Operating costs	-9,755	-9,560	-2.0%	-2,462	-2,385	-2,474	+3.7%	+0.5%
Gross operating profit	8,158	10,782	+32.2%	1,963	2,442	3,246	+32.9%	+65.3%
Loan Loss Provisions	-1,634	-1,894	+15.9%	-810	-84	-528	n.m.	-34.8%
Net operating profit	6,524	8,888	+36.2%	1,153	2,358	2,717	+15.3%	n.m.
Stated net profit/loss	2,096	6,458	n.m.	-883	1,709	2,464	+44.1%	n.m.
Net profit	3,539	5,227	+47.7%	668	1,678	1,457	-13.2%	n.m.
CET1 ratio	15.03%	16.00%	+1.0 p.p.	15.03%	15.41%	16.00%	+0.6 p.p.	+1.0 p.p.
RoTE	7.3%	10.7%	+3 p.p.	5.5%	13.7%	11.8%	-2 p.p.	+6 p.p.
Customers loans (excl. repos and IC)	430,750	432,441	+0.4%	430,750	440,932	432,441	-1.9%	+0.4%
Gross NPE	17,301	12,549	-27.5%	17,301	13,782	12,549	-8.9%	-27.5%
Customer deposits (excl. repos and IC)	476,945	491,817	+3.1%	476,945	496,240	491,817	-0.9%	+3.1%
Cost/income ratio	54.5%	47.0%	-7 p.p.	55.6%	49.4%	43.2%	-6 p.p.	-12 p.p.
Stated cost of risk (bps)	37	41	+5	73	7	46	+39	-27

Note: For FY21: net profit excludes the regulatory headwinds impact on CoR (-€85 m in 2Q21, -€52 m in 3Q21 and -€232 m in 4Q21), revaluation of real estate (+€4 m in 1Q21, +€18 m in 2Q21, +€4 m in 3Q21 and -€26 m in 4Q21), Yapi Kredi deconsolidation (-€1,644 m in 4Q21), severance (-€735 m in 4Q21), other integration cost (-€221 m in 4Q21), DTA write-up (+€1,164 m in 4Q21), legal entity sales (-€10 m in 4Q21); furthermore it is net by AT1 (-€24 m in 1Q21, -€141 m in 2Q21, -€24 m in 3Q21 and -€153 m in 4Q21) and cashes coupon (-€30 m in 1Q21).

For FY22: net profit excludes DTA write-up from TLCF (+€11 m in 2Q22; +€852 m in 4Q22), DTA write-off from TLCF (-€4 m in 2Q22); furthermore, it is net by AT1 (-€157 m in 2Q22 and -€141 m in 4Q22) and cashes coupons (-€29 m in 2Q22, -€31 m in 3Q22 and -€14 m in 4Q22).

4Q22 KEY FIGURES

- **Total Revenues:** €5.7 bn, up 18.5 per cent Q/Q and up 29.2 per cent Y/Y
- **Net Revenues:** €5.2 bn, up 9.4 per cent Q/Q and up 43.6 per cent Y/Y
- **Net Interest Income (NII):** €3.4 bn, up 38.1 per cent Q/Q and up 43.0 per cent Y/Y
- **Fees:** €1.6 bn, down 1.8 per cent Q/Q and down 4.5 per cent Y/Y
- **Trading income:** €613 m, up 0.2 per cent Q/Q and up substantially Y/Y
- **Operating costs:** €2.5 bn, up 3.7 per cent Q/Q and up 0.5 per cent Y/Y
- **Cost/Income ratio:** 43.2 per cent, down 6 bps Q/Q and down 12 bps Y/Y
- **Stated net profit:** €2.5 bn, up 44.1 per cent Q/Q and up >100 per cent Y/Y
- **Net profit:** €1.5 bn, down 13.2 per cent Q/Q and up >100 per cent Y/Y
- **RoTE:** 11.8 per cent, down 1.8 p.p. Q/Q and up 6.4 p.p. Y/Y
- **Diluted EPS:** €0.73, down 9.8 per cent Q/Q and up >100 per cent Y/Y
- **Group CET1 ratio (stated):** 16.00 per cent, up 59 bps Q/Q and up 97 bps Y/Y
- **Group CET1 ratio (proforma):** 14.91 per cent, up 78 bps Y/Y
- **RWAs:** €308.5 bn, down 3.6 per cent Q/Q and down 4.2 per cent Y/Y
- **LLPs:** €0.5 bn, increase Q/Q and down 34.8 per cent Y/Y
- **Cost of Risk (CoR):** 46 bps, up 39 bps Q/Q and down 27 bps Y/Y
- **Group average gross commercial performing loans:** €411.7 bn, down 1.1 per cent Q/Q and up 2.9 per cent Y/Y
- **Group average commercial deposits:** €488.2 bn, down 0.6 per cent Q/Q and up 5.3 per cent Y/Y
- **Group gross NPEs:** €12.5 bn, down 8.9 per cent Q/Q and down 27.5 per cent Y/Y
- **Group gross NPE ratio:** 2.7 per cent, down 0.2 p.p. Q/Q and down 1.1 p.p. Y/Y

- **Group net NPEs:** €6.5 bn, down 5.1 per cent Q/Q and down 19.2 per cent Y/Y
- **Group net NPE ratio:** 1.4 per cent, down 0.1 p.p. Q/Q and down 0.4 p.p. Y/Y
- **NPE Coverage ratio:** 48.2 per cent, down 2.1 p.p. Q/Q and down 5.3 p.p. Y/Y
- **Group gross bad loans:** €2.6 bn, down 21.2 per cent Q/Q and down 45.3 per cent Y/Y
- **Group gross unlikely to pay:** €9.1 bn, down 6.6 per cent Q/Q and down 22.5 per cent Y/Y

GROUP KEY FINANCIAL 2023 GUIDANCE

FY23 GUIDANCE¹

Net revenue >18.5bn

Net interest >11.3bn

Costs <9.7bn

Cost of risk 30-35bps

Net Profit Broadly in line with FY22

All figures related to Group including Russia, unless otherwise specified

1. Assuming 'Mild Recession' scenario 2. Distribution subject to supervisory and shareholder approvals

SIGNIFICANT EVENTS DURING AND AFTER 4Q22

With reference to the main events that occurred during 4Q22 and after 31 December 2022, refer to the press releases published on the UniCredit Group website. Here below therefore, the main price-sensitive financial press releases published after 31 December 2022:

- “UniCredit successfully issues Senior Preferred Notes for EUR 1 billion” (press release published on 10 January 2023);
- “2023 Financial Calendar” (press release on 20 January 2023)

ECONOMIC OUTLOOK

The global economy faces increasing headwinds and heightened uncertainty. It is witnessing the largest, fastest, and most synchronized tightening of global monetary policies in decades, and more hikes are in the pipeline. In Europe, this compounds the effects of big terms-of-trade shocks and high inflation. Unfavorable geopolitics adds to the uncertainty. We expect global GDP growth to slow to about 2.0 per cent in 2023 before picking up to 2.6 per cent in 2024. The expected growth rate for this year is very low by historical standards, indicating a de facto global recession.

In the euro area, we expect GDP to stagnate in 2023 and increase by 1.3 per cent in 2024. Risks surrounding our forecast for 2023 are tilted to the upside, as mild weather and falling gas prices have contributed to dispel some of the gloom. In addition, government measures, high household savings and ample liquidity buffers for firms continue to support economic activity. While we expect inflation to remain high, on average, we still forecast a clear declining trend for most of the year. We expect CPI to rise by 6.5 per cent in 2023 and by 3.5 per cent in 2024. In Italy, after growing by about 3.5 per cent in 2022, GDP is expected to broadly stabilize in 2023 and expand by 1.0 per cent in 2024. Italy remains particularly exposed to weakening global demand, while the ongoing impacts from high energy prices and inflation are expected to moderate consumer spending. On top of this, the increase in financing costs for the private sector will weaken domestic demand, starting from this year.

It is assumed that the ECB's deposit rate remains at 2.5 per cent level after an increase of 50 bps in the first quarter of 2023. The ECB will start reducing its APP portfolio in March at an average pace of EUR 15 billion per month throughout 2Q23 with partial reinvestment of maturing bonds.

DISCLAIMER

For the sake of completeness about the results as of 31 December 2022, the reclassified consolidated income statement and the reclassified consolidated balance sheet approved by the Board of Directors are here attached. The parent company draft financial statements and the consolidated financial statements as of 31 December 2022 will be submitted for approval at the meeting of the Board of Directors scheduled for 16 February 2023. The parent company draft Financial Statements and the Consolidated Financial Statements as of 31 December 2022, together with the Independent Auditors' Report and the Report of the Board of Statutory Auditors, will be made publicly available according to the regulatory terms. The parent company financial statements will be submitted for the approval of shareholders at the Ordinary Meeting scheduled for 31 March 2023.

GROUP TABLES

UNICREDIT GROUP: RECLASSIFIED INCOME STATEMENT

(€ million)	FY21	FY22	FY/FY	4Q21	3Q22	4Q22	Q/Q	Y/Y
Net interest	9,019	10,692	+18.6%	2,396	2,481	3,426	+38.1%	+43.0%
Dividends	520	306	-41.1%	114	77	57	-26.0%	-50.1%
Fees	6,776	6,841	+1.0%	1,697	1,651	1,622	-1.8%	-4.5%
Trading income	1,554	2,574	+65.6%	202	612	613	+0.2%	n.m.
Other expenses/income	45	(70)	n.m.	16	6	2	-69.2%	-87.9%
Revenue	17,913	20,343	+13.6%	4,425	4,827	5,719	+18.5%	+29.2%
HR costs	(5,981)	(5,918)	-1.1%	(1,522)	(1,459)	(1,563)	+7.1%	+2.7%
Non-HR costs	(3,190)	(3,007)	-5.7%	(804)	(767)	(749)	-2.4%	-6.8%
Recovery of expenses	548	513	-6.3%	150	125	138	+10.3%	-8.0%
Amortisations and depreciations	(1,133)	(1,149)	+1.4%	(286)	(284)	(300)	+5.6%	+4.7%
Operating costs	(9,755)	(9,560)	-2.0%	(2,462)	(2,385)	(2,474)	+3.7%	+0.5%
GROSS OPERATING PROFIT (LOSS)	8,158	10,782	+32.2%	1,963	2,442	3,246	+32.9%	+65.3%
Loan Loss Provisions (LLPs)	(1,634)	(1,894)	+15.9%	(810)	(84)	(528)	n.m.	-34.8%
NET OPERATING PROFIT (LOSS)	6,524	8,888	+36.2%	1,153	2,358	2,717	+15.3%	n.m.
Other charges and provisions	(1,386)	(1,093)	-21.1%	(274)	(281)	(144)	-48.8%	-47.7%
<i>of which: systemic charges</i>	<i>(1,037)</i>	<i>(1,085)</i>	<i>+4.6%</i>	<i>(92)</i>	<i>(265)</i>	<i>(38)</i>	<i>-85.6%</i>	<i>-58.5%</i>
Integration costs	(1,337)	(324)	-75.8%	(1,327)	(38)	(287)	n.m.	-78.3%
Net income from investments	(2,020)	(182)	-91.0%	(1,780)	27	(176)	n.m.	-90.1%
PROFIT (LOSS) BEFORE TAX	1,780	7,289	n.m.	(2,228)	2,067	2,111	+2.1%	n.m.
Income taxes	342	(819)	n.m.	1,350	(367)	355	n.m.	-73.7%
Profit (Loss) of discontinued operations	4	3	-23.4%	2	-	-	n.m.	n.m.
NET PROFIT (LOSS) FOR THE PERIOD	2,126	6,473	n.m.	(875)	1,700	2,466	+45.1%	n.m.
Minorities	(30)	(15)	-49.7%	(8)	10	(2)	n.m.	-73.0%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	2,097	6,458	n.m.	(883)	1,709	2,464	+44.1%	n.m.
Purchase Price Allocation (PPA)	(1)	-	n.m.	-	-	-	n.m.	n.m.
Goodwill impairment	-	-	n.m.	-	-	-	n.m.	n.m.
GROUP STATED NET PROFIT (LOSS)	2,096	6,458	n.m.	(883)	1,709	2,464	+44.1%	n.m.

Note: Figures of Reclassified consolidated income statement relating to 2021 have been restated with the effects of the:

- shift of the Interest Rate component of the DBO (Defined Benefit Obligation), TFR (Trattamento di Fine Rapporto) and Jubilee from HR costs to Net interest;
- shift of the Structuring and mandate Fees on certificates, and connected derivatives, issued by the Group and placed to internal and external networks from Trading income to Fees;
- reclassification of (i) UniCredit Leasing S.p.A. and its controlled company and (ii) UniCredit Leasing GMBH and its controlled companies out of the non-current assets held for sale. For these companies only fourth quarter 2021 and also first quarter 2022 figures have been restated.

Starting from first quarter 2022 the losses recognised on derivatives assets and arising from inability of the counterparty to fulfil contractual obligations have been reclassified from Trading income to Loans Loss Provisions (LLPs).

In the fourth quarter 2022 the result coming from the remodulation defined by ECB of contractual terms of TLTRO III facilities has been reclassified from Trading income to Net Interest.

UNICREDIT GROUP: RECLASSIFIED BALANCE SHEET

(€ million)	4Q21	3Q22	4Q22	Q/Q	Y/Y
ASSETS					
Cash and cash balances	107,407	140,619	111,776	-20.5%	+4.1%
Financial assets held for trading	80,109	79,136	64,443	-18.6%	-19.6%
Loans to banks	82,939	73,410	45,707	-37.7%	-44.9%
Loans to customers	448,989	461,782	455,781	-1.3%	+1.5%
Other financial assets	157,933	154,883	148,116	-4.4%	-6.2%
Hedging instruments	4,665	(3,428)	(3,725)	+8.7%	<i>n.m.</i>
Property, plant, and equipment	9,510	9,222	9,164	-0.6%	-3.6%
Goodwill	-	-	-	<i>n.m.</i>	<i>n.m.</i>
Other intangible assets	2,234	2,295	2,350	+2.4%	+5.2%
Tax assets	13,702	12,680	13,120	+3.5%	-4.2%
Non-current assets and disposal groups classified as held for sale	2,400	980	1,229	+25.4%	-48.8%
Other assets	7,339	11,224	9,812	-12.6%	+33.7%
Total assets	917,227	942,803	857,773	-9.0%	-6.5%
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits from banks	163,506	175,267	131,324	-25.1%	-19.7%
Deposits from customers	500,689	533,927	510,093	-4.5%	+1.9%
Debt securities issued	95,898	85,033	84,207	-1.0%	-12.2%
Financial liabilities held for trading	51,608	64,592	51,234	-20.7%	-0.7%
Other financial liabilities	11,618	11,427	12,041	+5.4%	+3.6%
Hedging instruments	5,265	(18,309)	(18,101)	-1.1%	<i>n.m.</i>
Tax liabilities	1,224	1,802	1,681	-6.7%	+37.3%
Liabilities included in disposal groups classified as held for sale	619	557	579	+3.9%	-6.5%
Other liabilities	24,150	25,363	21,218	-16.3%	-12.1%
Minorities	465	155	158	+1.9%	-66.0%
Group Shareholders' Equity:	62,185	62,989	63,339	+0.6%	+1.9%
- <i>Capital and reserves</i>	60,089	58,995	56,881	-3.6%	-5.3%
- <i>Group stated net profit (loss)</i>	2,096	3,994	6,458	+61.7%	<i>n.m.</i>
Total liabilities and Shareholders' Equity	917,227	942,803	857,773	-9.0%	-6.5%

Note: Figures of Reclassified Consolidated balance sheet relating to the last quarter 2021 have been restated to following the reclassification of (i) UniCredit Leasing S.p.A. and its controlled company and (ii) UniCredit Leasing GMBH and its controlled companies out of the non-current assets held for sale.

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

With reference to the Group's sovereign exposures¹³, the book value of sovereign debt securities as of 31 December 2022 amounted to €99,103 million (of which €96,809 million classified in the banking book¹⁴, over the 80 per cent of it concentrated in eight countries; Italy, with €34,826 million, represents over 35 per cent of the total. For each of the eight countries, the following table shows the nominal value, the book value and the fair value of the exposures broken down by portfolio as of 31 December 2022.

¹³ Information on Sovereign exposures refers to the scope of the UniCredit Group consolidated results as of 31 December 2022, 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 31 December 2022
- ABSs.

¹⁴ 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)	Nominal Value	Book value	Fair Value
As of 31 December 2022			
- Italy	37,133	34,826	34,679
financial assets/liabilities held for trading (net exposures)(*)	(1,259)	(1,162)	(1,162)
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	50	51	51
financial assets at fair value through other comprehensive income	15,357	14,606	14,606
financial assets at amortised cost	22,985	21,331	21,184
- Spain	14,620	13,767	13,526
financial assets/liabilities held for trading (net exposures)(*)	665	501	501
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	3,176	2,923	2,923
financial assets at amortised cost	10,779	10,343	10,102
- Japan	10,342	10,310	10,324
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	7,072	6,976	6,976
financial assets at amortised cost	3,270	3,334	3,348
- Germany	7,308	7,146	6,929
financial assets/liabilities held for trading (net exposures)(*)	487	335	335
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	1,769	1,765	1,765
financial assets at fair value through other comprehensive income	1,534	1,475	1,475
financial assets at amortised cost	3,518	3,571	3,354
- United States of America	7,133	6,120	6,113
financial assets/liabilities held for trading (net exposures)(*)	1,156	839	839
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	3,904	3,726	3,726
financial assets at amortised cost	2,073	1,555	1,548
- France	2,950	2,678	2,548
financial assets/liabilities held for trading (net exposures)(*)	846	724	724
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	1,445	1,289	1,289
financial assets at amortised cost	659	665	535
- Romania	2,546	2,525	2,305
financial assets/liabilities held for trading (net exposures)(*)	56	47	47
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	747	689	689
financial assets at amortised cost	1,743	1,789	1,569
- Bulgaria	2,415	2,305	2,145
financial assets/liabilities held for trading (net exposures)(*)	6	5	5
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	1,286	1,194	1,194
financial assets at amortised cost	1,123	1,106	946
Total on-balance sheet exposures	84,447	79,677	78,569

Note:

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

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	4.01	5.91	5.70
- Spain	3.59	14.78	7.74
- Japan	4.16	-	-
- Germany	3.52	12.75	5.30
- United States of America	6.95	19.68	-
- France	5.16	18.89	13.25
- Romania	3.92	5.82	6.85
- Bulgaria	4.60	9.27	-

The remaining 20 per cent of the total of sovereign debt securities, amounting to €19,426 million with reference to the book values as of 31 December 2022, is divided into 34 countries, including Austria (€2,103 million), Czech Republic (€1,925 million), Croatia (€1,759 million), Portugal (€1,594 million), Hungary (€1,568 million), Israel (€1,131 million), Poland (€1,022 million), Ireland (€983 million), Serbia (€946 million), Russia (€822 million) and China (€685 million).

With respect to these exposures, as of 31 December 2022 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 €819 million are held by the Russian controlled bank 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 31 December 2022 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 €3,241 million.

In addition to the exposures to sovereign debt securities, loans¹⁵ given to central and local governments and governmental bodies must be considered, amounting to €25,321 million as of 31 December 2022, of which over 63 per cent to Austria, Italy, and Germany.

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

¹⁵tax items are not included.

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.
- **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 on average number of diluted shares (sum of average outstanding and potential dilutive 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.
- **Net NPE ratio** defined as (i) Net NPEs over (ii) total 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** for 2021 equal to stated net profit adjusted for non-operating items considering also AT1, CASHES coupons and impacts from DTAs from tax loss carry forward sustainability test, for 2022 equal to stated net profit adjusted for AT1, CASHES coupons and impacts from DTAs from tax loss carry forward sustainability test.
- **Net revenues** means (i) revenues minus (ii) Loan Loss Provisions (LLPs).
- **Organic capital generation** for Group calculated as (Net Profit excluding Russia (unless otherwise stated) excluding DTA TLCF write up and pre AT1 & CASHES less delta RWA excluding Regulatory Headwinds x CET1r actual)/ RWA.
- **Regulatory headwinds** are mostly driven by regulatory changes, model maintenance and PD scenario including rating dynamics (impacting on both RWA and capital), shortfall and calendar provisioning (impacting on capital).
- **RoTE** means (i) net profit over (ii) average tangible equity excluding AT1, CASHES and DTA from tax loss carry forward contribution.
- **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 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) less intangible assets (goodwill and other intangibles), less AT1 component.
- **TfAs** refers to Group commercial Total Financial Assets. Non-commercial elements, i.e., CIB, Group Corporate Centre, Non-Core and Leasing/Factoring are excluded. Numbers are managerial figures.
- **Unlikely-to-pay (UTP):** Result of the judgement of the bank about the unlikeliness, without recourse to actions such as realizing collaterals, that the obligator 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.

Declaration by the Manager charged with preparing the financial reports

The undersigned, Stefano Porro, 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, 30 January 2023

**Manager charged with
preparing the financial reports**

